

Nexus of Indigenous Business Models and Sustainability Practices for Inclusive Growth .

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.

Keywords: Indigenous Business Models, Sustainability Practices, Indigenous Knowledge Systems, Inclusive Growth, Economic Development.

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

33 conventional firms that prioritize financial maximization, indigenous enterprises operate
34 through relational ontologies in which economic activity is inseparable from land, identity,
35 and collective well-being (Whiteman & Cooper, 2000).

36 The present review synthesizes interdisciplinary scholarship to examine how
37 indigenous business architectures intersect with sustainability practices and contribute to
38 inclusive growth. By integrating stakeholder theory (Freeman, 1984), natural-resource-based
39 perspectives (Hart, 1995), sustainability business model research (Schaltegger et al., 2016),
40 and inclusive market frameworks (Prahalad, 2004; Yunus, 2007), this paper positions
41 indigenous enterprises as structurally aligned with regenerative development trajectories.

42 **Literature Review: Theoretical Anchors of Sustainability and Inclusion**

43 The scholarly foundation of this review rests upon multiple theoretical streams.
44 Sustainable development discourse emphasizes intergenerational equity and ecological limits
45 (WCED, 1987), while corporate sustainability research explores trade-offs and long-term
46 value creation (Hahn et al., 2010; Dyllick & Muff, 2016). Stakeholder theory reframes firms
47 as networks of relationships rather than profit-maximizing entities (Freeman, 1984), and
48 shared value scholarship highlights the strategic integration of social problem-solving into
49 competitive positioning (Porter & Kramer, 2011). Social entrepreneurship literature further
50 contributes insights into hybrid organizing and institutional void mitigation (Battilana & Lee,
51 2014; Zahra et al., 2009).

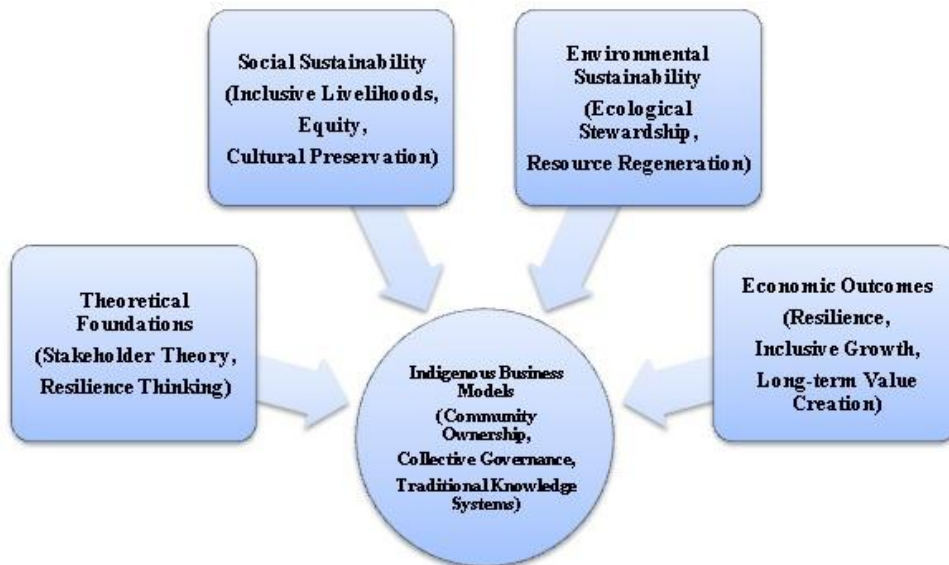
52 Institutional theory explains how formal and informal structures shape entrepreneurial
53 opportunity (North, 1993), while resilience theory conceptualizes adaptive capacity within
54 socio-ecological systems (Folke, 2006). Indigenous entrepreneurship scholarship integrates
55 these frameworks by demonstrating how cultural embeddedness strengthens legitimacy,
56 resource governance, and community cohesion (Peredo & Anderson, 2006). Collectively,
57 these theoretical strands provide a coherent lens for understanding the nexus between
58 indigenous business models, sustainability practices, and inclusive development.

59 **Indigenous Business Models and Sustainability Integration**

60 Indigenous enterprises frequently operate under collective governance systems that
61 reflect common-pool resource management principles (Ostrom, 1990). These models
62 distribute decision-making authority across community networks, reinforcing stakeholder

63 accountability (Freeman, 1984). In below Figure 1, the conceptual model of the nexus
64 between indigenous business models and sustainability is framed by reviewing the various
65 researches.

66 **Fig 1. Nexus of Indigenous Business Models and Sustainability**



67

68 **Source:** Observed by Authors from the Reviews

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

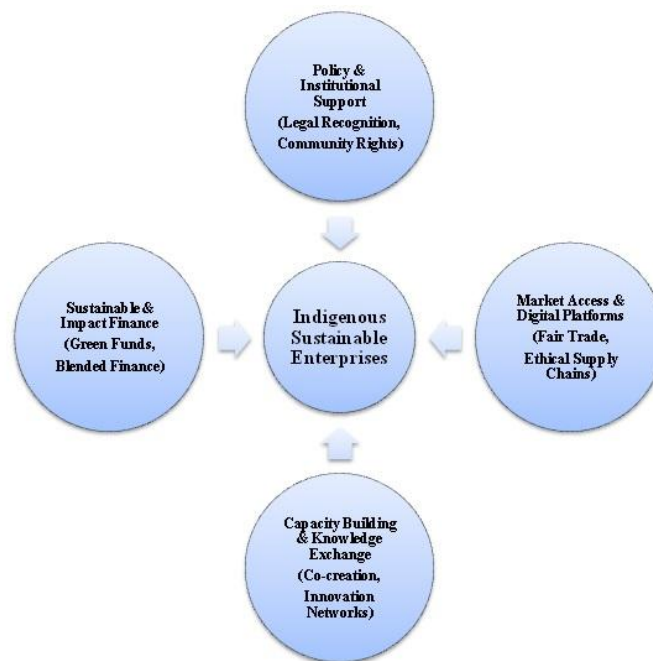
74 **Inclusive Growth through Community-Based Enterprise**

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

83 Institutional Challenges and Enabling Ecosystems

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

88 **Fig 2. Enabling Ecosystem for Scaling Sustainable Enterprises**



89

90 **Source:** Observed by Authors from the Reviews

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

96 Conclusion and Suggestions

97 This review affirms that indigenous business models represent structurally coherent
98 pathways toward sustainability and inclusive growth. Their integration of stakeholder
99 accountability, ecological stewardship, and collective governance offers a viable alternative
100 to short-term shareholder capitalism. Moving forward, policymakers should institutionalize
101 legal recognition of indigenous governance systems, expand patient capital instruments

102 tailored to collective ownership structures, and embed indigenous knowledge within national
103 sustainability roadmaps.

104 Development finance institutions should design culturally responsive impact
105 investment mechanisms that align financial returns with socio-ecological outcomes.
106 Educational systems can incorporate indigenous economic philosophies into management
107 curricula to broaden epistemological diversity in business education. Future research should
108 pursue longitudinal empirical studies that measure regenerative outcomes while respecting
109 cultural context, and comparative cross-regional analyses that examine scalability dynamics.
110 Ultimately, bridging indigenous and mainstream economic paradigms is not a symbolic
111 gesture but a strategic necessity for advancing regenerative, resilient, and inclusive global
112 development.

113 **References**

- 114 Ansell, C., & Gash, A. (2008). Collaborative governance in theory and practice. *Journal of*
115 *Public Administration Research and Theory*, 18(4), 543–571.
116 <https://doi.org/10.1093/jopart/mum032>
- 117 Anderson, R. B., Dana, L. P., & Dana, T. E. (2006). Indigenous land rights, entrepreneurship,
118 and economic development in Canada: “Opting-in” to the global economy. *Journal of World*
119 *Business*, 41(1), 45–55. <https://doi.org/10.1016/j.jwb.2005.10.005>
- 120 Banerjee, S. B. (2003). Who sustains whose development? *Sustainable Development and the*
121 *Reinvention of Nature*, 24(1), 143–180. <https://doi.org/10.1177/0170840603024001341>
- 122 Bansal, P., & DesJardine, M. R. (2014). Business sustainability: It is about time. *Strategic*
123 *Organization*, 12(1), 70–78. <https://doi.org/10.1177/1476127013520265>
- 124 Battilana, J., & Lee, M. (2014). Advancing research on hybrid organizing – Insights from the
125 *Study of Social Enterprises*. *Academy of Management Annals*, 8(1), 397–441.
126 <https://doi.org/10.5465/19416520.2014.893615>
- 127 Dyllick, T., & Muff, K. (2016). Clarifying the meaning of sustainable business: Introducing a
128 *Typology From Business-as-Usual to True Business Sustainability*. *Organization &*
129 *Environment*, 29(2), 156–174. <https://doi.org/10.1177/1086026615575176>

130 Elkington, J. (1997). Cannibals with forks: the triple bottom line of 21st century business.
131 Capstone.

132 Folke, C. (2006). Resilience: The emergence of a perspective for social–ecological systems
133 analyses. *Global Environmental Change*, 16(3), 253–267.
134 <https://doi.org/10.1016/j.gloenvcha.2006.04.002>

135 Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston, MA: Pitman.

136 Gladwin, T. N., Kennelly, J. J., & Krause, T. (1995). Shifting paradigms for sustainable
137 development: Implications for management theory and research. *Academy of Management*
138 *Review*, 20(4), 874–907. <https://doi.org/10.5465/amr.1995.9512280024>

139 Hahn, T., Figge, F., Pinkse, J., & Preuss, L. (2010). Trade-offs in corporate sustainability:
140 You can't have your cake and eat it. *Business Strategy and the Environment*, 19(4), 217–229.
141 <https://doi.org/10.1002/bse.674>

142 Hart, S. L. (1995). A natural-resource-based view of the firm. *Academy of Management*
143 *Review*, 20(4), 986–1014. <https://doi.org/10.5465/amr.1995.9512280033>

144 North, D. C. (1993). Institutions and economic performance. In *Rationality, institutions and*
145 *economic methodology*, 253-273. Routledge.

146 Ostrom, E. (1990). *Governing the commons: The evolution of institutions for collective*
147 *action*. Cambridge University Press.

148 Peredo, A. M., & Anderson, R. B. (2006). Indigenous entrepreneurship research: Themes and
149 variations.

150 Peredo, A. M., & Chrisman, J. J. (2006). Toward a theory of community-based enterprise.
151 *Academy of Management Review*, 31(2), 309–328.
152 <https://doi.org/10.5465/amr.2006.20208683>

153 Porter, M. E., & Kramer, M. R. (2011). Creating shared value. *Harvard Business Review*, 89,
154 62–77.

155 Prahalad, C. K. (2004). *The Fortune at the Bottom of the Pyramid*. Wharton School
156 Publishing.

157 Raworth, K. (2017). Doughnut economics: Seven ways to think like a 21st-Century
158 Economist. Chelsea Green Publishing.

159 Sachs, J. D. (2015). The age of sustainable development. Columbia University Press.

160 Schaltegger, S., Hansen, E. G., & Lüdeke-Freund, F. (2016). Business models for
161 sustainability: A co-evolutionary analysis of sustainable entrepreneurship, innovation, and
162 transformation. *Organization & Environment*, 29(3), 264–289.
163 <https://doi.org/10.1177/1086026616633272>

164 Scholtens, B. (2006). Finance as a driver of corporate social responsibility. *Journal of*
165 *Business Ethics*, 68(1), 19–33. <https://doi.org/10.1007/s10551-006-9037-1>

166 Stubbs, W., & Cocklin, C. (2008). Conceptualizing a “Sustainability Business Model”.
167 *Organization & Environment*, 21(2), 103–127. <https://doi.org/10.1177/1086026608318042>

168 Whiteman, G., & Cooper, W. H. (2000). Ecological Embeddedness. *Academy of*
169 *Management Journal*, 43(6), 1265–1282. <https://doi.org/10.5465/1556349>

170 Yunus, M. (2007). Creating a world without poverty: *Social business and the future of*
171 *capitalism*. PublicAffairs.

172 Zahra, S. A., Gedajlovic, E., Neubaum, D. O., & Shulman, J. M. (2009). A typology of social
173 entrepreneurs: Motives, search processes and ethical challenges. *Journal of Business*
174 *Venturing*, 24(5), 519–532. <https://doi.org/10.1016/j.jbusvent.2008.04.007>

175