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Inclusive development. How is Poland doing in comparison to other OECD countries?

INTRODUCTION

The idea of inclusiveness appeared when it was noticed that economic growth *per se* is insufficient for the fight against poverty and income inequality. Furthermore, growing income differentiation within societies has become a matter of concern, leading to the conclusion that the phenomenon is dangerous for the economy and social cohesion. Thus, active state involvement in market mechanisms, which tend towards unequal and uneven outcomes, is needed.

Despite the wide popularity of the idea of inclusive growth and development, it is difficult to find a uniform, precise and coherent definition of this idea. Proposals for measuring the degree of inclusiveness of the economy are to a large extent discretionary, depending on the adopted assumptions. It should be emphasised, however, that research on growth and inclusive development is becoming increasingly extensive and the concepts of measurement are gradually being developed. Ultimately, taking into account the complexity of the issue, one can expect new proposals concerning the discussed area.

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Inclusiveness is still a prevailing issue. In particular, in the situation of growing income inequalities and the identification by researchers of the negative consequences of this phenomenon, the idea of including the entire society in the distribution of the national welfare is a key aspect of socio-economic development.

The aim of the study is to present a general outline of inclusive growth and development and to examine the position of Poland in this respect compared to other OECD countries. Based on the OECD method, after modifying it for the needs of this study, the evaluation of the advancement of inclusive development in Poland was investigated. The hypothesis states that the development in Poland is less inclusive than the OECD average. The research covers data from 30 countries and was conducted with the use of the following methods: data normalisation, cluster analysis, and comparative analysis.

INCLUSIVE GROWTH AND DEVELOPMENT CONCEPT

Since the late 2000s, inclusive growth has become the subject of a wide interest among economists and politicians in many countries (Grimm et al., 2015, p. 2). Despite this, there is still no consensus on the precise definition of this concept and the methods of its operationalisation.

The inclusiveness of growth is considered in close association with the issues of increasing economic inequalities observed in society. Simplistically, the idea is that all citizens in a country should benefit from the fruits of economic growth. In this way, the existing economic inequalities could be reduced, or at least not deepened. This approach is in opposition to the hypothesis that one of the unavoidable choices made in a market economy is one between equality and efficiency. The striving for the increase of economic egalitarianism takes place, according to this hypothesis, at the expense of the economy's ability to develop³. The idea of inclusive growth emphasises that not only economic growth and the simultaneous reduction of economic inequalities (including the elimination of poverty) is possible, but these goals may be even complementary (the implementation of one goal favours the achievement of the other). In particular, to achieve sustainable growth in the long term, reducing excessive inequalities, including fighting poverty, appears to be crucial. Observations indicate that it is much easier to ignite economic growth than to sustain its stability in the long run (Hausmann et al., 2005, pp. 303–329). Apart from the factors that can be included in the pantheon of critical determinants of economic growth and its duration (the quality of economic and political institutions, an outward orientation of the economy, macroeconomic stability, and human capital accumulation), less inequality seems to be associated with more sustained growth.

³ Arthur Okun became the populariser of this hypothesis by publishing in 1975 his monograph "Equality and Efficiency: The Big Tradeoff". According to Okun, there is a conflict between the social need to reduce excessive economic inequalities and the efficiency of the economy (Okun, 1975).

Too much inequality might be destructive to the persistence of economic growth. Berg and Ostry even state “that it would be a big mistake to separate analyses of growth and income distribution” (Berg, Ostry, 2011). Growth and equity can and should go hand in hand.

The analysis of sometimes different definitions of inclusive growth leads to the conclusion that the most common components of the concept in question are: poverty, economic inequality, productive employment, and equal opportunities (Ranieri, Ramos, 2013, p. 18).

The necessity to reduce poverty is the original and key premise of the idea under discussion. It has been stated beyond reasonable doubt that economic growth *per se* is not a guarantee for poverty reduction (as assumed, for example, by the concept of Kuznets curve⁴). This opened the space for the idea of pro-poor growth (Grimm et al., 2015, pp. 1–4), which is sometimes misguidedly identified with the concept of inclusive growth, although it is an essential part of it. While in the case of pro-poor growth, the focus is on reducing poverty spheres through economic growth, the concept of inclusive growth covers the whole of society. Economic growth should benefit all social groups: the poor, the middle class and the rich (Klasen, 2010, p. 2). These benefits should ultimately lead to the reduction of economic inequalities between the citizens.

In order for the idea of inclusive growth to materialise, the manner in which this growth is achieved, in addition to the high rate of economic growth, is also important. Both of these two components are interrelated and play a key role in the strategy of achieving high and sustainable economic growth. A necessary condition for the success of this strategy is a broad-based involvement of all members of society in the process of building wealth. In the idea of inclusive growth, the priority is to strengthen productive employment⁵. Hence, the focus should be not only on employment growth, but also on productivity growth. Increasing the welfare of the less affluent strata of society should not be achieved through direct redistribution of income, especially in the case of long-term policies. Social transfers can only provide short-term support for the poor (Ianchovichina, Lundstrom, 2009, p. 2). In the long term, they may contribute to an excessive burden on public finances and hamper economic growth. Ultimately, the condition of equal opportunities is much more exposed than income equality.

The research results indicate a relationship between equality of opportunity, social mobility and equality of outcome. More inequality is associated with less

⁴ According to Simon Kuznets, economic growth initially entails an increase in income disparities, which then decline. However, further studies of the relationship between economic growth and changes in the level of inequality produced different results. The Kuznets curve has lost empirical confirmation (Kuznets, 1955, pp. 1–28; Fields, 2001, pp. 36–72).

⁵ Productive employment is considered by the International Labour Organization as employment yielding sufficient returns for labour to permit a worker and his/her dependents a level of consumption above the poverty line (Ripley, Hartrich, 2017).

mobility across the generations (this is illustrated by the so-called Great Gatsby Curve) (More: Corak, 2013, pp. 79–102). Inequality lowers mobility because it shapes opportunity. When children inherit much of their economic status from their parents, this creates a perception of unfairness and a lack of opportunity. Inequalities are acceptable if they result from individual effort or personal abilities and talents. But if they relate to inherited property, discrimination or place of residence, then they should be considered detrimental. Ali and Zhuang (2007) point out that equal opportunity is one of the basic human rights, and a lack of it is unethical and immoral. Furthermore, equal access to opportunities for all boosts the growth potential. Otherwise, inefficient utilisation of human and physical resources, the decline in the quality of institutions and policies, the erosion of social cohesion, and the increase of social conflict take place (Ali, Zhuang, 2007, p. 10). Thus, an important issue of inclusive growth is to provide equal opportunities for people from different areas and social backgrounds.

There are two possible focal aspects identified for inclusive growth: outcomes and process. The “process” of growth allows participation of (and contribution by) all members of society, with particular emphasis on the ability of the poor and disadvantaged to participate in growth (the “non-discriminatory” aspect of growth). The term “outcomes” of growth is associated with declining inequality in those non-income dimensions of well-being that are particularly important for promoting economic opportunities, including education, health, nutrition and social integration (the “disadvantage-reducing” aspect of inclusive growth) (OECD, 2015, p. 84).

Incorporating non-income dimensions into the analysis introduced a new distinction. The notion of inclusive growth should pertain to the distribution of increases in income, whereas the distribution of improvements along dimensions other than income should be termed as inclusive development (Rauniyar, Kanbur, 2010, p. 4). Nevertheless, these two notions are used interchangeably by most authors, and in many cases, inclusive growth is even used as a broad concept similar in fact to inclusive development.

Intrinsically, the term “inclusive development” should be consistent with the perception of the idea of economic development. But, whereas the term “economic growth” is usually crystal clear, “a comprehensive history of the idea of development has yet to be written” (Sachs, 2004, p. 3). The evolution of the idea of development may be summarised as an enhancement of its content by the addition of new dimensions: economic, social, political, cultural, and sustainable (Sachs, 2004, p. 7). Development is an ever evolving concept including: the protection of social and economic human rights, meeting basic human needs, reducing poverty, enhancing wellbeing, minimising externalised environmental impacts, focusing on rural development to balance urban development, and empowerment of social cohesion (Pouw, Gupta, 2017, pp. 104–108). Development should be understood as dimensions of well-being beyond income, while inclusiveness focuses attention on the distribution of well-being (van Gent, 2017).

Generally, in the broad sense, quality of life and high living standards for all matter, considering that the relevant dimensions of inclusive development may vary across countries depending on their level of economic development, social preferences, specific conditions and circumstances (Samans et al., 2015).

INCLUSIVE DEVELOPMENT IN THE OECD COUNTRIES – METHODOLOGY

Although inclusive growth and development is a relatively new concept, in recent years, many propositions of measurement have appeared. Previously, indices which focused on income or welfare inequalities have existed, such as the Gini index and the Inequality-adjusted Human Development Index (UNDP, 2019). There is also a growing number of measures designed to capture individual wellbeing, life satisfaction, happiness, and some “beyond GDP” aspects of welfare (Fleurbaey, Blanchet, 2013). Inclusiveness, however, needs measures that emphasise the aspects related to the participation of individuals in the overall benefits of socio-economic development. In recent years, international organisations have developed different sets of variables to be taken into account in assessing the progress of inclusiveness in a country. The European Commission focuses more on inclusive growth (Eurostat, 2020), the OECD (2015; 2018) and the World Economic Forum (Samans et al., 2015; WEF, 2018) have a wider scope of inclusiveness, and the World Bank has created the Global Findex focused on financial inclusion only (Demirguc-Kunt et al., 2017). For the purpose of the research, the OECD’s approach was applied. The main reason is that all of the countries studied belong to the OECD, hence in the study, there are no underdeveloped countries, where even basic needs are not met, which would require a different approach than in the case of highly developed countries (Samans et al., 2015). The OECD’s set of variables is designed for more developed countries. It consists of the four main pillars shown in Table 1. Not all data proposed in the report was available for all OECD countries, thus some of them were replaced by data with a similar meaning. Two variables were dropped as there was no complete data that could be a good replacement for the original version. The replacements and drops in the data set are listed below Table 1.

Most of the data came from the OECD database, an exception being 2.7 which was taken from The Global Findex database, and one piece of information had to be filled in from the original Canadian source. The data are usually from the second half of the 2010s (for more specific data, the period is different, such as in the case of voter turnout, which is calculated for a whole decade). The research covers 30 countries belonging to the OECD. Countries not included due to a lack of data are: Colombia, Chile, Iceland, Israel, Japan, Korea, and Mexico.

Table 1. A set of variables proposed by the OECD for measuring inclusive development

1. Growth and ensuring equitable sharing of benefits from growth	2. Inclusive and well-functioning markets	3. Equal opportunities and foundations of future prosperity	4. Governance
1.1 GDP per capita growth (%) 1.2* Median income growth and level (%; USD PPP)	2.1 Annual labour productivity growth (2.1a) and level (2.1b) (%; USD PPP)	3.1 Variation in science performance explained by students' socio-economic status (%)	4.1* Confidence in government (%)
1.3 S80/20 share of income (ratio) 1.4 Bottom 40% wealth share and top 10% wealth share (% of household net wealth)	2.2 Employment-to-population ratio (%) 2.3 Earnings dispersion (inter-decile 9/1 ratio)	3.2* Correlation of earnings outcomes across generations (coefficient)	4.2 Voter turnout (%)
1.5 Life expectancy (number of years) 1.6 Mortality from outdoor air pollution (deaths per million inhabitants)	2.4* Female wage gap (%) 2.5 Involuntary part-time employment (%) 2.6** Digital access (businesses using cloud computing services) (%)	3.3* Childcare enrollment rate – children aged 0–2 (%) 3.4* Young people neither in employment nor in education & training: 18–24-year-olds (%)	4.3* Female political participation (%)
1.7 Relative poverty rate (%)	2.7* Share of SME loans in total business loans (%)	3.5* Share of adults who score below Level 1 in both literacy and numeracy (%) 3.6** Regional life expectancy gap (%) difference) 3.7* Resilient students (%)	

*Variables changed:

- 1.2 Median disposable income (level)
 - 2.4 Gender wage gap at median
 - 2.7 Loans borrowed to start, operate, or expand a farm or business (% age 15+)
 - 3.2 Earnings gap for ages 15–24/25–54 (3.2a) and 55–64/25–54 (3.2b)
 - 3.3 Childhood education and care, 3–5-year-olds (%)
 - 3.4 Share of young people neither in employment nor in education & training, aged 15–24 (%)
 - 3.5 Adult education level below upper secondary, 25–64-year-olds (%)
 - 3.7 Students' socio-economic status measured by the PISA index of economic, social and cultural status (95th – 5th percentile)
 - 4.1 Trust in government (%)
 - 4.3 Women parliamentarians (%)
- **Variables dropped because of a lack of complete data: 2.6 and 3.6.

Source: (OECD 2018; OECD database; The Global Findex database, Child care Canada).

The study consists of the stages as follows:

1. Data normalisation. The original data are in different units, different scales, and have a different preferred direction of changes (the higher – the better/the worse). To make comparison possible, the data were normalised and rescaled to the range [1;10] using the min-max formula (Jayalakshmi, Santhakumaran, 2011):
 - a. for stimulants:

$$V = \frac{score - min}{max - min} \cdot (new_{max} - new_{min}) + new_{min} \quad (1)$$

For scale [1;10], it means:

$$V = \frac{score - min}{max - min} \cdot 9 + 1 \quad (2)$$

b. for destimulants:

$$V = \frac{score - min}{max - min} \cdot (new_{min} - new_{max}) + new_{max} \quad (3)$$

For scale [1;10], it means:

$$V = \frac{score - min}{max - min} \cdot (-9) + 10 \quad (4)$$

Score is the level of the original characteristic for the country, *min* and *max* mean the minimum and maximum value of the original characteristic, and *new_{min}* and *new_{max}* mean the boundary values of the new scale, in this case, they are 1 and 10.

2. Data aggregation. The OECD proposal contains 24 variables, grouped into four pillars. After normalisation, the variables were treated as sub-indices. The four pillars were calculated as an arithmetic mean of the sub-indices. Then, the main index was calculated as an arithmetic mean of the pillars.
3. Results ordering. After calculating the indices, all countries were ranked from the best to the worst. The rankings were made for a total score and for the four main pillars.
4. Cluster analysis. Rankings show only an overall view. In fact, countries may cope better in some areas, and worse in others, which cannot be seen after averaging. A cluster analysis groups the countries in terms of their multidimensional similarity to each other. This shows which other countries the entity is most similar to, but also how much groups of countries differ from each other.

The Euclidean distance was the basis for measuring the similarity (Gatnar, Walesiak, 2004, p. 317):

$$d(x_i, x_k) = d_{ik} = \sqrt{\sum_{j=1}^p (x_{ij} - x_{kj})^2}, \quad (5)$$

where j is the characteristic for the objects x_i and x_k , and p is the number of characteristics.

The method used for the clustering was the Ward variant – a hierarchic method based on the minimum variance, where the algorithm in each step merges the objects in such a way as to obtain the smallest possible increase of variance within the group (Romesburg, 2004).

5. Groups comparison. The cluster analysis grouped the countries. The comparison between the cluster groups made it possible to show their strengths and weaknesses, and to identify the most inclusive countries.
6. Comparative analysis of Poland and the OECD average and median. The Polish scores were compared with the average and median values for the OECD. A look at the sub-indices level made it possible to indicate the areas for improvement for Poland.

INCLUSIVE DEVELOPMENT IN THE OECD COUNTRIES – RESEARCH RESULTS

To examine the level of advancement of inclusive development in Poland, it was necessary to make the data comparable. Table 2 shows the results of the data normalisation to the scale [1;10]. At the most aggregated level (Total Score), the Nordic countries are at the top, with Norway in 1st place. Turkey closes the ranking, right after Greece and the USA, which had very low scores in the 1st and 4th pillars. Poland occupies the 18th position in the overall result, and even comes 8th in the 3rd pillar.

Table 2. Scores after data normalisation and the OECD countries' positions in the rankings

Country Name	Normalised Scores					Position in the ranking				
	Total Score	Pillar 1	Pillar 2	Pillar 3	Pillar 4	Total Score	Pillar 1	Pillar 2	Pillar 3	Pillar 4
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Norway	8.05	8.08	8.28	7.77	8.07	1	4	1	2	3
Denmark	7.62	7.65	7.20	7.74	7.89	2	5	3	3	4
Sweden	7.60	7.50	7.73	6.97	8.18	3	6	2	14	1
Netherlands	7.30	7.27	6.76	7.55	7.62	4	10	6	6	5

<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Finland	7.13	8.20	6.20	7.21	6.91	5	3	10	9	10
Ireland	6.86	8.25	6.70	7.13	5.37	6	1	8	12	16
Belgium	6.81	7.34	6.75	5.58	7.58	7	8	7	24	6
New Zealand	6.53	6.15	6.00	6.82	7.14	8	21	11	15	7
Germany	6.51	6.57	5.88	6.50	7.09	9	16	12	18	8
Luxembourg	6.50	5.89	6.99	5.06	8.07	10	23	4	27	2
Slovenia	6.49	8.25	6.21	7.17	4.35	11	2	9	10	21
Switzerland	6.46	7.23	6.90	5.73	6.01	12	11	5	23	12
Canada	6.44	6.83	5.60	7.66	5.68	13	14	17	4	14
Australia	6.44	6.35	5.54	6.81	7.05	14	19	19	16	9
Austria	6.32	7.22	5.70	6.21	6.17	15	12	14	20	11
Estonia	6.08	6.52	5.01	8.17	4.61	16	17	25	1	20
Czech Republic	5.97	7.48	5.62	6.97	3.82	17	7	16	13	23
Poland	5.94	6.74	5.56	7.51	3.97	18	15	18	8	22
United Kingdom	5.93	5.20	5.65	7.60	5.26	19	26	15	5	17
Spain	5.55	6.19	4.86	5.43	5.73	20	20	26	25	13
Slovak Republic	5.52	7.07	5.25	6.25	3.50	21	13	23	19	24
France	5.46	7.32	5.50	5.73	3.29	22	9	20	22	25
Portugal	5.20	6.50	4.60	4.53	5.15	23	18	29	29	18
Hungary	5.19	6.14	5.40	6.14	3.07	24	22	22	21	28
Italy	5.10	5.66	4.61	5.17	4.97	25	24	28	26	19
Lithuania	4.88	3.28	5.88	7.17	3.18	26	30	13	11	26
Latvia	4.65	3.69	4.61	7.55	2.76	27	27	27	7	29
United States	4.62	3.48	5.40	6.51	3.08	28	28	21	17	27
Greece	4.30	5.57	3.88	5.06	2.71	29	25	30	28	30
Turkey	4.12	3.36	5.02	2.47	5.64	30	29	24	30	15

Source: own study.

Figure 1 presents the dendrogram made with use of the Ward method. The groups created on the basis of this dendrogram are included in Table 3, together with their characteristics. Visualisation of the main differences between the groups is presented in Figure 2.

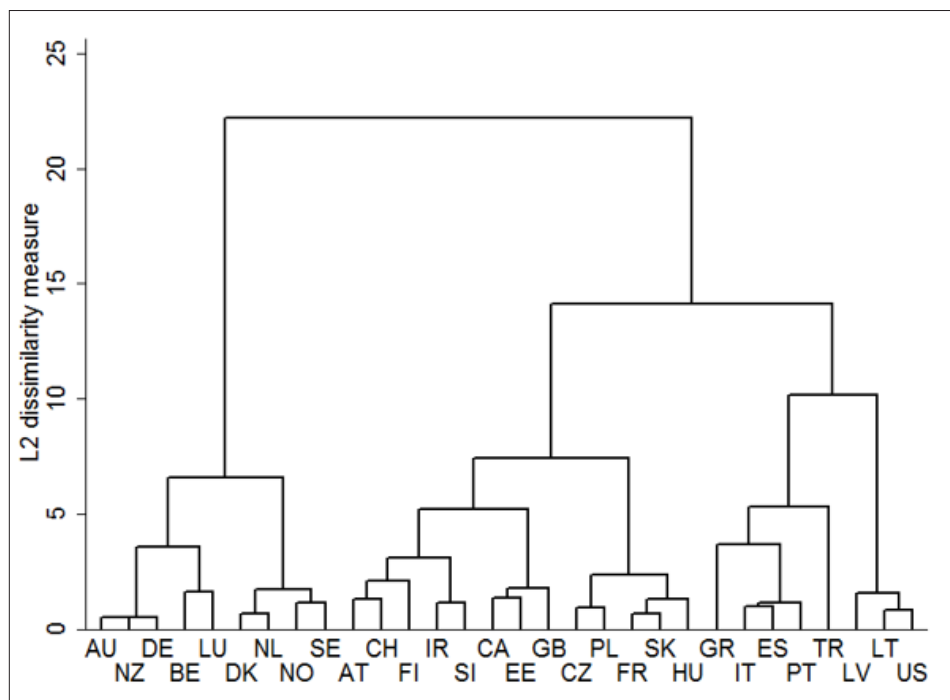


Figure 1. Dendrogram for OECD countries (the Ward method)

Source: own study.

Table 3. Cluster groups and their characteristic

Cluster Groups		Average scores				
Group	Countries	Pillar 1	Pillar 2	Pillar 3	Pillar 4	Total
I	AU, NZ, DE, BE, LU, DK, NL, NO, SE	6.98	6.79	6.76	7.63	7.04
II	AT, CH, FI, IR, SI, CA, EE, GB	7.21	6.00	7.11	5.54	6.47
III	CZ, PL, FR, SK, HU	6.95	5.47	6.52	3.53	5.62
IV	GR, IT, ES, PT, TR	5.46	4.59	4.53	4.84	4.86
V	LV, LT, US	3.48	5.30	7.08	3.01	4.72
OECD	All countries – Average	6.43	5.84	6.47	5.46	6.05
	All countries – Min	3.28	3.88	2.47	2.71	4.12
	All countries – Max	8.25	8.28	8.17	8.18	8.05
	All countries – Range (Max – Min)	4.97	4.41	5.70	5.47	3.93

Source: own study.

The cluster analysis (Figure 1, Table 3) shows that Poland, in terms of inclusiveness, is most similar to the Czech Republic, but also quite similar to France, the Slovak Republic, and Hungary. It can also be observed that other cluster groups overlap to some extent based on the geographical and cultural area – the Nordic countries are together in one group, and most of the Mediterranean countries create a separate cluster, and also Great Britain, Ireland, Canada, Australia and New Zealand are in the same group. However, there are some exceptions, the most important one seems to be the US, which is not grouped together with other Anglo-Saxon countries.

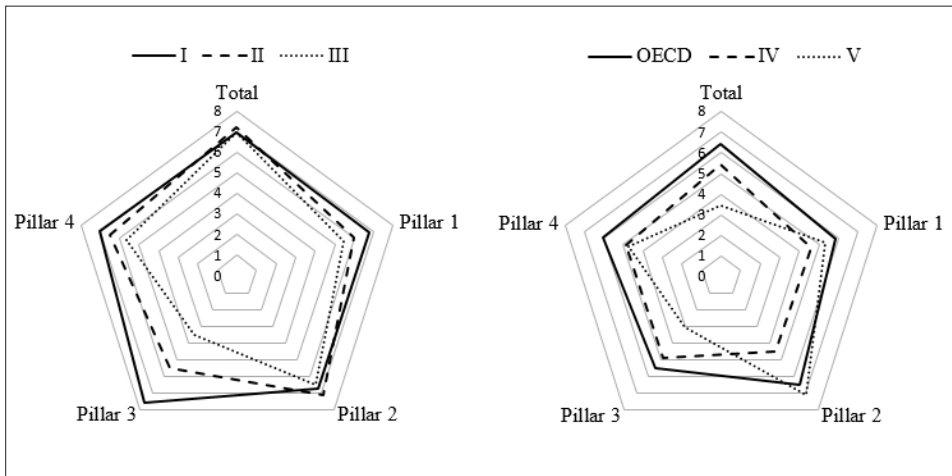


Figure 2. Group comparison in terms of pillars of inclusive development

Source: own study.

The pillar where countries differ the most (Figure 2), is the 4th one – Governance. The smallest variation can be seen in the area of the 2nd pillar – Inclusive and well-functioning markets. The most inclusive countries belong to Groups I and II – both groups have all scores above the OECD average. Group I has better results in the 2nd and 4th pillars, group II, in the 1st (Growth and ensuring equitable sharing of benefits from growth) and the 3rd (Equal opportunities and foundations of future prosperity). Group IV has all scores below the OECD average – these are the Mediterranean countries. Poor results can also be observed in Group V, where only 3rd pillar is above the OECD average. Group III (Poland's group, together with other Central European countries, and France) has high results in the 1st and 3rd pillars, a bit worse, but still high scores in the 2nd pillar, and very low results in the 4th pillar.

Table 4 allows for a more detailed indication of the reasons why some pillars have high/low scores in Poland.

Table 4. Inclusiveness scores for Poland and average and median values for the OECD

Score for:	Pillar 1	1.1	1.2	1.3	1.4	1.5	1.6	1.7
Poland	6.74	7.55	8.71	8.65	4.17	2.98	7.05	8.06
OECD Average	6.43	4.99	7.14	6.99	6.95	6.31	6.01	6.63
OECD Median	6.65	4.10	8.16	7.57	7.90	6.52	6.53	6.79
Score for:	Pillar 2	2.1a	2.1b	2.2	2.3	2.4	2.5	2.7
Poland	5.56	7.24	1.39	5.64	4.83	7.83	9.49	2.52
OECD Average	5.84	4.27	4.22	6.63	6.53	6.90	7.50	4.86
OECD Median	5.64	4.00	3.83	6.91	6.46	6.87	7.97	4.79
Score for:	Pillar 3	3.1	3.2a	3.2b	3.3	3.4	3.5	3.7
Poland	7.51	6.21	6.53	7.21	6.26	7.84	9.72	8.77
OECD Average	6.47	5.81	5.14	4.70	7.37	7.49	7.76	7.03
OECD Median	6.82	6.24	4.94	4.68	8.26	7.87	8.13	7.42
Score for:	Pillar 4	4.1	4.2	4.3	Total Score			
Poland	3.97	4.90	1.19	5.81	5.94			
OECD Average	5.46	5.19	5.09	6.10	6.44			
OECD Median	5.51	5.01	4.73	6.17	6.20			

Source: own study.

In the case of the 1st pillar, the overall score is higher than the OECD average and median, and only sub-indices 1.5 (Life expectancy) and 1.4 (Bottom 40% / top 10% wealth share) are below these levels. The 2nd pillar is a bit below the average and median, but this area is very diverse internally. A very low score can be observed in the case of sub-index 2.1b (Labour productivity level), while 2.1a (Labour productivity growth) is higher by nearly 3 points than the OECD average, which represents a chance to catch up in the future. Sub-indices 2.2 (Employment ratio), 2.3 (Earnings dispersion), and 2.7 (Loans to start, operate, or expand a farm or business) are also below the average and median. At the same time, 2.5 (Involuntary part-time employment) has a score around 9.5, which is one of the best in the OECD (it is a destimulant, so a high score means the low intensity of the problem). Pillar 3 is higher by roughly 1 point than the average. In this case, only 3.3 (Early childhood education and care) is a weak point (the score is below the OECD average and median). The score for the 4th pillar is by roughly 1.5 points lower than the average and median. All components of this pillar are low, but sub-index 4.2 (Voter turnout) is the lowest.

CONCLUSION

Inclusive growth and inclusive development have many definitions and, they are understood differently in the literature. However, it can be said without doubt that the idea of inclusive development is not about short-term supports for the poor, but about creating long-term conditions of equal opportunities. A lack of such opportunities is not only a moral issue, but also results in a waste of potential for countries to create their wealth and progress. Definitions and measurement of the inclusiveness still needs clarification, but regardless of the conceptual ambiguity, the phenomena of inclusiveness is worthy of study, to make comparisons between the countries and tracking their possible progress.

In this paper, from the existing propositions of inclusive development measures, the OECD's set of variables was adopted as the basis for the evaluation of Poland's position in comparison to other OECD countries. According to the results, Poland has a middle, 18th position in the overall ranking of 30 countries, and is part of a cluster group together with the countries from Central Europe, and with France. But Poland's scores are varied – indices related to the income issue (pillar 1) are quite good, as well as equal opportunities connected with education (pillar 3). Far weaker results can be observed regarding the functioning of the labour market (indicators connected with the level of labour productivity, employment, earnings), and access to loans for starting or expanding a business, but also life expectancy and wealth distribution, early childhood education and care, and, most of all, the whole governance area. These issues can be recommended as the areas for improvement for Poland in order to make the socio-economic progress more inclusive. For future research, it is also worth examining which variables are important for the countries with a similar level of advancement to Poland, because which determinants matter the most depends on the level of development the country is at.

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Summary

Inclusive development is a multifaceted conception, which makes it difficult to measure. Recent years, however, have brought some proposals for measuring this phenomenon, which opens up new opportunities to deepen the knowledge of how countries are doing in making their economic and social progress more inclusive. The aim of the paper is to examine the level of advancement of inclusive development in Poland in comparison to other OECD countries. The main hypothesis states that the development in Poland is less inclusive than the OECD average. The research covers data from 30 countries (OECD members, excluding the countries where such data were unavailable), and is based on the OECD's proposal of measurement. The study was conducted with the use of data normalisation into unified indices, taxonomic methods (cluster analysis based on the Ward hierarchic method), and comparative analysis. The results indicate areas of improvement for Poland. These are issues connected with the functioning of the labour market (the level of labour productivity, employment ratio, earnings dispersion), access to loans for starting or expanding businesses, but also life expectancy, wealth distribution, early childhood education and care, and, most of all, characteristics related to the area of governance, such as trust in the government, and voter turnout.

Keywords: inclusiveness, growth, development, economic and social exclusion, OECD.

Rozwój inkluzywny – Polska na tle innych krajów OECD

Streszczenie

Rozwój inkluzywny jest pojęciem wielowymiarowym, co czyni go trudnym do zmierzenia. Jednak w ostatnich latach pojawiły się propozycje pomiaru tego zjawiska, które otwierają nowe możliwości pogłębienia wiedzy na temat tego, jak poszczególne kraje radzą sobie w czynieniu ekonomicznego postępu bardziej włączającym. Celem artykułu jest sprawdzenie poziomu zaawansowania inkluzywności rozwoju w Polsce w porównaniu do innych krajów OECD. Za główną hipotezę przyjęto w artykule stwierdzenie, że rozwój w Polsce jest mniej inkluzywny niż przeciętnie w OECD. Badanie obejmuje 30 krajów członkowskich OECD (pominięto te, dla których dane nie były dostępne) i opiera się na propozycji pomiaru rozwoju inkluzywnego opracowanej przez OECD. W badaniu wykorzystano normalizację danych do jednolitych indeksów, metody taksonomiczne (analiza skupień w wersji

Warda) oraz analizę porównawczą. Wyniki badania pozwoliły wskazać obszary inkluzywności wymagające w Polsce poprawy. Są to kwestie związane z funkcjonowaniem rynku pracy (poziom wydajności pracy, stopa zatrudnienia, zróżnicowanie wynagrodzeń), dostęp do kredytów na rozpoczęcie lub rozszerzenie własnej działalności, ale także długość życia, dystrybucja majątku i wczesna opieka i edukacja oraz przede wszystkim czynniki związane z instytucjami publicznymi, takie jak zaufanie do rządu lub frekwencja wyborcza.

Słowa kluczowe: inkluzywność, wzrost, rozwój, wykluczenie ekonomiczne i społeczne, OECD.

JEL: E01, E02, I31, O10, O57.