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INNOVATION AS THE BASIS FOR INCLUSIVE GROWTH

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High rates of social exclusion and poverty are important challenges for many development strategies in developing countries. However, significant inequalities, high levels of poverty and social exclusion in many developing countries, despite successful innovation experiences, suggest that the innovative opportunities that are being built are not necessarily comprehensive. Many developing countries have successfully developed "excellence", while the vast majority of firms and individuals lack even basic innovation capabilities, leading to wage inequality. At the same time, however, innovative products targeted at or created by low-and middle-income groups should be used to address inequalities. The global Competitiveness index (The Global Competitiveness Index) is a global study that accompanies its ranking of countries in terms of economic competitiveness. It is based on the methodology of the world economic forum, which defines national competitiveness as the ability of the country and its institutions to ensure stable rates of economic growth, which would be stable in the medium term. Representatives of the world economic forum point out that the competitiveness of national economies is determined by numerous and very diverse factors. The study presents two indices on the basis of which country rankings are compiled: the global Competitiveness index (GCI) and the business competitiveness index (BCI).

In the growing global competition of national economies, the prospect of a strategic victory is real only for those countries that realize and realize the competitive potential of universal inclusion. The underestimation of the practical importance of the process of enclavization it is generated by the inversion character of the formation. Inclusiveness is usually limited to the sphere of education and even considered as a phenomenon of some social charity, which is a dangerous misconception [1].

An inclusive market economy ensures that all population groups, defined by gender, age, geographical location and other factors, have fair and full access to labour markets, financing and, more broadly, equal economic opportunities: at the company level, this is linked to standards of conduct and decision-making that recognize (and, in essence, exploit) the full potential of different people, customers and suppliers; at the economic level, this requires that legal frameworks, institutions and policies be free from bias and actively contribute to reducing barriers to economic participation. Therefore, when we talk about promoting an inclusive market system, we are referring to the efficient allocation of human resources.

Economic inclusion directly contributes to the achievement of the seven sustainable development goals, especially those related to inclusive and equitable education, gender equality, inclusive economic growth, infrastructure, inequality within countries, inclusive human settlements and institutions [2].

Income inequality has risen to unprecedented levels in many OECD countries over the past three decades. Promoting inclusive growth is at the top of many governments ' agendas, as high levels of inequality have a negative impact on welfare and growth [3].

In order to assess economic inclusion, the inclusive development index (IDI), proposed at the world economic forum in Davos 2018 (WEF), was developed. The index measures 107 countries in terms of growth, equity and sustainability. This is done for the reason that economists and policymakers rely too much on GDP as the indicator of economic development of countries to the detriment of the standard of living of people.

Economic policy priorities should be reoriented to more effective counteraction to insecurity and inequality, which accompany technological changes and globalization, the WEF announces a new index. It is sustainable, inclusive progress, accompanied by an increase in the income of the population along with the growth of its economic opportunities, security and quality of life, that should be recognized by politicians as the main goal of economic development – not GDP growth. This includes new tools to assess the effectiveness of such policies.

The inclusive development index is based on 12 indicators, grouped into three groups, which assess the level of economic development better than one indicator of GDP growth. Three main parts of IDI:

– growth and development (including GDP, employment, productivity, life expectancy));
– inclusion (median household income, poverty and inequality));
– intergenerational equity and sustainability (level of savings, demographic burden, public debt and environmental pollution) [4].

The first group of characteristics, called "Growth and development", indicated:

1. GDP per capita (in us dollars for 2010);
2. Labor productivity-GDP per employee (in us dollars);
3. Life expectancy;
4. Employment of the working age population (percentage).

In the second group of characteristics «Inclusiveness» are marked:

1. Income stratification factor (distribution) in society (0 - full equality, 100-complete inequality);
2. Poverty level;
3. The coefficient of stratification of society on the distribution of wealth (0-complete equality, 100-complete inequality);
4. The median daily consumption of households (an indicator based on purchasing power, it divides the population into two halves: those who spend above and below this bar).

In the third, final, group of characteristics under the General name "Intergenerational justice and sustainability" are presented:

1. Adjusted net savings (calculated according to the scheme: the reserves of natural resources plus education expenditure and minus resource consumption, depletion of energy reserves, the damage from emissions is indicated as a percentage of gross national product);
2. Greenhouse effect of GDP (CO2 emissions per dollar of gross domestic product produced by the country's economy);
3. Public debt (as a percentage of GDP));
4. Demographic burden (ratio of dependent citizens aged 0 to 15 and over 64 years to the total number of able-bodied population).

Of all 12 indicators, group indices are formed first, and after their addition, the final indicator is obtained as an arithmetic mean [5].

According to this index, the first place is Germany (0.915), the second – Australia (0.904), the third – New Zealand (0.901). At the same time, the Republic of Belarus is on the 29th place out of 189 countries with the human capital development index equal to 0.807, which is 2 points lower than Russia (0.814) [3].

From this we can conclude that in the Republic of Belarus the population of the country is quite literate.

Financial literacy is an important element of literacy. The low level of financial literacy of the population has a negative impact not only on the consumers of financial products, but also on the state, business and the economy as a whole. Because of this, inequality of the population and their incomes may arise [4]. In recent decades, income inequality has increased in almost all countries, but at different rates, which suggests that institutions and policies affect the formation of inequality [5].

At the same time, the growing inequality caused by the modern processes of globalization threatens to expand and exacerbate various kinds of conflicts – national and interethnic [6]. Hence the need for a significant change in the quality of economic growth and development. If we talk about individual countries, growth should affect the widest possible segments of the population, not only the richest and most economically active, i.e., acquire the property of "inclusiveness".

"Inclusive growth" (Inclusive Growth) is the official UN term. Ensuring economic growth, employment, social equality and protection through effective public administration and public institutions is inclusive growth [7].

According to the author, the functions of inclusive growth will be:

1) assessing the level of inequality that affects well-being and growth;

2) assessment of living standards and education of the population;

3) assessment of labor productivity and foreign economic indicators, such as GDP, which determine the pace of economic development of the country.

These functions will help to reveal and evaluate the impact of "inclusive" factors on economic growth.

Summary. Proposals to address the problem. It is necessary to raise the standard of living of the population, which is due to the growth of production of goods and services. It is also necessary to increase the amount of resources used and the level of scientific and technological progress that allows the production of new, highly efficient goods and services. In our opinion, in order to effectively use innovation in the Republic of Belarus, it is necessary to stimulate innovation. The state promotes innovation through appropriate fiscal, tax, monetary, customs and other policies.

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