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RESEARCH ARTICLE

NEXUS OF INDIGENOUS BUSINESS MODELS AND SUSTAINABILITY PRACTICES FOR INCLUSIVE GROWTH

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Abstract

This research examines the nexus between indigenous business models and sustainability practices and their contribution to inclusive growth. Integrating insights from stakeholder theory, sustainability business models, resilience thinking, and inclusive market frameworks, the study positions indigenous businesses as structurally aligned with regenerative development. Rooted in collective governance, ecological stewardship, and intergenerational responsibility, these enterprises embed social and environmental value within economic activity. The review synthesizes theoretical and empirical research to demonstrate how culturally grounded governance systems foster socio-ecological resilience, local value retention, and equitable wealth distribution. Although financial and institutional barriers constrain scalability, supportive policy frameworks and impact-oriented finance can strengthen their transformative potential. This article reveals that integrating indigenous knowledge systems into mainstream sustainability transitions is essential for achieving resilient, regenerative, and inclusive economic development.

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Introduction:-

Global sustainability transitions increasingly demand alternative economic models that move beyond extractive growth and shareholder primacy. Conventional capitalist structures have been critiqued for generating ecological degradation, social inequality, and institutional fragility (Banerjee, 2003; Bansal & DesJardine, 2014). In response, scholars have called for regenerative and inclusive economic paradigms that embed environmental stewardship and social equity into core business logic (Gladwin et al., 1995; Raworth, 2017; Sachs, 2015). Within this discourse, indigenous business models offer historically rooted and culturally grounded alternatives that integrate community governance, ecological respect, and intergenerational accountability (Anderson et al., 2006; Peredo & Chrisman, 2006). Unlike conventional firms that prioritize financial maximization, indigenous enterprises operate through relational ontologies in which economic activity is inseparable from land, identity, and collective well-being (Whiteman & Cooper, 2000). The present review synthesizes interdisciplinary scholarship to examine how indigenous business architectures intersect with sustainability practices and contribute to inclusive growth. By integrating stakeholder theory (Freeman, 1984), natural-resource-based perspectives (Hart, 1995), sustainability

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business model research (Schaltegger et al., 2016), and inclusive market frameworks (Prahalad, 2004; Yunus, 2007), this paper positions indigenous enterprises as structurally aligned with regenerative development trajectories.

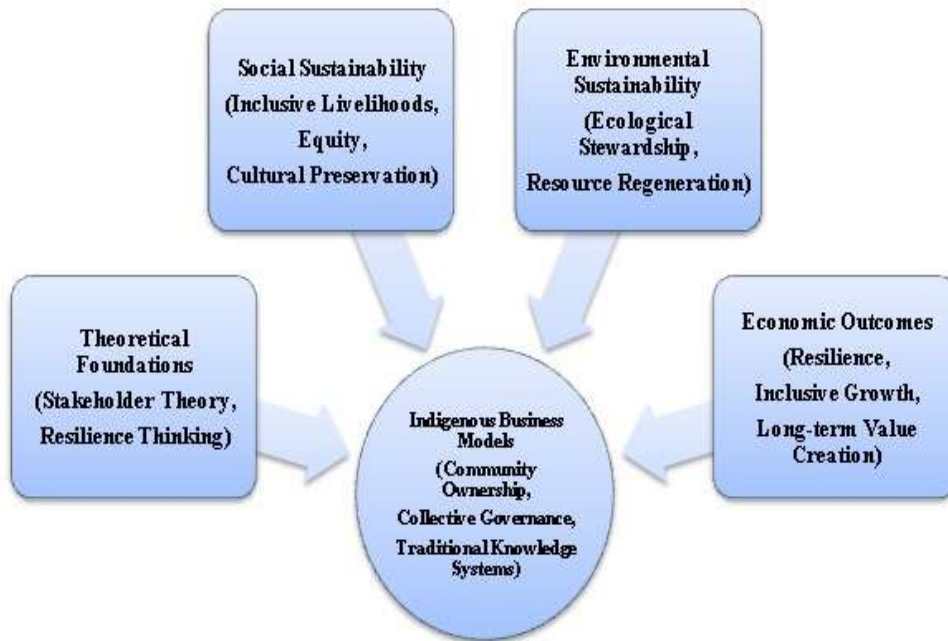
Literature Review: Theoretical Anchors of Sustainability and Inclusion

The scholarly foundation of this review rests upon multiple theoretical streams. Sustainable development discourse emphasizes intergenerational equity and ecological limits (WCED, 1987), while corporate sustainability research explores trade-offs and long-term value creation (Hahn et al., 2010; Dyllick & Muff, 2016). Stakeholder theory reframes firms as networks of relationships rather than profit-maximizing entities (Freeman, 1984), and shared value scholarship highlights the strategic integration of social problem-solving into competitive positioning (Porter & Kramer, 2011). Social entrepreneurship literature further contributes insights into hybrid organizing and institutional void mitigation (Battilana & Lee, 2014; Zahra et al., 2009). Institutional theory explains how formal and informal structures shape entrepreneurial opportunity (North, 1993), while resilience theory conceptualizes adaptive capacity within socio-ecological systems (Folke, 2006). Indigenous entrepreneurship scholarship integrates these frameworks by demonstrating how cultural embeddedness strengthens legitimacy, resource governance, and community cohesion (Peredo & Anderson, 2006). Collectively, these theoretical strands provide a coherent lens for understanding the nexus between indigenous business models, sustainability practices, and inclusive development.

Indigenous Business Models and Sustainability Integration

Indigenous enterprises frequently operate under collective governance systems that reflect common-pool resource management principles (Ostrom, 1990). These models distribute decision-making authority across community networks, reinforcing stakeholder accountability (Freeman, 1984). In below Figure 1, the conceptual model of the nexus between indigenous business models and sustainability is framed by reviewing the various researches.

Fig 1. Nexus of Indigenous Business Models and Sustainability



Source: Observed by Authors from the Reviews

The natural-resource-based view highlights how ecological capabilities become strategic assets (Hart, 1995), while sustainability business model research explains value creation through environmental and social integration (Schaltegger et al., 2016; Stubbs & Cocklin, 2008). Ecological embeddedness strengthens adaptive capacity and long-term resilience (Whiteman & Cooper, 2000; Folke, 2006).

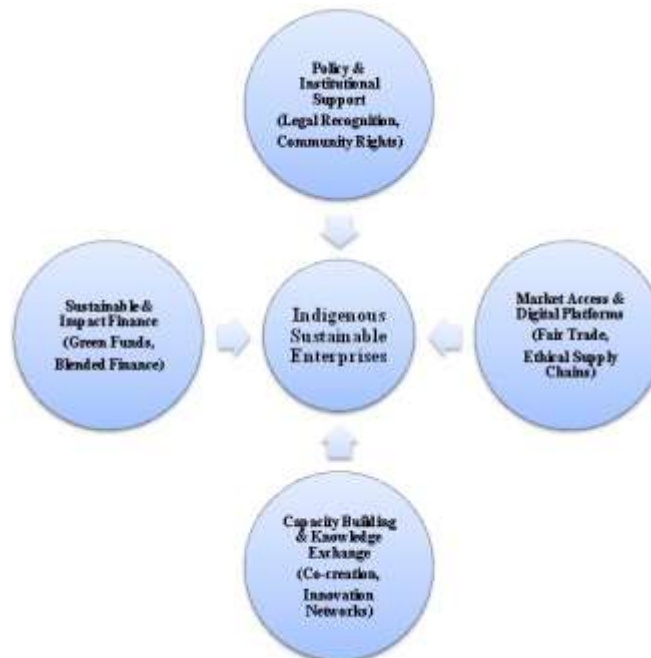
Inclusive Growth through Community-Based Enterprise

Inclusive growth frameworks emphasize expanding economic participation while reducing inequality (Prahalad, 2004). Community-based enterprise theory demonstrates how collective entrepreneurship enhances social capital and redistributes value locally (Peredo & Chrisman, 2006). Social business models reinvest surplus for community development (Yunus, 2007), while hybrid organizations address institutional voids in marginalized regions (Battilana & Lee, 2014). Indigenous enterprises operationalize these principles by embedding employment, skill transfer, and participatory governance within culturally grounded systems of production and exchange.

Institutional Challenges and Enabling Ecosystems

The policy and institutional support, sustainable finance, market access and digital platforms, and capacity building and knowledge exchange may enable the ecosystem for scaling indigenous sustainable enterprises. In below Figure 2, the enabling ecosystem is framed for scaling indigenous sustainable enterprises by reviewing the several studies.

Fig 2. Enabling Ecosystem for Scaling Sustainable Enterprises



Source: Observed by Authors from the Reviews

Despite their strengths, indigenous enterprises confront structural barriers rooted in financial exclusion and policy misalignment (Scholtens, 2006; North, 1993). Sustainability trade-offs can generate tensions between market expansion and cultural preservation (Hahn et al., 2010). However, collaborative governance (Ansell & Gash, 2008), impact investing, and land rights recognition strengthen institutional legitimacy and growth potential (Sachs, 2015).

Conclusion and Suggestions:-

This review affirms that indigenous business models represent structurally coherent pathways toward sustainability and inclusive growth. Their integration of stakeholder accountability, ecological stewardship, and collective governance offers a viable alternative to short-term shareholder capitalism. Moving forward, policymakers should institutionalize legal recognition of indigenous governance systems, expand patient capital instruments tailored to collective ownership structures, and embed indigenous knowledge within national sustainability roadmaps. Development finance institutions should design culturally responsive impact investment mechanisms that align financial returns with socio-ecological outcomes. Educational systems can incorporate indigenous economic philosophies into management curricula to broaden epistemological diversity in business education. Future research should pursue longitudinal empirical studies that measure regenerative outcomes while respecting cultural context, and comparative cross-regional analyses that examine scalability dynamics. Ultimately, bridging indigenous and

mainstream economic paradigms is not a symbolic gesture but a strategic necessity for advancing regenerative, resilient, and inclusive global development.

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