

INCLUSIVE DEVELOPMENT PROCESS IN THE PAKISTAN ECONOMY

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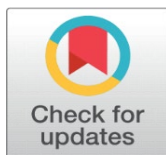
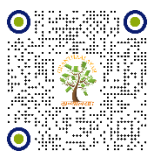
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ABSTRACT

Article focuses mainly on the inclusivity of Pakistan's economy's development and growth processes. The study presents the ideas behind inclusive growth and the inclusive development. This index, as well as how they apply to established, emerging, and particularly Pakistan economy. The current body of literature focuses on factors that influence economic growth and strategies to improve it. Nonetheless, this ignores the benefits of growth for society. In prior decades, the distribution component of economic progress was disregarded. Consequently, the world is unable to reap the rewards of economic expansion. The Asian Development Bank's 2011 inclusive development and growth index is used in this study. To find out if Pakistan's economic expansion offers equitable chances to all members of the populace. The performance of the inclusive growth index's of sixteen indicators were evaluated from 1978 to 2014. The paper's conclusion demonstrates that inclusive growth in Pakistan is generally mediocre. In Pakistan, inclusive growth is on the rise. In Pakistan, distributive development strategies can be used to promote inclusive development while also accelerating economic growth in an equitable manner.

Keywords: Inclusiveness, Development and Growth

Jel Classification O3, O1 & O4

1. INTRODUCTION

For developed, developing, and especially Pakistan, inclusive growth and development are crucial. Economists have been focusing on economic growth for a while now. It is seen as a measure of a nation's development. Many economists have examined the nature and causes of the theory of economic growth, concluding that various factors contribute to economic growth. These economists include Ricardo (1772–1823), Harrods (1939), Romer (1986), Domar (1946), Lucas (1988), Solow

(1956) and Swan (1956), Mankiw et al. (1992), and Rebio (1991). Even with these economists' outstanding contributions to our understanding of the factors that influence growth, there are still issues with how growth is distributed among society. It has less room than factors that influence economic growth.

Poverty and inequality are pervasive throughout the world. Poverty and inequality have multiple dimensions and affect different parts of the world in different ways. Poverty and inequality have an impact on people's lives, capacities, interactions, and sense of empowerment. The primary goal of development economists is still economic development. The proportion of the poor around the globe is declining as a result of structural and political reforms as well as international cooperation; nonetheless, inequality is still rising in some of these nations. In the last few decades, Asian nations have experienced amazing growth and a decline in poverty. Despite this expansion, there are still issues with high- and low-income outcomes, as well as wealth and poverty disparities, in many nations. The sustainability of growth is threatened by these disparities. Economists' attention is being drawn by this issue from growth to inclusive development and growth. Investigating whether economic growth and development promote inclusive growth and development is necessary. Understanding the distinction between GDP growth and inclusive development and growth is necessary in order to comprehend.

Furthermore, until recently, the lack of an appropriate set of indicators characterizing the effectiveness of the activity focused on its implementation hindered the actual application of the inclusive growth idea. Nonetheless, inclusive development is the new framework used to evaluate each nation's economic development. The Inclusive Development Index (IDI: [World Economic Forum. \(2018\)](#)) was the moniker given to it. While the Asian Development Bank (2011) established the Inclusive Growth Index, The associated concepts used in the paper are defined in the following:

1) Demographic

It refers to the population and features of the people. The term "demography" describes the features of a population, clientele, or target audience and how they are distributed.

2) Development

The process of creating growth, advancement, good change, or the addition of environmental, social, economic, and demographic components is known as development.

3) Inclusive Development

The phrase "inclusive development" refers to a comprehensive outlook on development. In order to reduce poverty quickly and sustainably, inclusive growth that enables individuals to both contribute to and profit from economic progress is necessary.

4) Economic Growth

Growth is the rising level of output. Economic growth is defined as an increase in per capita income over a one-year period. [Todaro \(2003\)](#) defined economic growth as the increase in a nation's output of goods and services. An increase in the size of the economy over time is known as GDP growth. Both nominal (inflation included) and real (inflation corrected) economic growth are possible. It occurs when individuals allocate resources according to value, going from least to most valuable ([Concise Encyclopedia of Economics, 2014](#)).

5) Inclusive Growth

The simplest definition is equity-driven growth. However, there is no universally accepted definition for inclusive growth; it is simply defined as "growth combined with equal opportunities." Inclusive growth is defined as growth that generates economic opportunity for society. [Rauniyar & Kanbur \(2010\)](#) claim that inclusive growth contributes to a decrease in income disparities. "Growth with equal access to opportunities for all members of a society" is how [Zhuang \(2008\)](#) described inclusive growth. The Asian Development Bank (2011) established the following list of inclusive growth indicators: (i) employment and economic growth; (ii) gender equality; (iv) access to basic infrastructure utilities and services; (v) access to better health and quality education; (vi) reduction in poverty and inequality; (vii) important infrastructure endowments; and (viii) governance and sound institutions.

Inclusive growth benefits the underprivileged and the community. It lowers poverty and inequality by giving everyone in the development phase equal chances. It is a complex phenomenon that guarantees equitable access to socioeconomic possibilities for everybody. All social groupings within a society must be incorporated into the production structure that the growth process generates.

6) Inclusive Growth Vs Pro-Poor Growth

GDP growth that lowers the proportion of the impoverished is considered pro-poor growth ([Ravallion \(1997\)](#)). Pro-poor growth is defined as growth that lowers the nation's poverty rate ([Kakwani & Pernia \(2008\)](#)).

These definitions of pro-poor growth are absolute terms that address inequality and take into account the living standards of the poor. Growth and poverty have a favorable relationship, although this does not always translate into less inequality.

The broad concept of inclusive growth takes poverty and inequality into account. Growth that is favorable to the poor may be a sign of inclusive growth. Although poverty is declining in Asian nations as a result of economic progress, this growth is not inclusive because it only affects distribution. While inclusive growth is more broad and benefits everyone—the poor, the near-poor, the middle class, and even the wealthy—pro-poor growth focuses on the needs of the poor ([Klasen, 2010](#)).

7) Growth and Development in Pakistan

Similar to other developing nations, Pakistan has experienced political instability since its inception, as well as issues with inequality, poverty, and the balance of payments. These issues cannot yet be resolved. Pakistan's growth performance has not been subpar throughout its history. The primary cause of its unrest in politics. When the nation changed regimes, the growth pattern changed ([Zakaria & Fida, 2009](#)). In this concern, Pakistan experience remains good as compare to the developing world.

8) Why Inclusive Development and Growth for Pakistan

Today, Pakistan is dealing with issues related to gaps in health, education, poverty, and inequality. GDP growth alone won't solve these issues; inclusive growth will. Equity can be addressed through shared growth. People without jobs were stirring up social instability and turning to crime. Equitable opportunity is the answer to this issue. Pakistan has inadequate standards for health and education, in addition to applying a double standard. Low-quality health and education facilities are available to the impoverished. There is a growing wealth disparity in society.

The answer to these issues lies not just in economic development and growth but also in inclusive development and growth.

9) Research Questions

Do inclusive growth and development follow economic growth and development? Our study provides insights into the components of the inclusive growth concept and the inclusive development index, allowing for an assessment of their potential for addressing Pakistan's contemporary demographic shift-related economic and social issues. The fundamental query is: Does inclusive economic growth promote inclusive development inside the nation?

10) Purpose of the Paper

Our objective in this article is to ascertain the relationship between growth and development in Pakistan through an analysis of economic, social, and demographic indices.

The following goals are the focus of the current investigation:

- To evaluate Pakistan's economic growth and development's inclusivity.
- To offer policy recommendations for the future expansion and development of Pakistan.

2. REVIEW OF LITERATURE

One facet of multifaceted development is the concept of the inclusive development index. A thorough survey of the literature on inclusive growth and development is provided in this section. The Inclusive Development Index (IDI), developed by the World Economic Forum in 2018, evaluates the economic performance of 103 nations each year. This assesses a nation's performance not only on GDP but also on eleven other characteristics of economic advancement, such as equity, growth, and development. Population growth and inclusive development are closely intertwined, and a nation's growth strategy should be centered on reducing poverty and inequality. Over the past few decades, there has been a commensurate decline in global economic growth rates with a rise in income and wealth inequality worldwide [Marrero & Rodriguez (2013)]. Based on available data, economists believe that the income distribution system influences global economic growth rates in addition to societal stability. According to Mason et al. (2016), the social sector experiences a detrimental impact on the development of human capital, which is a key resource of a contemporary economic system, when economic disparity worsens and lower-income population strata are denied access to education. Furthermore, studies on income distribution, inequality, and growth relations have found that decreasing the gap in income between the rich and the poor significantly accelerates global economic growth rates [Dabla-Norris, Kochhar, Suphaphiphai, Ricak & Tsounta 2015 and Fosu (2017)]. The issue of rising income and wealth disparities across the world's population is intimately linked to demographic shifts that take place in both developed and developing nations. In the industrialized world, there is currently a discernible downward trend in natural population growth rates. It validates the impending population crisis in some nations. Therefore, the natural increase of the cumulative population of the most developed regions (Europe, North America, Australia/New Zealand, and Japan) will continue to decline until the period of 2025–2030, when the indicator of natural increase will take negative values and mark the beginning of depopulation, according to forecasts made by the United Nations Department of Economic and Social Affairs [World Population Prospects: The 2017 Revision. (2017)]. The population of working age bears a greater burden of demographic pension

expenditures due to changes in the population age structure caused by a long-term decline in rates of natural population growth, high living standards, and rising life expectancy at birth (Chistik & Eliseev (2019)). Asghar & Javid (2008) looked into the inclusiveness of economic growth. For Pakistan, they used the equity and opportunity index from 1008 to 2008. Health care and education were employed as stand-ins for inclusive growth. According to the findings, Pakistan's health and education systems have advanced over time, but not equitably. Primary education saw higher improvements in access to education than secondary education. Although the quality of health services has increased, particularly for the impoverished, it remains low. It must do more to support the less fortunate members of society. Anwar et al. (2018) study examined Pakistan's economic growth and inclusivity between 1974 and 2014. Growth in the social sector, income, employment, and poverty are all used as inclusive proxy measures for growth. The weak correlation between these variables and economic growth was demonstrated by the outcomes of the ordinary least squares model. GDP growth and inclusive growth are not directly correlated; instead, they have different effects. According to the report, economic development alone was not the answer to addressing the issues of employment, poverty, inequality, and social security. Aside from economic growth, some additional metrics were required. The relationship between inclusive growth and economic growth in the Philippines from 1998 to 2004 was examined by Ali & Son (2007). The results of the opportunity and equity index indicated that while enrollment at the basic level is good, it is poor at the secondary level. Education and health were employed as indicators of inclusive growth. The quality of education and the disparity in income between regions varied throughout the Philippines. The survey also reveals that the poor have no access to improved health and education facilities; only the wealthy have these privileges. Rich people primarily depend on the private sector, which is of high quality; impoverished people, on the other hand, rely on the public sector, which is of low quality. The report contends that raising the caliber of the public sector is necessary to achieve balanced growth.

Min & Xiaolin (2010) used the inclusive growth index to examine how inclusive China's growth was from 1990 to 2009. The study's findings show that as time went on, the inclusive growth index increased and inequality decreased. In China, equality fell from 14 to 5 percent throughout this time. However, China's inclusive growth process was discovered to be below average in relative terms. Low employment was discovered in the territory industry. China's growth was more inclusive between 1190 and 2000 than it was between 2000 and 2009. China has had tremendous growth over the past three decades, but inclusive growth differs from GDP growth.

According to Pasha (2017), one important factor in lowering poverty and deprivation is inclusive growth. Pasha (2007) looked at the relationship between GDP growth, poverty, and inequality from 1981 to 2004. East Asian nations like Thailand and Malaysia have a higher degree of inclusive growth, according to the results of the growth elasticity of Asian nations, but this is not the case for other Asian nations. During this time, poverty, inequality, and economic growth all increased in Pakistan. It revealed Pakistan's economic growth was not very inclusive.

Calderon & Serven (2005), using a sample of 100 nations, examined the relationship between poverty, inequality, and infrastructure investment between 1960 and 2000. The panel data results demonstrated a strong correlation between infrastructure development and economic growth. It is proposed that in order to

attain the targeted degree of inclusive growth, infrastructure needs to be improved and made accessible to the underprivileged segments of society.

[Thorat & Dubey \(2012\)](#) looked into the connection between India's poverty rate and monthly per capita spending. Data from 1993 to 2010 was used in this investigation. The study's findings demonstrated that not every member of society was benefiting equally from India's strategy to reduce poverty. While some groups benefit from it, others are denied, and poverty is negatively impacted by inequality. It was primarily taking place in India's cities.

[Osmani. \(2008\)](#) used cross-country analysis to look at the claim that South Asia's economic expansion has decreased poverty and inequality. Research indicates that poverty and inequality are moving in the opposite direction in South Asia. The author looks into the causes behind the opposing trend between poverty and inequality, including failed policies and other factors. It was caused by the fast rise of Asia in recent decades, which created many opportunities but did not distribute them equitably. There is disparity because certain groups benefited from it while others continued to be deprived. The inverse relationship between poverty and inequality varied between South Asian nations for various reasons.

[Zakria & Fida \(2006\)](#) looked into how Pakistan's GDP has grown in relation to democracy. Using the dynamic growth equation, the effect of democracy on GDP growth was examined from 1947 to 2006. The findings indicated a negative correlation between Pakistan's GDP development and democracy. Because of military dictators, democracy is unable to meet its fundamental requirements. In Pakistan, ineffective democratic governments were unable to bring about the required degree of development. Economic growth can only be positively impacted by democracy when its fundamental needs are met. It would take time for Pakistan to achieve complete democracy.

[Barro \(1996\)](#) looked into the relationship between democracy and GDP growth between 1960 and 1990. The panel data result demonstrated that while democracy has a negative effect on GDP growth, it is beneficial for economic growth when it is practiced at its ideal level.

[Francisco & Batiz \(2002\)](#) looked into the connection between GDP development and democracy by examining the importance of governance over the long term. The researchers employed information from 59 nations between 1960 and 1990. The study's conclusion demonstrated that democracy had no direct bearing on economic expansion. Total factor productivity was determined by democracy, and factor productivity influences economic growth. Democracy raised the standard of governance, which decreased corruption and boosted economic expansion.

[Persson & Tabellini \(1992\)](#) examined the relationship between GDP growth and democracy from 1960 to 1990. One hundred and fifty different countries' panel data were used in this study. The findings demonstrated a positive correlation between economic growth, democracy, and economic liberalization. Economic liberalization and democracy place the economy in a transitional state that fosters economic expansion.

[Cervellati & Uwe \(2014\)](#) discovered a link between democratic economic progress and violent conflicts. One hundred and sixty-six countries are included in the study, which employed panel data from 1960 to 2003. The findings indicated that democracy has an impact on economic growth, but only depending on the circumstances surrounding its establishment. Economic growth was more conducive to democracy in calm environments, while the opposite was true in unfavorable ones.

Kuznets (1950s & 1960) holds that as an economy grows, market forces first intensify and subsequently mandate economic disparity.

3. RESEARCH METHOD

The study provides access to the potential applications of the Index of Inclusive Development (IDI) and the concept of the Inclusive Growth Index (IGI) in addressing the social and economic issues brought about by shifting demographics and the growth rates of Pakistan's economy. The primary goal of this study is to examine inclusiveness in Pakistan's economic growth between 1978 and 2014. This study makes use of time-series data. The social opportunity index approach was utilized by Ali & Son (2007) and Asghar & Javid (2008) to examine the inclusivity of economic growth. The social opportunity index is based on two variables: the number of opportunities available to the population and the distribution of opportunities within the population. It mostly covers the fields of education and health. The health and education sectors are unable to accurately depict inclusive growth. The approach to assessing inclusive growth using an integrated index system was proposed by McKinley (2010). The Asian Development Bank's index serves as the foundation for the McKinley index system. The McKinley technique is utilized in this work. This method states that the inclusive growth index (IGI) is based on the following principles: excellent governance, equitable access to economic opportunities, development and expansion of economic opportunities, and income inequality and poverty reduction. The International Poverty Reduction Center of China (IPRCC) experts determine the weight and target values of these indicators. This research employs it with minor modifications resulting from the shift in the economic frameworks of China and Pakistan.

Inclusive Growth Index (IGI) has the following steps.

The first step is the Dimension indicators of Inclusive Growth.

Evaluation dimension index is: $U=(u_1, u_2, \dots, u_j)$ (1)

Evaluation Area collection: $U=(u_{j1}, u_{j2}, u_{j3}, \dots, u_{ji})$ (2)

Evaluation index collection: $U=(u_{11}, u_{j21}, u_{j31}, \dots, u_{jm})$ (3)

Evaluation dimension is represented by j, m is used for evaluation indicator and evaluation area indicator is I .

The second step is to set a target weight.

Weight is given by the indicator according to the importance of indicators in the economy. It could be a difference in different economies.

The indicator of weight is $w:=(w_1, w_2, w_3, \dots, w_i)$ (4)

Next step is the conduction of the univariate standardization.

In the next step after the construction of evaluation indicators, need to determine the membership of indicators on various level. After this, we have R matrix.

$Ur=[r_{111}, r_{112}, \dots, r_{11m}]$ (5)

IGI=Formula:

$$IGI = \sum_{i=1}^m (\sum_{j=1}^n UR \times W_j) X_i \quad (6)$$

Standardized single index score is UR. Weight of single indicator is W_j .

Dimension layer weight is W_i

Inclusive growth index value varies from $0 \leq \text{IGI} \leq 100$. IGI value of 100 means growth is perfectly inclusive and the vice versa. IGI values shows the degree of inclusiveness of economic growth.

Dimensionless quantity method of positive indicators are:

$$V_{y,\$} = \frac{X_{y,\$}}{Z_{y,\$}} \times 100 \quad (7)$$

V_j , y is the score of J index in year y, target value of J index is Z_j , actual value of J index is x_j and maximum value of the j index is max_j .

Reverse indicator method of dimension quantity.

Dimension less quantity method of the reverse indicator.

$$V_{+,j} = F \frac{\text{max}_{+,j} - X_{+,j}}{Z_{+,j}} K \times 100 \quad (8)$$

A score of J index in y year is V_j , the target value of J index is z_j , and actual value of j index is x_j and the maximum value of the j index is max_j .

The metrics for inclusive growth—the GDP per capita growth rate—are shown by U111, (Amount of value-added industrial goods in GDP, U112), (Amount of value-added agricultural goods in GDP, U113), (Employment rate in the industrial sector, U121), (Employment ratio of the total population, U122), (Gini coefficient of the nation, U211), (Female to Male Ratio in Employment, U212), (Percentage of population below national poverty line, U221), (Percentage of population below international poverty line of \$2.5 per person per day, U222), (Death rate of children under five among each thousand live births, U311), (Percentage of doctors available to populations among 1000 individuals, U312), (Percentage of beds available to populations among 1000 individuals, U313), (Proportion of the expenditure of GDP on education, U321), (Enrolment rate of the student in primary, secondary, and higher education, U3).

Regarding the data, the article covers the years 1978 to 2014 because the necessary data for the first thirteen years (1947 to 1976) is not accessible. As a result, the above parameters cannot be estimated. A variety of national and international publications, such as the Pakistan Economic Survey, the 50-year Statistical Yearbook of Pakistan, State Bank of Pakistan Publications, World Development Reports, and United Nations Publications, are the sources of the data on poverty and income growth.

4. RESULTS AND DISCUSSION

We have seen how professionals have studied the concept of inclusive development using various methodologies in the literature review. Population growth and inclusive development are closely intertwined, and a nation's growth strategy should be centered on reducing poverty and inequality. Over the past few decades, there has been a commensurate decline in global economic growth rates with a rise in income and wealth inequality worldwide [Marrero & Rodriguez (2013)]. Based on available data, economists believe that the income distribution system influences global economic growth rates in addition to societal stability. According to Mason et al. (2016), the social sector experiences a detrimental impact on the development of human capital, which is a key resource of a contemporary economic system, when economic disparity worsens and lower-income population strata are denied access to education. Furthermore, studies on income distribution,

inequality, and growth relations have found that decreasing the gap in income between the rich and the poor significantly accelerates global economic growth rates [Dabla-Norris, Kochhar, Suphaphiphal, Ricak, and Tsounta, 2015; Fosu (2017)]. The issue of rising income and wealth disparities across the world's population is intimately linked to demographic shifts that take place in both developed and developing nations. In the industrialized world, there is currently a discernible downward trend in natural population growth rates. It validates the impending population crisis in some nations. Therefore, the natural increase of the cumulative population of the most developed regions (Europe, North America, Australia/New Zealand, and Japan) will continue to decline until the period of 2025–2030, when the indicator of natural increase will take negative values and mark the beginning of depopulation, according to forecasts made by the United Nations Department of Economic and Social Affairs [World Population Prospects: The 2017 Revision. (2017)]. The population of working age bears a greater burden of demographic pension expenditures due to changes in the population age structure caused by a long-term decline in rates of natural population growth, high living standards, and rising life expectancy at birth (Chistik & Eliseev (2019)).

The development specialists make the assumption that inclusive growth is necessary for inclusive development, which is comprehensive development. Below is the inclusive development/growth index result. It is determined using the inclusive development index's (IDI) indicators. The Asian Development Bank (2011) utilized the IDI and IGI to estimate inclusivity.

Table1

Table 1nValues of the Inclusive Development/Growth Indicators					
Indicators	Weight	(1978-88)	(1988-99)	(1999-208)	(2008-14)
(U111)	0.10	3.46	1.30	2.69	1.71
(U112)	0.05	1.66	1.73	1.67	1.53
(U113)	0.05	2.04	1.87	1.65	1.79
(U121)	0.05	1.43	1.33	1.43	1.49
(U122)	0.05	1.78	1.88	1.96	2.08
(U211)	0.10	3.40	3.18	3.09	2.98
(U212)	0.10	2.80	4.04	5.39	7.93
(U221)	0.05	1.62	2.46	3.69	4.37
(U222)	0.05	0.50	0.92	1.80	2.47
(U311)	0.05	4.23	4.36	4.48	4.56
(U312)	0.05	1.61	2.68	3.73	4.16
(U313)	0.05	2.88	3.20	3.77	3.5
(U321)	0.10	5.86	6.65	5.47	5.71
(U322)	0.05	2.57	2.59	3.93	4.64
(U431)	0.05	2.87	2.96	2.24	2.15
(U432)	0.05	3.10	3.12	2.97	2.56
Total	1.00	41.81	44.27	49.96	53.63

Source Author calculation

The inclusive growth index's total value for the time under consideration is average, according to an examination of the inclusive development and growth indicators. Pakistan's economy has grown inclusively at a lower level. The people of Pakistan have generally profited equally from the country's economic prosperity, and they have shared in the opportunities it has produced. Although they have gradually improved, Pakistan's health and education standards are still below what is ideal. When compared to the other emerging nations in the world, the employment ratio for women is encouraging because it is not as low as it could be. Although there is still an issue with poverty and income inequality, Pakistan's economy has expanded throughout time, as evidenced by indicators like income per capita, which has a huge negative impact on poverty. The governance indicators' performance shows increasing outcomes. The average level of public investment and the tax-to-GDP ratio are adequate. These findings are consistent with the earlier research by [Asghar & Javid \(2008\)](#), which employed opportunity and equity indices to examine the health and education sectors in Pakistan and concluded that growth in that country is not inclusive. Using the social welfare function, [Tirmazee & Haroon \(2015\)](#) also came to the conclusion that Pakistan's economic growth is not inclusive. Rich people in Pakistan gained more from the country's economic expansion than did the impoverished.

In the first administration (1978–1988), the inclusive growth index had a value of 41.81. It indicated that, under the aforementioned regime, close to 42% of people were receiving benefits. Of the population, 42% had access to the amenities, while others did not. The value of the inclusive growth index increased from 41.81 to 44.27 during the first era (1988–1999). During the regime (1999–2008), this tendency persisted, and the inclusive growth index value reached 49.97. The inclusive growth index value for the regime (2008–2014) is 53.63; the inclusive growth values indicate a slight trend variation. As the table illustrates, the inclusive growth indicators exhibit varying behaviors depending on the time. In all regimes, the importance of inclusivity in economic progress has increased slightly. Compared to earlier regimes, more individuals are gaining access to improved health and educational facilities. The rate of death is declining. The people's standard of living increased. The findings align with the research conducted by [Anand et al. \(2013\)](#). They discover a long-term upward tendency in the Middle East and Central Asia's inclusive growth.

5. CONCLUSION AND SUGGESTION

Since gaining independence, Pakistan's economy has had tremendous potential and opportunities in all spheres of life, especially in the twenty-first century. This statement, "Economically, Pakistan is set to become the world's eighteenth largest economy by GDP in a few decades," demonstrates the potential and prospects of the Pakistani economy. By 2050, the economy will have grown to be worth \$3.5 trillion, according to Goldman Sachs (<https://2050.earth>, projections, Global ranking in 2050). With the launch of the China-Pakistan Economic Corridor (CPEC), a major economic cooperation initiative between the People's Republic of China and Pakistan, the former has already begun. Pakistan is actively pursuing regional cooperation at the moment. Pakistan is a member of numerous clubs, friend countries, SCO, ECO, CAREC, and other global regional trading blocs (RTBs).

Additionally, the investigation led us to the following conclusions:

- 1) This study demonstrates a favorable tendency in Pakistan's development's inclusivity.

- 2) From Pakistan's economic perspective, the fact that inclusion in growth and development is steadily improving over time is promising.
- 3) The findings indicate that as time goes on, people continue to gain more from the inclusive growth process.
- 4) Our findings make sense in terms of economic theory. Because inequality grows as development progresses, inclusive growth is always characterized by a broad base of growth rather than economic growth. Kuznet, 1955.
- 5) Economic growth is a necessary but not sufficient prerequisite for inclusive growth. Pakistan's average growth rate historically has been five percent, which is comparable to the emerging nations of South Asia.
- 6) The findings indicate that about half of Pakistan's economic growth has been inclusive.
- 7) It has been noted that while economic growth varied over time, inclusive growth increased according to a consistent pattern.
- 8) As a result of the lack of corrective action, the benefits of economic progress have not been distributed equitably among the people; as a result, half of the population continues to live in poverty, which poses issues for the nation.
- 9) Pakistan shifts its policies from one administration to another, which has an impact on the nation's ability to expand consistently.
- 10) Economic growth is favorably correlated with inclusive development and growth; nevertheless, further actions beyond economic growth are necessary to eradicate poverty and inequality.
- 11) Pakistan is seeing solid and inclusive growth and development, which is a favorable trend. Time has been to the benefit of people. Not only are facilities getting better, but more people can use them.
- 12) Inclusive growth has increased throughout history, but economic growth has not always followed the same pattern. While economic growth varied, inclusive growth followed the same general trajectory. It demonstrates that inclusive growth and development are long-term phenomena. In addition, given the paper's conclusions, we can recommend that current and future governments restructure the economy in the following ways to promote equitable growth and development:
 - 1) In the long run, inclusive economic growth ought to be given top priority. In order to achieve this, effective distributional policies that support equitable growth and inclusive development are needed. Many people believe that achieving economic growth is essential to reducing poverty (Adams, 2004).
 - 2) Social policies that support the poor are necessary since they have a long-term impact on poverty and inequality. According to the World Economic Forum (2018), "growth and development with equity."
 - 3) Regulation of banking and non-banking financial institutions by the State Bank of Pakistan governs policies for the financial sustainability of the economy.
 - 4) Guidelines for the establishment and appropriate administration of labor markets and human resources.
 - 5) Guidelines for effective leadership across all tiers.

- 6) Rules pertaining to the supply of social and economic infrastructure. CPEC is an excellent illustration in this instance.
- 7) Encouraging investment through legislation that is favorable to it.
- 8) Creating jobs via massive initiatives.
- 9) Quickening the rate of human growth through contemporary innovations in HRD.

The article concludes that in order to address Pakistan's issues with poverty, inequality, and other social and economic issues, attention must be directed toward other variables that contribute to economic growth. Political, social, and economic stability are necessary for consistent economic policy and long-term growth. Throughout the years, the percentage of inclusive growth in the economy has been high. In order to revive the economy, initiatives aimed at reforming consumption and production must first boost economic growth.

CONFLICT OF INTERESTS

None.

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