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ECONOMIC GROWTH THAT IS BOTH SUSTAINABLE AND INCLUSIVE PROPELS PROGRESS, GENERATES DECENT EMPLOYMENT FOR EVERYBODY, AND RAISES LIVING STANDARDS

Anafiyaev Abdurashid Mamasidikovich,
Senior Lecturer in the Department of Organization of industrial production at Andijan Machine-Building Institute, Andijan, Uzbekistan
Shokirova Sarvinoz Oybekovna,
3rd year student
justused02@gmail.com
Economics Andijan Machine-Building Institute,
Uzbekistan, Andijan city

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Abstract:
Economic growth is a requirement for expanding productive employment; it is the outcome of increased employment and labor productivity. The goals of people in their working life are summed up by decent work. As a result, the pace of economic expansion establishes the absolute limit within which employment and labor productivity may expand. However, the pattern or form of growth is also important. Arguments for economic growth that is both sustainable and inclusive can propel progress, generate decent employment for everybody, and raise living standards are presented in this article.

Keywords: Decent Work, ILO, Economic Growth, Developing Countries

A persistent scarcity of legitimate work possibilities would only impede global growth. Everyone's capacity to find a good job is critical in the struggle to overcome poverty. Apart from a good wage, decent employment offers people and families social security and chances for personal growth. Providing a quality job for others benefits those who are currently working as well. Everyone gains when more individuals are constructively engaged in the economy.

Workers obtain equality with trade union freedom and equal opportunity in the workplace for men and women equally under the notion of decent employment. Due to present or previous maltreatment of workers, several sectors of government are seeking to tackle the social injustice seen in many workplaces, making the decent work agenda a very relevant problem within the garment industry.

Productive employment and decent labor are critical components of attaining fair globalization and poverty reduction. The ILO has devised an agenda [1] for the community of work that looks at job creation, workplace rights, social protection, and social discourse, with gender equality as a cross-cutting goal. This aids in the abolition of forced labor and human trafficking. Forced labor is one of the most visible forms of social injustice, affecting 24.9 million individuals [2], the majority of whom are women and children. With coercion being so prevalent in the garment industry, this transparency act is a significant step toward improving working conditions. Features of the act include audits of suppliers and many other preventive measures to ensure that the supply chain does not involve any forced labor or human trafficking.

Decent working conditions are difficult to establish within the global supply chain; one of the main reasons for this is that there are many different factories that go into manufacturing a company's goods, as well as imports of migrant workers who may be victims of human trafficking and subcontractors to factories that can go unaudited. The ILO has extended the notion of decent working conditions to protect certain mistreated workers. Because it is so difficult to reach all of these mistreated and exploited employees inside the garment industry's supply networks, the ILO stipulates that no child labor be performed.

When manufacturers in the supply chain begin to follow standards of behavior in order to produce decent employment, it may actually harm employees rather than assist them. Companies reducing working hours in a week may appear good on paper, but even with increases in the minimum wage, garment workers may need to work overtime to provide for their families owing to the income being outrageously low. If Western retailers/governments actually enforced the minimum wage for factories in areas like Asia, then these reduced working hours would be a gain, even if they are still merely obeying the rules to the letter and employees are not compelled to work overtime. It is crucial to acknowledge that in developing countries, codes of conduct and decent work should be created with care and followed up with monitoring of the code rather than just announced audits; judging the impact of the code and how it can be manipulated in different circumstances for different countries would also be beneficial. This is one of the many reasons why, in certain developing countries, the paradigm of decent employment is difficult to promote due to a lack of support from both governments and companies. These are only a few of the current variables that the ILO has used to continually alter and amend its agenda in order to produce the best working conditions for employees.

Economic growth is best characterized as a long-term rise in a country's productive potential or capacity. Growth results from an increase in both the number and quality of factor inputs, as evidenced by improved productivity and the growth-promoting impacts of innovation.

Sustained economic growth is key for developing countries to reduce severe poverty and improve fundamental living standards. A period of significant real GDP growth that outpaces population growth will result in an increase in per capita income. This can help individuals escape poverty, as assessed by the World Bank's $1.90 per day (PPP) standard [3]. If absolute poverty is reduced, households will be able to consume more, reducing the crippling consequences of malnutrition. Improvements in basic health can, in turn, lead to increases in healthy life expectancy, which is both an HDI indicator and a factor influencing future labor productivity. Ethiopia, for example, is one of the world's fastest growing economies, with growth averaging 10.9% over the previous ten years [4]. Ethiopia has effectively moved to lower middle-income status after being one of the poorest nations on the planet two decades ago. Economic growth in emerging nations, however, is not necessarily inclusive. Indeed, while absolute poverty may be decreasing, relative poverty, as measured by an increase in the Gini coefficient, may be increasing. South Africa and Botswana, for example, have extremely high levels of inequality.

Another possible advantage of economic progress for low- and middle-income nations is increased foreign direct investment (FDI). Inward FDI has several potential benefits. These include supply-side advantages from vital infrastructure investments in transportation, electricity, energy, telecommunications, education, and health care. FDI can also generate additional employment in the formal economy, bringing the government more tax revenue. Capital inflows assist in increasing a developing country's capital stock, which in turn helps to boost productivity and enables a country to achieve "catch-up growth" with richer nations, as demonstrated by the Solow Growth Model [5]. However, several economists have questioned the benefits of FDI. They question how many new jobs are actually created for domestic employees and point to the outflow of earnings and non-payment of taxes by some multinational corporations. Foreign direct investment may have an environmental impact, such as rapid deforestation.

A third fundamental reason why development is essential for emerging nations is that it increases tax revenues available to governments and helps them reduce fiscal deficits and debt. Tax revenues are determined by a variety of elements, including household income and corporate earnings. If the economy continues to develop, a rise in tax revenues may assist in paying for increased levels of government expenditure on essential public services, such as improved access to education and health care. Both are essential measures of human development that can boost a country's supply-side capacity and competence. Greater fiscal stability may also provide developing nations with the ability to withstand external economic shocks and enhance their credit ratings, reducing their need for external help. There is no assurance, however, that strong economic expansion will result in much larger tax collections. Corruption and non-payment of taxes are widespread in many nations. Tax collection in nations like Ethiopia and Zambia is less than 15% of GDP, which is insufficient to support public amenities and welfare [6].

Other than economic growth, developing countries must prioritize inflation management and external balance. Many rapidly emerging countries are experiencing inflationary pressures due to both demand-pull and cost-push forces. Inflation is harmful to growth because it reduces real earnings (particularly for poorer households) and investment. It is also important to avoid fast growth that leads to an unsustainable increase in a country's current account deficit. One explanation is that developing nations sometimes have inadequate foreign exchange reserves and may face a currency crisis, resulting in a significant fall in their currency, making necessary imports more expensive. However, rapid economic expansion does not automatically imply high inflation, especially if a country is successful in increasing labor productivity.

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Overall, the extent to which economic growth will be the major macroeconomic goal for emerging countries is determined by where they are in their development process. Economic growth is imperative for nations such as Ethiopia, Vietnam, and India as part of their aim to become relatively successful middle-income nations in the next few years and match the expectations of their rapidly rising middle-class customers. Similarly, in China, we have seen a decision in the most recent 5-year plan [7] to shift away from a focus on the actual rate of growth and toward achieving a higher quality of growth that is more sustainable, balanced, and inclusive, with a particular emphasis on raising the standard of living of the bottom 40% of the population. Growth does not ensure progress, but it is difficult to achieve without an increase in real GDP. As a result, I would argue that for the vast majority of developing nations, growth will continue to be the primary goal of monetary, fiscal, and supply-side policies.

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8. Information about authors: