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Towards an Elaborated Theory of Inclusive Development

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Abstract  Sustainable development often leads to strong trade-offs, mostly in favour of economic growth. Inclusive development responds by focusing mainly on the social and environmental aspects of development and on current generations. While the literature covers inclusive growth in some detail, few authors actually elaborate on inclusive development and how the concept can be made operational. This article first positions inclusive development in the development debate. It then discusses inclusive development per se, in the Anthropocene, and from a relational perspective. Finally, it elaborates how inclusive development can be implemented by (i) developing relevant epistemic communities, communities of practice and social movements, (ii) transforming governance into interactive governance to enable empowerment and (iii) adopting appropriate governance instruments. It concludes that inclusive development will only be brought about through genuine interactive governance that provides the instruments and creates the conditions for adaptive learning and the empowerment of marginalized people.

Introduction

The increasingly popular term inclusive development in the scientific and policy literature (Gupta \textit{et al}, forthcoming) has scarcely been elaborated (Perch, 2011; UN/DESA, 2012). Hence, this article develops the conceptual and instrumental dimensions of inclusive development from a four-fold intellectual agenda. First, inclusive development is used to counter the dominant neoliberal capitalist agenda. Second, we build on concepts such as inclusive growth, inclusive economics, well-being, social justice and human rights. Third, we argue that inclusive
development in the context of the ‘great acceleration’ (Steffen et al., 2007) and the Anthropocene (Crutzen, 2006) has glocal dimensions requiring research into how to share our common ‘ecospace’ (Gupta, 2014). Finally, inclusive development has to be analysed using a relational approach to understand why it is being poorly or adversely implemented.

This article elaborates on the historical evolution of the development debate to its current incarnation of inclusive development within the context of sustainable development. We then discuss inclusive development per se, inclusive development in the Anthropocene and inclusive development from a relational perspective. Finally, we elaborate on three conditions for the implementation of inclusive development.

**Evolution of the Development Concept**

To explore where inclusive development fits into development theories over time, Table 1 summarizes the history of development discourses, focusing on the political context, the goals of development and the dominant approach. It shows that every decade has experimented with ideas (see Meier, 2001; Thorbecke, 2006; Easterly, 2007; Gupta and Thompson, 2010 for more details). The most relevant inputs from these decadal discourses to inclusive development thinking include the recognition of (i) universal human rights in the 1940s; (ii) investing in countries ‘lagging behind’ in development in the 1950s; (iii) human rights to protect political, economic and social rights in the 1960s; (iv) externalized environmental impacts (Carson, 1962) and the need for an organized response in the 1970s and to reconcile environment and development through sustainable development in the 1980s (WCED, 1987); (v) how unemployment, inequality and persistent poverty call for a strong development focus, income redistribution, a rural focus and human development indicators in the 1970s (Thorbecke, 2006); (vi) the post-development critique of development as a discourse and the need to study social movements (Escobar, 1995), including the realities of the poor by participatory development (Chambers, 1997), a focus on entitlements, capabilities and freedom (Sen, 1999), and two parallel processes focusing on environmental and social and third world women’s survival (Shiva, 1989) and emancipation respectively in the 1990s (Tinker, 1990), reflected in Agenda 21 of the United Nations (UNCED, 1992); and (vii) the Millennium Development Goals (MDGs) in 2000 as a way to prioritize ‘the bottom billion’ (Collier, 2007).

The recent work of Piketty (2014) highlights the process of growing inequality, while the UNDP (2014) Human Development Report on ‘Sustaining Human Progress’ focuses on the multiple causes of vulnerability that operate simultaneously from global to local level and thus need actions at all levels. Similarly, Oxfam (2014a, b) draws attention to the obscene fact that 85 people own as much as the bottom half the world. The global community of development and environmental scholars are now contributing to the UN’s efforts to adopt Sustainable Development Goals (SDGs) in 2015 (Sachs, 2012). The roots of ‘inclusive development’ thus go back a long way. While development scholars range from critical to post-development schools of thought, this article is not written in the post-development mode.

**Inclusive Development and Sustainable Development**

### Table 1: Evolution of the concept of development

<table>
<thead>
<tr>
<th>Years</th>
<th>Context</th>
<th>Goals</th>
<th>Approaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940s</td>
<td>End of world wars; establishment of UN/Bretton Woods Institutions</td>
<td>Promote peace, human rights, monetary stability and development</td>
<td>Invest in rebuilding government, security, reconstruction and self-sufficiency;</td>
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<td></td>
<td></td>
<td></td>
<td>Invest in government and large infrastructure; promoting economies of scale and the ‘big push’;</td>
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<td></td>
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<td></td>
<td>‘balanced growth’; and ‘take-off’</td>
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<td>1950s</td>
<td>Post-war decolonization; rise in trade</td>
<td>Increase in GDP</td>
<td>Economic dualism; pricing policies; balanced growth;</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>between agriculture and industry; export promotion;</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>investments in agriculture and human capital;</td>
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<td></td>
<td></td>
<td></td>
<td>awareness of externalized environmental impacts</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>more entrepreneurship; dependency theory; need for</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>organized response to environmental impacts of development</td>
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<tr>
<td>1970s</td>
<td>NIEO and North-South dialogue; establishment of UNEP in 1972</td>
<td>… and per capita GDP and human development indicators</td>
<td>Endogenous growth; SAP; invest in liberalization,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>privatization; role of markets; conditional aid; invest in basic needs; foreign direct</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>investments; sustainable development</td>
</tr>
<tr>
<td>1980s</td>
<td>Developing country debt crises; disinvestment in public sectors, export promotion, currency devaluation</td>
<td>… and macro-economic stability and fiscal discipline; right to development; Brundtland report 1987; promotion of SD</td>
<td>Enhance social and human capital, gender and empowerment issues; reduce corruption; promote good</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>governance and stakeholder participation; growth of neo-liberal agenda and greening of policy</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>and aid</td>
</tr>
<tr>
<td>1990s</td>
<td>Fall of Berlin wall; end of communism; recognition of environmental crises</td>
<td>… and enhance human development, increase entitlements, capability, livelihoods, enhance freedom; adoption of SD in treaties/policies</td>
<td>Promote economic, environmental and social development; context-specific development</td>
</tr>
<tr>
<td>2000s</td>
<td>Adoption of MDGs; Monterrey Conference; Paris Declaration; EU Consensus; financial crises; emerging economies</td>
<td>… promote SD; risk of weak sustainability</td>
<td>Return to growth and employment theories; green economy and inclusive growth, inclusive development;</td>
</tr>
<tr>
<td>2010s</td>
<td>Inequalities growing in countries; financial crises; unemployment; environmental crises; towards UN Sustainable development Goals in UN</td>
<td>… promote SD; risk of weak sustainability; promote inclusive development</td>
<td>wealth, economics and development theories</td>
</tr>
</tbody>
</table>

Key: BOP=Balance of payments, EU=European Union, GDP=Gross Domestic Product, IDA=International Development Association (World Bank), MDGs=Millennium development goals, NIEO=New international economic order, OECD=Organization for Economic Cooperation and Development, SAPs=Structural Adjustment Programmes, SD=Sustainable development, UN=United Nations, UNDP=UN Development Programme, UNEP=UN Environmental Programme.
The World Conservation Strategy (IUCN/UNEP/WWF, 1980) elaborated the concept as ‘sustainable development’ (Lélé, 1991, p. 610), which then became prominent in Our Common Future (WCED, 1987) and is being presently translated into SDGs (Sachs, 2012). These should meet the needs of current and future generations (the intergenerational component), and address economic, environmental and social aspects (the substantive component). Thus, sustainable development is not only deliberated upon in the scientific community (Gupta and Baud, forthcoming); it has the power to build political consensus around it globally.

While initially inclusive development focused primarily on the social aspects, we argue below that inclusive development has a strong ecological component as the poorest often depend upon local resources (soil, forests, fish, water) and are vulnerable to land, water, fish and carbon credit grabbing (Zoomers, 2010; Fairhead et al, 2012; Leach et al, 2012). The well-being of all people is closely related to continual investment in maintaining ecosystem services (Chopra et al, 2005). However, global recession has exacerbated the trend in global politics to adopt development/environment trade-offs in favour of a focus on growth and employment, at the cost of both the environment and inclusiveness. This has led to the concepts of green economy (UNEP, 2011) and green growth (World Bank, 2012), which promote economic growth within environmental limits. These concepts are in line with ecological modernization theory anchored in neo-liberal capitalist approaches, which neglect the social component of sustainable development. We therefore see inclusive development as a countervailing strategy to pre-empt trade-offs in favour of the economy at the cost of society and the environment, creating persistent income inequality (see Figure 1).

Inclusive development first appeared in publications of the Asian Development Bank (ADB, 2007) as a strategy towards equity and empowerment based on poverty reduction, human capital development (education, health care), social capital development (participatory decision-making and community-based steering), gender development (health, welfare and participation in societal development for women) and social protection (reducing risks and vulnerabilities associated with age, illness, disability, natural disasters, economic crises and civil conflict) (Rauniyar and Kanbur, 2010).

![Figure 1: Inclusive development and sustainable development.](image-url)
We argue that inclusiveness is justified for six reasons (Gupta, 2014): normative considerations of concern for the poorest and marginalized in society (Sachs, 2004a, b; Dag Hammarskjöld Foundation, 2012); legal reasons arising from human rights; economic reasons of ensuring economic production by future generations and for strengthening the economic agency of people (Pouw and McGregor, 2014); security arguments of enabling the poor to have access to legal means of survival and live in safety (Murshed, 2006); democratic reasons for engaging all in decision-making (procedural justice) and in sharing resources and prosperity (distributive justice) (Fraser, 2001; Oosthoek and Gillis, 2013); and relational arguments that see poverty as resulting from the actions of others (Harriss-White, 2006; Mosse, 2010).

Inclusive Growth, Inclusive Wealth and Inclusive Economics

Since economic growth has increased inequality in many (developing) countries (Milanovic, 2011; Ortiz and Cummins, 2011; Oxfam, 2014a, b; Piketty, 2014), inclusion addresses the structural inequalities faced by women, the disabled, indigenous peoples and the rural poor (Narayan et al., 2000; UNRISD, 2013). We distinguish inclusive development from inclusive growth (Harberger, 1998), inclusive wealth and inclusive economics. Inclusive growth reflects a welfare approach to development, and refers to creating jobs for the poor to increase their incomes, assets and other social goods, and stimulating competition and aggregate growth in the economy (CGD, 2008; Harberger, 1998). It emphasizes individual wealth accumulation over collective well-being, and short-term gains over long-term sustainability (Pouw and McGregor, 2014). Its indicators are GDP/capita growth, the percentage of the population living below the national poverty line and Rodrik’s (2006) growth diagnostics.

While accepting the concept of inclusiveness, we reject the narrow composite of inclusive growth since it has a single-minded focus on economic performance indicators; it inadequately captures the multiple dimensions of poverty; it is concerned with absolute, not relative, poverty (Saad-Filho, 2010); and it cannot analyse the local to global drivers of inequality and how these are continually reproduced (Sen, 1976; Mitlin and Satterthwaite, 1996). Growth strategies are based on exclusive, not structurally inclusive, principles and traits, and trickle-down economics fails for institutional and structural reasons (Narayan and Pritchett, 2009). A possible response to this criticism is offered by De Haan (forthcoming), by broadening the scope of inclusive growth to encompass the process of growth, and stretch the policy debate beyond the need for social protection.

Inclusive wealth measures physical, human and natural per capita wealth based on macro data and includes ‘reproducible capital, human capital, knowledge, natural capital, population, institutions, and time’ (Dasgupta and Duraiappah, 2012, p. 13). It addresses the concern of the Report on the Measurement of Economic Performance and Social Progress (Stiglitz et al., 2009), which called for a better measure and accounting system of social progress than GDP growth to capture environmental externalities and the increasing share of ‘intangibles’ in economic systems. It calls for investment in, and inclusion of, the poorest in producing such reproducible capital measurable through a composite index (UNEP, 2012) as this is critical for future well-being. However, the index does not value social capital or psychological well-being, and is an average per capita monetary measure that does not reveal distributional inequities.

Inclusive economics, with its roots in institutional (Polanyi, 1957), behavioural, feminist (for example, Ferber and Nelson, 1993; Folbre, 1999) and other heterodox economics, factors in the role of (formal and informal) institutions and behavioural inertia using Gandhian principles (Pani, 2001). It includes the capability approach emphasizing people’s autonomy and dignity as part of this process (Sen, 1999, 2010), and focuses discussion on the quality of growth and sustainability.
and equality issues as complementary evaluations of economic performance (Pouw and McGregor, 2014). Inclusive economics brings the inclusiveness debate closer to the multi-disciplinary notion of inclusive development proposed below.

**Elaborating on the Concept of Inclusive Development**

We define inclusive development as development that includes marginalized people, sectors and countries in social, political and economic processes for increased human well-being, social and environmental sustainability, and empowerment. Inclusive development is an adaptive learning process, which responds to change and new risks of exclusion and marginalization.

Our intellectual agenda (see first section) leads us to conceptualize inclusive development at three levels: first, in terms of inclusiveness *per se*; second, in terms of inclusiveness in the Anthropocene; and third by elaborating on inclusive development as a relational concept.

**Inclusiveness Per Se**

Inclusive development *per se* focuses, first, on human material, social-relational and cognitive/psychological well-being (Gough and McGregor, 2007). Well-being is ‘A state of being with others, where human needs are met and where one can act meaningfully to pursue one’s goals, and where one enjoys a satisfactory quality of life’ (WeD Research Statement, 2007). Material well-being refers to people’s *individual* living conditions, their natural, financial and other assets that allow them to lead a good life (Chopra et al., 2005). Social-relational well-being refers to how people relate to their social and natural environment and live *together*. Cognitive/psychological well-being takes people’s own knowledge and experiences seriously and evaluates (subjectively) what people are able to achieve with regard to their material and relational well-being, instead of assuming that people have stable preferences that can be lexicographically ordered. Well-being is also related to human security (UNDP, 1994), which includes economic, water, food, health, energy, environmental, personal, community and political security.

Second, inclusiveness focuses attention on the poorest (in income), vulnerable (in terms also of age, sex and location) and the most marginalized or disadvantaged people (in terms of caste, sect, creed) (c.f. Rauniyar and Kanbur, 2009, p. 455). It includes a gender-sensitive focus on income and assets, unemployment (CGD, 2008; World Bank, 2009), broader conceptions of poverty and ill-being (OECD, 2015; McGregor, 2007; Alkire and Foster, 2011) and gender inequality (Chatterjee, 2005) and is non-discriminatory in nature (Huang and Quibria, 2013). At the global level, this would imply the active inclusion of the least developed countries and post-conflict nations, and a focus on income inequalities in the middle-income and rich countries.

Third, inclusiveness includes the knowledge and aspirations of local people in the development process (Fritz et al., 2009; Narayan and Pritchett, 2009; Borel-Saladin and Turok, 2013) and enhances their participation in decision-making. Thus, policies made at global to local level should draw actively from inputs provided by local individuals and social movements and include their priorities and constraints in designing development interventions (Gough and McGregor, 2007).

Fourth, inclusiveness implies affordable access to civic amenities and basic infrastructure (Arthursen, 2002; Mansuri and Rao, 2004), including education, water and energy, health-care systems, roads and public transport, police services and security, and social security systems.

Fifth, an inclusive approach calls for taking contexts into account (Fritz et al., 2009; Borel-Saladin and Turok, 2013) – not only the economic, social, political, ecological and cultural aspects that play a role at the local level, but also the local through to global drivers of
exclusiveness or adverse inclusion (see, for example, Laven, 2010; Ros-Tonen et al, forthcoming) that impact on the local level.

Sixth, it is critical to look at the sectors within which the poor, marginalized and vulnerable work, and to give these attention at both local and global level. This could include specific primary sectors such as small-scale farming and fisheries and community forestry, but also the low-skill activities at the edges of industrial society, which include micro- and small-scale and informal enterprises, home-based entrepreneurs, and street vendors in peri-urban and rural areas.

Seventh, inclusive development calls for participatory approaches in governance and for capacity building; this implies non-discriminatory and equal opportunities for participation in society (Sachs, 2004a, b; Lawson, 2010). At regional and global level, this would call for participation in universal regional and global governance processes (such as the UN) as opposed to exclusive and ad hoc processes (such as the G20). Capacity building aims to empower poor, vulnerable and marginalized people caught in nested circles of exclusion. Such populations are often not able to avail of opportunities for reasons, for example, of illiteracy. Often their activities are seen as informal, which can either lead to criminalization thereof or to further marginalization and expropriation of their property. Some even argue in favour of action research as the only way to reach and solve the problems of the poorest (Sanz, 2015). At the global level, technology transfer and capacity building are seen as ways to more democratically include developing countries, especially the least developed countries and their citizens, in global processes.

Inclusiveness in the Age of the Anthropocene

Inclusiveness in the Anthropocene (Crutzen, 2006) requires us to recognize that there are limits to our resources and sinks and that we need to share these equitably. Our ecosystems provide us multiple services – provisioning (for example, fish), regulatory (for example, climate regulation, flood control), supportive (for example, nutrient recycling) and cultural (for example, aesthetic) (Chopra et al, 2005) – on which the poor often directly depend. Rich people in urban contexts often do not connect the water in their taps with the hydrological system, or the light in their drawing room with mass relocation of people as in the case of large hydro dams, or with climate change as caused by fossil fuel use. In fact, development processes have led to the ‘great acceleration’ in global resource use (Steffen et al, 2007), leading to the risk of crossing planetary boundaries (Rockström et al, 2009). This implies limited or reduced resources per capita and limited sinks per capita (ecospace) and calls for local through to global sharing of this limited ecospace (Gupta, 2014).

An inclusive development perspective would require research into, first, the levels at which ecocentric standards should be set, and second how the rights, responsibilities and risks that emerge from the decisions with respect to ecosystem limits should be shared between peoples and countries. In other words, if we have to fish less, how do we share these fishing rights locally to globally? If we have to reduce our exploitation of fossil fuels, do we ask Kenya not to exploit its newly discovered resources or do we ask the United States not to engage in fracking? And who pays for the adaptation challenges faced by low-lying island states?

Third, in a changing world environment, there is a need for research into how the adaptive capacity and resilience of societies can be further developed (Smit and Wandel, 2006; Nelson et al, 2007).

Inclusiveness as a Relational Concept

If inclusive development has a long genesis and moral, legal and economic credibility, then the question is: why is it not being implemented? This calls for relational analysis of inclusive
development. Inequality occurs through social, political and economic inclusion and exclusion. Trade-offs are made at multiple levels of decision-making between (i) individual and collective well-being, (ii) different well-being domains and (iii) present and future well-being (Pouw and McGregor, 2014). These inequalities are perpetuated by neo-liberal capitalist ideological frames through global to local instruments of trade, investment and financial institutions. Those with vested economic and political interests have created a global to local system that benefits them at the cost of others (Harriss-White, 2006).

A relational perspective requires us to analyse the underlying forces (factors and actors) that create, perpetuate and contest multiple inequalities at local through to global level and how these levels interact with each other. This implies, first, that inclusiveness calls on us to analyse not just poverty, but the factors and actors driving inequalities (c.f. Rauniyar and Kanbur, 2009, p. 455) between and within countries: seventy per cent of people globally live in countries where the gap between rich and poor has grown over the last 30 years. Extreme inequality hurts the poor by being a barrier to poverty reduction, undermines economic development by compounding inequalities between men and women, and drives other inequalities of access to health and education (Oxfam, 2014a, b).

Second, a relational approach analyses how the poor (including the least developed countries) can be empowered (Cook, 2006), and how the upward movement and concentration of wealth at local through to global level can be countered. Empowerment, and hence inclusive development, is about ‘gaining mastery over one’s affairs’ (Rappaport, 1987, p. 122), gaining ‘power over’ (the ability to resist manipulation and power over assets), ‘power to’ (create and benefit from new opportunities), ‘power with’ (collective action; having a voice based on representation and social organization) and ‘power from within’ (increased self-esteem and self-confidence in one’s abilities to effect change) (Rowlands, 1997; Narayan, 2002; Ibrahim and Alkire, 2007; Quaedvlieg et al., 2014). It requires analysis of how the downward accountability and responsiveness of institutions towards poor and vulnerable people can be increased (World Bank, 2001). Such accountability may enhance or constrain one’s agency (Narayan, 2002; Ibrahim and Alkire, 2007). Furthermore, inclusive development analyses how the opportunity structure and agency of marginalized people can be enhanced to expand their assets and capabilities to negotiate control over the institutions that affect their lives (Narayan, 2002, p. 11), so that the hand of the market is not working against them.

Third, the research agenda assesses how both development and governance processes and outcomes can be made inclusive and how adverse inclusion can be prevented. Sometimes, nested circles of exclusion may make farmers worse off through adverse incorporation in value chains (Laven, 2010; Ros-Tonen et al., forthcoming) or when they lose their autonomy over production and marketing (Hickey and du Toit, 2007; McCarthy, 2010; Bastos Lima, 2014). The inclusiveness of institutionalized invited spaces (where policymakers and social actors invite stakeholders to participate) needs to be questioned and negotiated continuously. In a study of service provisioning in Mumbai, India, Baud and Nainan (2012) show how such a process could be studied at the interface between local governance and citizens. Pfeffer and Verrest (forthcoming) also focus on the interface between (urban) governance and citizens when studying Big Data, on the basis of which knowledge claims are made about development. Thus, a relational approach to inclusiveness would imply looking at the entire system as one creating and reproducing marginalization and poverty (Mosse, 2010), and thus examining how other actors in society have influenced policy processes and outcomes in their own favour (Oxfam, 2014b). This would also imply research into reforming the global to local development institutions in the area of trade, investment banks, development assistance, remittances and foreign direct investment.
Implementing Inclusive Development

Inclusive development can be implemented by (i) developing relevant epistemic communities, communities of practice and social movements, (ii) transforming governance into interactive governance to enable empowerment and (iii) adopting appropriate governance instruments.

Communities of Practice, Epistemic Communities and Social Movements

Global epistemic communities on inclusive development are becoming stronger – these include development studies communities such as the European Association of Development Institutes, and the group working on access and allocation within Earth System Governance (Gupta and Lebel, 2010). Such transnational communities can develop ideas, and promote communities of practice and learn iteratively also from the practice communities (c.f. Eckert, 2006) (Figure 2). These communities also disseminate and contest knowledge, implement instruments of inclusive development and share experiences. In addition to academia, these also include policymakers and non-state actors. However, key changes in society will only happen as a response to social movements, both those acting at global level at, for instance, the World Social Forum (Conway, 2011) or in climate change negotiations (Dietz and Garrets, 2014), and those impacting development at a local level (for example, Escobar, 1995; Petras and Veltmeyer, 2011).

Transforming towards Interactive and Adaptive Governance

Inequalities cannot be tackled without addressing the governance system as a continuous, adaptive, complex, interactive process (Kooiman, 2003) that goes beyond (but not without) government (Baud, 2004; Kjær, 2004; Osborne, 2010; Torfing et al, 2012). Some tools of inclusive development, such as the provision of the rule of law and civic amenities, are primarily public/merit goods and services to which the principles of non-exclusiveness (no one can be excluded) and non-rivalry (one’s use does not diminish the ability of another to use) apply. Such public and merit goods and services cannot be provided by the market, and call for government steering (Kaul et al, 2003; International Task Force on Global Public Goods, 2006; Barrett, 2007). Such goods need to be provided by the state, and states should be held accountable. One cannot outsource the judiciary, taxation or streetlights to the private sector. To a limited extent, other social actors can participate in these service provisions, but there is a risk that NGOs will not provide continuous services, and private actors need to make a profit. However, social actors can help in providing employment, community engagement processes and so on.

The proliferation of governance actors and levels can lead to legal pluralism, which has both positive and negative aspects (Twining, 2010; Tamanaha et al, 2012; Bavinck and Gupta, 2014), creating dissonance on and between governing levels affecting effective governance (von Benda-Beckmann and von Benda-Beckmann, 2006; Jentoft, 2011; Zips and Weilenmann, 2011). This requires different levels of bridging and bricolage (Cleaver, 2012; Bavinck and Gupta, 2014; Ingram et al, 2015). Inclusive development is more likely to emerge in contexts of good governance, which includes the rule of law, participation, accountability, equity, efficiency, effectiveness, responsiveness, a strategic vision, coherence and respect for human rights (Ginther and de Waart, 1995; UNDP, 1997; Woods, 1999; Sachs, 2004a, b). All these principles (Figure 2), barring the one focusing on efficiency, strongly support inclusiveness.

Power imbalances affect good governance efforts. Countering negative influences such as accumulation by dispossession (Harvey, 2004) and resource capture (Homer-Dixon, 1999) requires countervailing ‘power from below’ (Piven, 2008). As those at the bottom of the societal pyramid
generally avail of few resources except through collective action, such power is frequently interdependent (ibid., p. 3) and interactive. It may be mobilized through efforts of empowerment.

**Adopting Appropriate Governance Instruments**

Inclusive development can make use of regulatory, economic, suasive (education and awareness raising), management, technological, procedural and cooperative instruments (Sterner, 2003; Gupta et al., 2013).

Regulatory instruments (Figure 2) that are focused on ensuring inclusive development include decentralization (Shortall, 2004, 2008) and subsidiarity (Rio Declaration, 1992). These are effective only when accompanied by a shift in resources and capacity, or they will lead to abdication of responsibilities. They also include legally binding principles that guide society (for example, sovereignty, human rights, equity – see Table 2) and social norms with a normative force (for example, good governance, voluntary certification) that promote compliance by virtue of their...
appeal to our values. Other instruments include standards and mandatory inclusion targets; inclusive spatial planning; the recognition and delineation of local and customary property rights; the provision of civic amenities and public infrastructure – health, education, transport, water and sanitation, security, electricity; and safety net schemes (social security; conditional cash transfer schemes; and targeted subsidies for the poor such as water rationing schemes and free education). At a global level, this could include the adoption of global principles on development and environment (see Table 2), including ecocentric standards for the use of resources and sinks that can be adjusted based on new knowledge, new consumption trends and new technologies. For example, if we wish to address the problem of climate change and ensure that average temperature rise since pre-industrial levels is no more than 2 degrees, then we have to leave 80 per cent of our fossil fuels unused (Climate Commission, 2013). This would also include principles on sharing the risks, responsibilities and rights associated with these kinds of targets and standards.

Susive instruments aim to convince actors to change their behaviour (Gupta et al, 2013) and include research and monitoring (for example, through participatory rural appraisal and participatory geographical systems), soft law targets that provide policy guidance (for example, MDGs), codes for good governance (for example, www.governancecode.org) and codes of conduct (for example, Code of Conduct for Responsible Fisheries – FAO, 1995).

Economic instruments for inclusive governance include progressive taxes (Oxfam, 2014a, b), reducing opportunities for tax evasion (through the channelling of resources via offshore tax havens, (Weaver, 2014) in order to generate the resources for investing in infrastructure for the poor (Singh, 2012), food-for-work and other job creation schemes, payments for environmental services, micro-credit opportunities and labelling schemes such as fair trade schemes, the

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<th>Table 2: Inclusive governance principles and related instruments</th>
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<tr>
<td><strong>Principles</strong></td>
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<td>Limited territorial sovereignty</td>
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<td>Good governance</td>
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<tr>
<td>Political, social and economic human rights</td>
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<tr>
<td>Participation</td>
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<tr>
<td>Equity (intra-generational, inter-generational)</td>
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<tr>
<td>Liability and compensation</td>
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<tr>
<td>Aid effectiveness</td>
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</table>
certification by the Fairtrade Labelling Organizations (FLO) International, and the Marine and Forest Stewardship Councils (MSC and FSC).

Management instruments include hybrid and community management schemes (Arthurson, 2002; Mansuri and Rao, 2004), community-based forest or fisheries management, the promotion of access to markets, corporate social responsibility (OECD, 2011a), schemes for industry to ensure certain aspects of inclusive development and inclusive value chain collaboration (see Ros-Tonen et al, 2015).

Technological instruments for inclusive development include, for example, the development of drought-proof seeds, knowledge on crop diversification and so on for farmers, and cleaner production tools for micro-, small- and medium-sized enterprises (Soni, 2007; Sanz, 2015).

A key procedural instrument is that of stakeholder participation, which has developed from an information transfer instrument in the 1950s to participation in research and policymaking in the 2000s. Its popularity lies in two contradictory discourses – one of neo-liberal thought that calls for lean government and the transfer of responsibilities to other social actors, and one on deepening democracy that calls for greater stakeholder engagement in policymaking. These twin discourses have very different aims and may often lead to different outcomes. The right to participate is now increasingly recognized as a legal right from local through to global level. A variety of ways of engaging stakeholders have been recorded – consultations, hearings, written commenting, workshops, focus group discussions, citizen juries and new techniques involving social media. However, who should participate is an increasingly problematic issue. While it should include all those affected by policy processes and those who can influence these processes, such stakeholders are generally only a subset of society. Not all society can be included; the question is whether stakeholder participation includes stakeholders at the cost of rights holders. Stakeholder participation is seen as one way of ensuring that all other aspects of good governance are achieved, but organizing stakeholder participation in a truly inclusive manner can be extremely challenging both at national (Anokye, 2013) and at global level (Gupta and Stec, 2014), particularly due to the high transaction costs involved (Jiang, 2011).

Finally, global cooperative instruments include technology transfer, financial assistance and capacity building, as well as dismantling the offshore tax havens through which the resources for inclusive development are reduced. It is critical to find ways to measure inclusive development. Indicators of inclusive development range from inequality and distribution-sensitive versions of the Human Development Index (Hicks, 1997; Anand and Sen, 2000; Rauniyar and Kanbur, 2010), to the Multidimensional Poverty Index (UNDP, 2010) and governability assessment (Bavinck et al, 2013).

These aspects of inclusiveness converge to providing opportunities to participate in social development and governance processes and redress severe inequality and injustice (Sen, 2010). They differ, however, in the degree to which they intend to realize equality, ranging from creating equality of opportunity to challenging existing power structures and social injustice.

**Conclusion**

Since the end of the two world wars, the global community has been grappling with the idea of promoting development. However, each recurring decade has shown that there is growing inequality and that greater attention needs to be paid to marginalized countries, sectors and communities. And yet each decade has concluded that these policy measures have been inadequate to deal with the challenge of inclusiveness.
Since the 1980s there has been a movement to disinvest in the state and to focus on non-state actors. Since the 1990s, neo-liberalism has become more and more dominant in development practices and debates. The dominance of the neo-liberal capitalist paradigm, efficiency as a goal, and the perception that the poor must help themselves and will find ways to improve their lot in the interstices of the economic growth process has ignored the reality of the poor and how relational politics affects them. The market is working against them. The rearrangement of resources through neo-liberal policies leading to a concentration of ownership rights and the privatization of natural resources (for example, water) influenced by science-based policy has ignored local rights (for example, where biofuel development has led to land grabbing), and has created negative forms of legal pluralism, and thereby new divides in society.

What is becoming increasingly clear is that inclusive development focuses on the social and ecological aspects of sustainable development, especially as the maintenance of environmental services is so vital to the needs of the poor. It is also becoming obvious that social justice and the governance of (global) public and merit goods cannot be left to the market; it requires government steering at local through to global level. If a lean state is unable to provide these basic amenities to society, societies will become exclusive and power will concentrate in the hands of the wealthy. A socially inclusive governance framework requires a well-functioning state within which social actors have the freedom to operate, collaborate and exert agency. Thus, inclusive development is not just a technocratic and instrumental approach; it questions the fundaments of unequal societies and an unequal world and tries to bridge the contradictions in pluralist rule systems. In doing so it opens up the black box of interrelations between the rich and the poor.

From an international development studies perspective, inclusive development implies a reiterative scrutinizing of who is included in and who is excluded from the improvement of human well-being and society at large, and on what grounds, and how inequality in society can be reduced by also examining the institutionalized relations between poor and rich. Inclusive development thus aims to provide a critical lens through which we question societal, political and economic processes and arrangements all the time, and ask ourselves the questions: who benefits or not, and why, and how can the marginalized be empowered? When it comes to implementation, there is an important role for epistemic communities, communities of practice and social movements to provide legitimacy to scientific knowledge and make it acceptable to policy. However, ultimately inclusive development will only be brought about through genuine interactive governance that provides the instruments and creates the conditions for adaptive learning and the empowerment of marginalized people.

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