



Theoretical connotation of inclusive development and research on China's path

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Abstract

In the process of globalization and modern social transformation, how to balance fairness and efficiency is a major challenge posed by the times. The traditional development model centered on the "growth-first" philosophy has achieved unprecedented economic success, yet it has also left behind social issues and drawbacks such as poverty, inequality, and exclusion, demonstrating weaknesses in sustainability and social justice that make it difficult to sustain into new developmental stages. "Inclusive development" has increasingly become a focus of attention among scholars both domestically and internationally, with international organizations and developed countries paying particular attention to this issue and actively engaging in policy and practical initiatives. The situation in China has particularly drawn strong public concern. This article synthesizes the achievements and perspectives of domestic and international scholars on this issue, discussing it from four aspects: value foundation, institutional arrangements, practical mechanisms, and goal orientation. It presents the appearance and characteristics of "inclusive development" as theoretical content and ideological connotation, emphasizing that inclusive development not only focuses on universal participation, equal opportunities, and effective support capabilities during the development process—essentially shared development—but more importantly, safeguards equal rights and development opportunities for all individuals through institutional innovation and improvements in public policies, especially targeting marginalized groups or collectives.

Based on a critical examination of existing knowledge, this paper proposes four dimensions for China's inclusive development practices: First, establishing a direction that balances fairness and efficiency to transition from rapid growth to quality development; Second, building inclusive public service and distribution mechanisms to enhance institutional universality and balance; Third, addressing shortcomings in social security, education and healthcare, and income distribution to genuinely strengthen people's sense of fulfillment and maintain social stability and harmony; Fourth, transforming development momentum and governance models through innovation-driven progress and diversified governance to ensure long-term sustainability. The final conclusion of this paper is that inclusive development transcends traditional growth paradigms and represents the inevitable path for China's modernization. By reconstructing theoretical frameworks, this study provides comprehensive, coordinated, and sustainable development approaches for China's practices, exploring a Chinese path to narrow social disparities, sustain economic momentum, and maintain social harmony and stability, thereby making China's wisdom contribution to global development.

Keywords: Inclusive development, social equity, public services, institutional innovation, china path

Introduction

Since the advent of globalization and social transformation, how can we balance fairness and efficiency? How can development dividends benefit all people rather than just a select few? After nearly half a century of rapid economic growth, the world economy has failed to deliver the transformative model that once improved living standards, narrowed income gaps, and promoted shared prosperity. Instead, it has created significant disparities across nations, regions, and social groups. Poverty, inequality, and social exclusion persist in many parts of the world. The "exclusivity" of economic growth exposes the blind spots of traditional growth-oriented development models: prioritizing growth metrics and scale expansion through investment-driven approaches, while disproportionately emphasizing efficiency gains over equitable distribution and opportunity provision. This not only depletes the foundation for sustainable economic development but more critically erodes the bedrock of harmonious societies and stable political legitimacy.

China also faces such a dilemma. After the reform and opening up, China has created an economic growth miracle rarely seen in the world. However, the long-term rapid growth has not completely eliminated social inequality. In

terms of income disparity, the urban-rural dual differentiation remains unbroken, and the "Matthew effect" continues to play a role; the imbalance between eastern coastal regions and underdeveloped central-western regions is also intensifying. Additionally, the imperfections in social security and unequal access to public goods and services have left some groups' fundamental rights—such as education, healthcare, employment, and housing ownership—unprotected, revealing the lack of sufficient "inclusiveness" in development. How to ensure that long-term rapid development does not deviate from the value track of fairness as a civilization has become a new challenge for contemporary China. "Inclusive development," as a new paradigm, has entered public consciousness and gradually emerged as a focal point of global and Chinese academic attention. It not only involves more equitable distribution of the economic growth pie but also includes how to share growth outcomes with more people, making the development process more diversified. This responds to the demands of the current globalization era for poverty reduction, gap narrowing, and sustainable development, while actively addressing people's aspirations for a better life in the new era. Deeply revealing the content and logical implications of inclusive development, exploring

approaches and paths that align with China's practices and embody Chinese characteristics undoubtedly holds significant theoretical and practical implications.

Review of the Literature

1. Research Progress in the International Academic Community

The concept of inclusive development originated from Indian scholars' proposal of "inclusiveness innovation" in the late 1990s, emphasizing that innovation should align with the needs of impoverished groups and enhance minority populations' capacity for absorption and creation. Later, international organizations studying poverty reduction effects, such as the World Bank and Asian Development Bank, introduced concepts like "pro-poor growth" and "inclusive growth" to reflect this phase's focus on research processes or outcomes where developmental achievements are shared by broader social groups. These concepts highlight that economic growth must align with promoting social equity and poverty alleviation (Li Lanbing *et al.*, 2025) [1]. Unlike the singular emphasis on economic growth, inclusive development encompasses comprehensive social equity and improved quality of life. It not only emphasizes income indicators but also addresses education, healthcare, social security, political participation, and other aspects. Various composite indices like the Human Development Index (HDI) are used to evaluate individual development quality. In this process, economists have proposed research perspectives to understand inclusive development, notably Amartya Sen's renowned "capability approach." Under the concept of "Ability Development Perspective" by Amartya Sen, development is not about increasing output or economic growth, but rather the ability of individuals to freely choose and promote their own potential. This focus on people's latent self-development and pursuit of equal choice and development rights for all constitutes the essential difference between inclusive development and general development.

2. The Research Context of Domestic Academia

In China, inclusive development has been proposed as a way to deal with the problems of transition.

After General Secretary Hu Jintao first proposed the concept of "inclusive growth" at the Fifth APEC Ministerial Meeting on Human Resource Development, research on inclusive development has become a hot topic in both theoretical and practical circles. Existing studies have focused on three aspects: First, discussions on the meaning of "inclusive development," emphasizing that inclusiveness represents a more comprehensive, equitable, and humanistic approach to development. The importance of involving all members in development, ensuring comprehensive content, addressing equal opportunities and shared benefits, and striving for sustainable social harmony constitute valuable theoretical advancements for China's future growth model and development strategy (Gao Chuansheng, 2012) [3]. Second, regarding inclusive institutional frameworks, research suggests that the inclusiveness of China's socialist political system is primarily manifested through mobilizing resources for major undertakings and whole-process people's democracy, while the inclusiveness of its economic system is mainly reflected in the socialist market economy. Meanwhile, China's development path and achievements have demonstrated the inclusiveness and superiority of the

socialist system with Chinese characteristics (Ding Xiaoqin *et al.*, 2025) [4]. Third, studies have incorporated or discussed inclusive development into specific issue analyses. For instance, scholars have applied this concept to regional development, highlighting inclusive development as a solution to urban-rural segregation and income inequality (Liu Zuyun *et al.*, 2013) [5]. Others contextualize this model within the socialist framework, proposing policy recommendations for addressing current inequalities through social security system reforms and income growth among urban and rural residents (Hu Jinjuan, 2016) [6]. A notable example is Yan Mingming's research on education systems, demonstrating how disparities between urban and rural areas and among different social groups can be reduced through educational initiatives that enhance population quality.

3. Lack of Research

As previously discussed, these research findings provide valuable insights into understanding inclusive development, yet they also reveal certain limitations: (1) They predominantly focus on the equity of outcome-sharing; (2) International literature tends to emphasize poverty reduction and developing countries, while lacking studies on middle-income development models—particularly regarding how to resolve inherent contradictions through inclusive development approaches; (3) Domestic scholarship mainly highlights strategic priorities at the macro level, but fails to address how institutional designs and policy frameworks can ensure equal participation opportunities for all citizens at the micro level.

The Origin and Connotation of Inclusive Development

Inclusive development is not a novel concept. It represents innovative approaches and measures in humanity's ongoing pursuit of equitable development pathways, serving both as a critique of traditional development paradigms and the result of theoretical-practical interaction. With deepening economic globalization and accelerated global integration, the world economy exhibits dual trends: intensified cross-border flows of production factors and deepened international division of labor on one hand, while widening disparities among nations, regions, and groups on the other. Developing countries occupying lower tiers in global value chains face institutional constraints that perpetuate their disadvantaged positions. They fail to benefit from the universal inclusiveness of global capital and technological diffusion, instead enduring discriminatory treatment stemming from exclusion and suppression under international rules. This has led to growing skepticism toward growth-centric models, prompting international organizations to introduce concepts like "growth for all" and "inclusive growth" into poverty governance research, ultimately elevating these principles to "inclusive development" - emphasizing broad coverage, equity, and sustainability in progress.

With the long-term rapid economic growth of China and the improvement in residents' disposable income levels, China faces practical issues such as insufficient consumption, an economic crisis without insurance or social security support, and significant disparities in income and social development between urban and rural residents, as well as between eastern and other regions. The root cause lies in the fact that

some local development models cannot resolve the imbalances arising during economic growth. Certain individuals and groups are unable to access local public goods and social security due to constraints from regional financial resources and technological limitations. Therefore, China will adopt a set of development policies that provide corresponding guarantees for all individuals, termed as the "inclusive growth" path of China. Addressing income and developmental inequalities through inclusive approaches is a solution to this developmental dilemma. This approach aims to ensure that all people—regardless of gender, age, or urban-rural status—have equal access to government-provided services. All citizens, whether farmers or urban residents, are entitled to identical social security benefits, equal development opportunities, and fair property distribution rights, including tax payment entitlements and welfare benefits.

Inclusive development does not simply negate "economic growth," but rather elevates the concept of "growth" through four key principles: First, development should be inclusive and non-selective in both its subjects and beneficiaries. Second, it must encompass multifaceted dimensions—encompassing economic aspects like industrial structure, income distribution, consumption patterns, and wealth disparities, as well as social services including education, culture, healthcare, social security, and urban public services. Third, the process of development must prioritize fairness, preventing inequities caused by monopolies or discrimination. Fourth, the outcomes should ensure equitable access to welfare and shared benefits for all individuals. This means guaranteeing fair opportunities for growth participation and distributing developmental dividends through income redistribution and social security systems, enabling every person to share in the fruits of progress.

From this, it can be seen that inclusive development is not only the antithesis of "growth without development," but also a watershed between the quantity and quality of development and a transformation in the content of development theory. It bridges and reconciles the opposing forces of growth and equity, efficiency and sustainability; it is the result of absorbing and incorporating the successes and failures of international development experiences; and more importantly, it responds to the concept of "equitable development" in China's modernization. Therefore, adopting inclusive development as a crucial philosophy for development in the new era carries both universal significance in the era of globalization and concrete implications for addressing China's current practical challenges.

Theoretical Content and Ideological Core of Inclusive Development

Inclusive development is not merely a developmental model, but also a conceptual framework centered on the core logic of "value orientation, institutional arrangements, practical mechanisms, and goal direction." On one hand, it addresses and reflects on inequalities and related issues arising from globalization and social development transformations; on the other hand, it provides potential pathways for reconstructing and generating new models. To summarize, this concept encompasses four key characteristics

1. Value basis: normative demands based on fairness and feasibility

It requires defining the value of development through a focus on equity. Typically, the value of "growth" is primarily measured by production efficiency or aggregate expansion, often overlooking the exclusionary nature of growth caused by unequal participation and benefit distribution among social groups. Unlike traditional economic paradigms that prioritize goal-oriented pursuits, inclusive development aims to provide equal opportunities for all members to realize their potential, expand their "capabilities" (capacity), and enable individuals to choose lifestyles they deem worthwhile. This human-centered approach to development represents a fundamental value proposition: progress should not merely equate to wealth accumulation or income growth, nor be narrowly defined as economic expansion. Instead, it emphasizes mutual respect for diverse rights within the framework of equal opportunity. Therefore, this normative pursuit demands ensuring universal access to education, basic healthcare, employment, and social security, thereby making development reflect the expansion of human freedom rather than simply pursuing economic gains.

2. Institutional arrangements: supported by inclusive public services and institutional safeguards

Anti-discrimination and anti-exclusion mechanisms are essential pathways to inclusive development. To achieve inclusive growth, institutional frameworks must address exclusion, inequality, and poverty. The accessibility and equity of public service systems serve as cornerstones for inclusive development. Institutional arrangements in education, healthcare, social security, and infrastructure fundamentally shape individual human capital and social mobility, determining who benefits from developmental opportunities and outcomes—essentially who gets a slice of the expanding "cake" of progress. Simultaneously, this requires combating discrimination and monopolies, eliminating exclusionary practices in resource allocation, and establishing fair, credible, and open competitive environments. In other words, inclusivity should not be narrowly understood as redistribution but must focus on building equitable institutional logic that ensures everyone's rights in development, particularly their equal access to opportunities and developmental benefits.

3. Practice Mechanism: With the Participation of Multiple Subjects and Process Fairness as The Key

The Path of Institutional Inclusiveness: A Practical Mechanism for Shared Development. Inclusive development is not merely the responsibility of government agencies, but also the collective achievement of national governance (rule-making), market forces (fair competition), and societal participation (advocacy and oversight). It requires not only ensuring equitable sharing of outcomes and progress, but more importantly, guaranteeing fairness and justice in the entire process. Without transparent operational mechanisms and fair opportunities, any shared achievements would remain mere pipe dreams. A practical approach lies in ensuring equal access to development channels and opportunities for all groups—providing access to quality education, decent employment, self-employment rights, and political participation. This includes creating inclusive pathways where everyone can benefit from development while maintaining dignity and equity.

4. Objective Orientation: The Ultimate Pursuit of Achievement Sharing and Sustainable Development

Ultimately, we must ensure that people's survival and development genuinely benefit the public, transforming economic growth into shared prosperity. "Sharing" extends beyond wealth distribution to encompass other dimensions such as equitable access to public resources and social security systems. Crucially, this concept must align with sustainable development principles—meeting current needs while safeguarding future generations' rights. We cannot sacrifice immediate interests for maximum growth efficiency, nor prioritize short-term gains over long-term sustainability. Most importantly, we must not neglect ecological conservation while pursuing human demands, as environmental costs driven by development are irreversible. Only when developmental outcomes are fairly distributed across society (national and global levels) and across generations can true inclusiveness be realized in our value-driven development framework.

The Path of Inclusive Development in China

The concept of inclusive development in China is not merely a theoretical notion, but also involves specific and selective arrangements in practice. China is currently at a new stage transitioning from high-speed growth to high-quality development. How to further develop while maintaining the momentum of growth and meeting people's needs for a better life remains a significant challenge for contemporary China. The inclusive development of China must inevitably make choices—regarding where to start and where to focus efforts. This is also a difficult decision that requires determining priorities in institutional development and public policies, governance approaches, and economic sectors.

1. Strategic Choice: From "Efficiency First" To "Fairness and Efficiency"

In the past, China's development was primarily driven by investment and exports. While creating the world-renowned economic miracle of China, it also left behind numerous internal issues such as widening income gaps, lagging social security development, and urban-rural divide. The proposal of inclusive development marks a shift in the China model, where the development strategy has transitioned from prioritizing efficiency and speed to pursuing fairness, sustainability, and quality balance. This represents a response and transformation of the China development model to address its own developmental challenges. The adaptation to societal issues responds to the new logic of global development. By achieving "people-oriented" coordinated development through three key aspects—universal sharing, equal opportunities, and comprehensive coordination—it elevates the vision from a singular, closed, and narrow economic perspective to a higher level of comprehensive social advancement.

2. Institutional Innovation: Building Inclusive Public Services and Balanced Distribution

The first is institutional innovation to promote inclusive development. Creating a "virtuous cycle" of economic and institutional environment within the economic system is a key factor in achieving social inclusiveness. "The public service system is the fundamental approach to realizing

equal opportunities and promoting social equity." China still faces shortcomings and deficiencies in education, healthcare, housing, and social security, which require reforms in service delivery systems and mechanisms to expand the coverage of public services while ensuring improvements and promotion of service quality. Meanwhile, income distribution also needs reform and corresponding institutional changes. By regulating primary income and redistribution, improving social security and welfare systems, and enhancing taxation measures, we can address the wealth gap between different social strata or groups caused by current income inequality. Additionally, it is crucial to prevent excessive concentration of wealth and avoid outcomes where the rich get richer while the poor are left behind in the modernization process. The core significance of institutional innovation lies in eliminating the possibility of structural exclusion, enabling people at all levels and across regions to enjoy more equitable development rights and opportunity choices based on institutional arrangements.

3. Practical Focus: Break Through The "Weak Areas" And "Risk Links"

To advance inclusive development, China must make progress in certain "weak areas". First, it needs to establish a unified national social security system and a welfare framework that covers the entire population. For instance, protecting the rights of migrant workers, flexible workers, and informal sector laborers. This plays a crucial foundational role in enhancing social integration and stability in China. Second, more equitable access to public service resources such as education and healthcare should become the primary focus for advancing public service reforms and innovations in the next phase. For example, this action should not only address issues like "difficulty in accessing education" and "access to medical care" by breaking down urban-rural divisions, but also serve as a new driving force for improving human capital and achieving endogenous economic growth in China. Third, income distribution policies need to ensure that residents have both the means and the confidence to spend. This requires not only institutional improvements in labor compensation's share of national income and enabling this savings to translate into actual consumption, but more importantly, fostering greater confidence in future income prospects among residents while emphasizing market-driven decision-making and accountability in income distribution processes. Additionally, clearer behavioral norms and transparent standards need to be established in many other areas. For instance, in regions where poor governance persists or public management crises occur, particularly in critical livelihood issues like food safety and environmental pollution.

4. Long-Term Transformation: Realizing the Dual Upgrading of Power Structure and Governance Mode

Establishing a long-term mechanism for inclusive development requires upgrading both growth drivers and governance approaches. First, we must shift from factor input-driven and investment-driven models to efficiency-driven and innovation-driven systems. This transition is underpinned by the enhancement of human capital and innovation capabilities across society. Second, governance

must evolve from government "omnipotent management" to a collaborative model involving government, market forces, and social organizations. By leveraging the power of civil society and citizens, we can strengthen transparency and legitimacy in public affairs management. Only through such conditions can inclusive development avoid becoming a "money-driven feast" or escape risks of "welfare dependency or policy overreach," ultimately forming a self-reinforcing virtuous cycle.

5. Potential Risks and Countermeasures

It is noteworthy that the advancement of inclusive development is not without risks. On one hand, if reforms remain confined to the level of "result sharing" while neglecting institutional fairness and procedural justice, the superficial "redistribution" may fail to address the root causes of structural inequality. On the other hand, if the expansion of public services is not accompanied by improvements in governance capacity, it may lead to issues such as excessive fiscal burdens and inefficient resource allocation. Therefore, China's path choice must prioritize both institutional development and governance capacity, enhance efficiency while expanding inclusiveness, and avoid the "welfare trap" while emphasizing fairness.

In conclusion, China's inclusive development path is not a simple patchwork of existing models, but a systematic restructuring of development strategies. It requires establishing the principle of "balancing fairness and efficiency" in strategy, forming a universal and balanced public service and distribution framework in institutions, focusing on addressing livelihood shortcomings and risk-prone areas in practice, and promoting dual transformations in both dynamic structures and governance models in the long term. Only through such efforts can inclusive development truly become a crucial pillar of Chinese-style modernization and contribute institutional experience and theoretical insights to global development governance.

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