



12th BALI DEMOCRACY FORUM

Nusa Dua, Bali, 5-6 December 2019

KEY ELEMENTS

Panel D

“Inclusive Economy”

Info :

Inclusivity lies at the core of democracy and its underpinning principle of equal participation for all. The principle foundation of democracy is that all who are affected by a decision should have the right to participate in making that decision, either directly or through their chosen representatives. This assertion is consistent with the UN’s SDGs goal (number 16 targets 16.7):

‘...ensuring inclusive, participatory and representative decision making at all levels...’ and ‘...ensuring full and effective participation and equal opportunities for leadership at all levels of decision-making of women in political, economic and public life...’. This assertion implies the inclusion of all unique groupings in a particular society.

In order to guarantee inclusive democratic process in any society, that particular country/government must invest a great amount of resources, including financial, human, material or otherwise, in order to establish the right conditions necessary for fostering inclusive democracy which ensures peace, political stability and economic prosperity.

Inequality of opportunity persists worldwide. Not all citizens in society feel represented in decision making nor the same rights to access the benefit of democracy, thus many feel marginalized. Democratic institutions are viewed as failing to be inclusive thus lead to the erosion of public trust in democracy. Has the democracy and its benefit not been inclusive enough?

Current conditions & Challenges:

- The global economy is experiencing a slowdown as a result of the escalating trade tension and higher policy uncertainties across many countries.
- Many countries around the world are experiencing rising inequality, stagnation of middle-class income, and concentration of wealth.
- Worldwide, there is a sentiment that democracy is captured by the super-rich and not truly “of the people, by the people, for the people.”
- *Technological advances have mainly benefited owners of capital and highly skilled workers.*

- Developing countries face challenges in creating inclusivity: Geographic challenges, technological injustice and education inequality
- For most developing countries, underemployment in the informal sector is also an important issue
- Inclusive economy is a multi-dimensional concept; it goes beyond poverty and income distribution, it is about social cohesion and wellbeing
- Inclusive economy is not only about providing opportunities but also ensuring growth is more appropriately balanced across activities:

Way Forward:

- Advancing financial inclusion can further reduce poverty and strengthen country's resilience.
- Governments should continue to strengthen financial infrastructure and related regulation in supporting inclusive economy.
- Investing in education is considered necessary in broadening inclusive economy and increasing livelihood of people.
- Implementing structural reforms, streamlining regulations and addressing bureaucratic red tapes that hinders innovation and the development of micro, small and medium enterprises (MSMEs).
- Promoting further participation of women, youths and other marginalized groups in economic, political and policy-making processes by lowering barriers, changing mindsets, and encouraging the principle of equity.
- Harnessing the benefits of rapid information technology can further promote inclusive and sustainable growth.
- The engagement of multistakeholders is deemed important in creating an appropriate ecosystem for inclusive economy.
- Creative economy plays an important role in promoting inclusive economy with the development innovative ideas. It stimulates growth in social, cultural and human development.

Conclusion & Recommendation :

- Democracy enables people to have equal opportunity to access economic activities which promotes inclusive economy.
- Educational institutions plays an important role to increase the capacity and skills of human capital in nurturing creative ideas.
- Government should ensure that policies on inclusive economy embrace education sectors.
- Government should improve infrastructure to ensure that the poor and marginalized people have equal access and opportunity.
- Public and society should ensure that democracy is used to promote economic equality and equity, ensuring that no one is left behind in economic growth.
- Encourage all citizens to actively participate in democratic process, promote check and balance mechanism and advocate for a functioning judicial system.