

Entrepreneurship for Sustainable and Inclusive Growth: A Pathway to Economic Equity and Social Well-being

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Abstract

Entrepreneurship is increasingly recognized as a driver of inclusive and sustainable development, as well as economic resilience, social justice, and environmental sustainability. According to Amartya Sen (1999), progress should be viewed as the expansion of liberties, in which case entrepreneurship plays a crucial role in enhancing capacities and reducing inequality. Although academics such as Mariana Mazzucato (2013) stress the need for state-led innovation and inclusive policies to ensure that economic benefits are distributed, Joseph Schumpeter's (1934) theory of creative destruction emphasizes how entrepreneurial innovation drives economic advancement. Particularly SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities), the United Nations Sustainable Development Goals (SDGs) emphasize the importance of entrepreneurship in creating sustainable livelihoods and thereby reducing systemic inequalities. Global statistics, however, highlight relatively apparent differences in entrepreneurial activity. Often hampered by financial exclusion and socio-cultural barriers, women-led businesses account for just 23% of high-growth companies globally, according to the Global Entrepreneurship Monitor (GEM) 2023 Report. With caste, class, and regional differences exacerbating exclusionary practices, the Sixth Economic Census (2016) reveals that women entrepreneurs account for just 14% of the overall entrepreneurial ecosystem in India.

One transforming tool for broad economic involvement has become digital entrepreneurship. Researchers like Naila Kabeer (2012) emphasize the interplay between Access to resources, gender, and agency in shaping entrepreneurial outcomes. Although the gender digital divide and algorithmic biases still present difficulties for underprivileged entrepreneurs, technology-driven platforms have lowered entrance barriers (UNCTAD, 2021). Moreover, sustainability-oriented businesses must navigate

the conflict between profitability and social impact, as reflected in Porter and Kramer's (2011) concept of "Creating Shared Value."

Keywords: Entrepreneurship, sustainable development, inclusive development, economic equity, digital entrepreneurship, social innovation

Introduction:

In the twenty-first century, entrepreneurship has become indispensable for both social change and economic progress. While advancing equitable development and environmental sustainability, it stimulates creativity, creates jobs, and strengthens economic resilience. Entrepreneurship greatly enhances the general welfare of societies by allowing people to produce value by creative ideas and commercial activities. Using sustainable entrepreneurship, the combination of social, economic, and environmental goals presents a viable road towards fair development results within this framework. Scholars such as Amartya Sen (1999) have emphasized the importance of expanding individual liberties and capabilities, where entrepreneurship, particularly for underprivileged groups, serves as a form of empowerment and capability building. Although it has transformative power, entrepreneurship nonetheless reflects and perpetuates current social and economic imbalances. Inclusivity and sustainability of economic growth are undermined by inequalities in entrepreneurial involvement, particularly across gender, caste, class, and regional lines. Globally, women-led businesses account for only 23% of high-growth companies, according to global trends, as reported by the Global Entrepreneurship Monitor (GEM) 2023. This disparity is even more evident in India, where women entrepreneurs account for just 14% of the whole entrepreneurial scene, according to the Sixth Economic Census (2016). Structural impediments, including financial restrictions, limited Access to education and training, socio-cultural restraints, and discriminatory digital environments, help define these differences. With an eye towards how digital and policy-driven interventions could close structural gaps, this study aims to investigate entrepreneurship from a gendered and intersectional perspective. It examines how inclusive and sustainable entrepreneurship can foster fair digital-era economic development. This study adds to the larger conversation on inclusive growth and social innovation by examining enabling elements and impediments.

Objectives:

- 1) To examine how entrepreneurship can foster equitable and environmentally sustainable development while addressing structural inequalities that hinder participation, particularly for women and marginalized groups.
- 2) To assess the role of state-led initiatives and digital entrepreneurship in enhancing inclusive economic participation and empowering underrepresented communities.
- 3) To explore policy recommendations and best practices for building fair, inclusive, and sustainable entrepreneurial ecosystems.

Significance of the Research:

Especially SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities); this study is significant within the framework of global efforts to achieve the United Nations Sustainable Development Goals (SDGs). Focusing on the intersection of entrepreneurship, social equity, and digital transformation helps the study offer insights that may guide policy creation as well as scholarly conversation.

Methodology:

Drawing on secondary data, reports, and scholarly literature, this paper uses a qualitative research methodology to examine trends, frameworks, and interventions in entrepreneurship. Essential sources include national databases, such as the Sixth Economic Census, and worldwide indexes like the GEM Report. Theoretical viewpoints from academics, including Amartya Sen, Joseph Schumpeter, Mariana Mazzucato, and Naila Kabeer, also contribute to this body of knowledge. To provide a comprehensive picture of inclusive entrepreneurship, the study also examines policy texts and best practices.

Conceptual Framework

Definitions and Evolution of Entrepreneurship

Entrepreneurship, traditionally defined as the process of identifying, developing, and bringing a vision to life through innovation and resource mobilization, has evolved significantly in scope and meaning over time. Initially associated with risk-bearing and profit-making by early economists such as Richard Cantillon and Jean-Baptiste Say, the concept has transformed to encompass broader dimensions, including innovation, social value creation, and inclusive development. Today, entrepreneurship is not merely seen as an economic activity but as a dynamic process contributing to societal transformation,

where entrepreneurs act as change agents in social, financial, and technological domains. The emergence of social and digital entrepreneurship, alongside sustainable business models, reflects this evolution. These contemporary forms of entrepreneurship aim to address systemic social and environmental challenges while creating economic value. In this context, entrepreneurship is increasingly recognized as a strategic tool for promoting inclusive and sustainable development, particularly in emerging economies such as India.

Theoretical Perspectives:

Amartya Sen's Development as Freedom

Amartya Sen's (1999) influential work, *Development as Freedom*, reframes development not solely as economic growth but as the expansion of people's capabilities and freedoms. From this perspective, entrepreneurship becomes a crucial vehicle for enhancing human agency. By enabling individuals, especially those from marginalized communities, to pursue economic independence, voice their aspirations, and contribute to social change, entrepreneurship expands the substantive freedoms that Sen identifies as central to development. This framework places empowerment, equity, and capability-building at the core of entrepreneurial ecosystems.

Schumpeter's Creative Destruction:

Joseph Schumpeter's (1934) concept of creative destruction positions entrepreneurship as the engine of economic evolution. Entrepreneurs introduce innovations that disrupt established markets, business models, and institutions, thereby propelling economic progress. While Schumpeter highlights the dynamic and disruptive role of entrepreneurship in capitalist economies, his theory also underscores the need for continuous renewal and adaptation. However, without inclusive frameworks, the benefits of this creative destruction can be unevenly distributed, further marginalizing vulnerable populations.

Mazzucato's Entrepreneurial State:

Mariana Mazzucato (2013) challenges the notion that the private sector is the sole driver of innovation. In *"The Entrepreneurial State,"* she emphasizes the proactive role of the state in fostering innovation, funding high-risk research, and shaping markets. Her work highlights the importance of state-led investment in developing inclusive and sustainable entrepreneurial ecosystems. According to Mazzucato, government institutions can and must play a central role in ensuring that entrepreneurial activity aligns with public goals, such as reducing inequality and promoting environmental sustainability.

Role of Entrepreneurship in Achieving SDGs:

Entrepreneurship has a pivotal role in advancing the United Nations Sustainable Development Goals (SDGs), especially:

SDG 8: Decent Work and Economic Growth

Entrepreneurship promotes job creation, economic diversification, and innovation. By supporting small and medium-sized enterprises (SMEs), particularly those led by women and marginalized groups, entrepreneurship contributes to inclusive financial growth and sustainable livelihoods.

SDG 10: Reduced Inequalities

Inclusive entrepreneurship strategies can address systemic inequalities related to gender, caste, ethnicity, and geography. Through targeted interventions such as Access to finance, skill-building, and digital inclusion, entrepreneurship becomes a tool for levelling the playing field and fostering social equity. By integrating economic, social, and environmental priorities, entrepreneurship can function as a transformative force in realizing the 2030 Agenda for Sustainable Development. However, this potential can only be fully realized when inclusive policies and intersectional approaches are adopted to dismantle structural barriers.

Gendered and Intersectional Lens in Entrepreneurship:

Entrepreneurship is often hailed as a democratic space for innovation and self-reliance, yet it remains deeply gendered and structurally unequal. Across the globe, and particularly in countries like India, systemic barriers continue to hinder the participation of women and marginalized communities in entrepreneurial ecosystems. While entrepreneurship has the potential to be a transformative tool for empowerment and inclusion, existing social hierarchies frequently determine who can access opportunities, resources, and recognition.

Gender Disparities in Entrepreneurship: Global and Indian Context

According to the Global Entrepreneurship Monitor (GEM) 2023 Report, women entrepreneurs represent only 23% of high-growth enterprises worldwide. Despite growing recognition of women's potential as economic contributors, persistent barriers such as limited Access to credit, digital exclusion, and socio-cultural restrictions impede their participation. The situation is further exacerbated in developing countries where gender norms heavily dictate women's mobility, Access to education, and control over financial assets. In the Indian context, the disparities are even more glaring. As per the Sixth Economic Census (2016), women constitute merely 14% of the total entrepreneurial

population. This small fraction is further fragmented along caste, class, regional, and religious lines. Most women entrepreneurs operate in informal, home-based enterprises with low capital investment and limited scalability. These businesses are often excluded from formal support systems such as bank loans, business mentorship, and market access.

Intersectional Influences: Caste, Class, Region, and Religion:

Entrepreneurial opportunities in India are not only shaped by gender but also by intersectional identities. Individuals from Scheduled Castes (SCs), Scheduled Tribes (STs), and Other Backward Classes (OBCs) face compounded disadvantages due to entrenched caste-based discrimination and exclusion. Women from these communities often encounter a double bind discrimination based on both gender and caste, which restricts their Access to land, capital, and institutional networks. Regional disparities further limit access, with rural and semi-urban women often lacking the digital infrastructure and mobility to engage in entrepreneurial activities. Additionally, religious minorities, especially Muslim women, are disproportionately affected by limited economic participation, surveillance of mobility, and stigmatization, all of which create invisible barriers to entrepreneurship.

Naila Kabeer's Perspective: Agency, Access, and Empowerment:

Naila Kabeer's (2012) scholarship offers a critical framework for understanding gendered entrepreneurship through the lens of agency, Access to resources, and empowerment. According to Kabeer, economic participation must be viewed not simply in terms of inclusion but through a lens that acknowledges how power shapes women's choices and outcomes. She emphasizes that Access to resources, whether financial, informational, or institutional, is a necessary but insufficient condition for empowerment. What matters equally is agency, or the ability of women to define goals and act upon them. Without addressing structural barriers such as patriarchy, casteism, and institutional bias, mere inclusion in entrepreneurial spaces does not translate into genuine empowerment.

Barriers to Women's Entrepreneurial Participation:

Women's full and equal participation in entrepreneurship remains restricted by multiple overlapping barriers. Financial exclusion is a major constraint, as women-particularly from low-income and marginalized communities, lack Access to credit due to collateral demands and the requirement of male guarantors. Deeply embedded patriarchal norms further limit their mobility, decision-making power, and participation in entrepreneurial

networks, reinforcing the belief that business is incompatible with traditional gender roles. These constraints are especially pronounced in conservative and rural contexts.

The digital and informational divide also limits women's Access to the technological tools vital for modern business success. At the same time, the lack of visible female role models and mentors perpetuates gender stereotypes and restricts aspiration and guidance. A gendered and intersectional understanding of entrepreneurship is thus crucial. Without targeted, inclusive policies to dismantle these systemic barriers, entrepreneurship will fail to achieve its potential as a pathway to equity.

The advent of digital technologies has significantly reshaped the entrepreneurial landscape, opening new avenues for innovation, market access, and inclusion. Digital entrepreneurship, which involves leveraging digital tools, platforms, and infrastructures to create and manage ventures, has emerged as a powerful means of enabling economic participation, particularly for individuals who have traditionally been excluded from formal financial systems. For women and marginalized communities, the rise of digital entrepreneurship presents both unprecedented opportunities and persistent challenges.

Rise of Digital Entrepreneurship: Opportunities and Limits:

Digital platforms have lowered entry barriers to entrepreneurship by reducing the need for physical infrastructure, offering flexible work arrangements, and enabling direct Access to markets through e-commerce, social media, and mobile applications. For women, especially those constrained by mobility or domestic responsibilities, these platforms provide an alternative space to initiate and scale enterprises. However, the potential of digital entrepreneurship is not evenly distributed. Access to digital infrastructure, digital literacy, and socio-cultural acceptance of women's use of technology continue to act as limiting factors. In rural and marginalized urban settings, gender norms often regulate Access to mobile phones, internet usage, and social media participation, leading to unequal digital engagement. The gender digital divide, as noted by UN Women and UNCTAD (2021), reinforces existing socioeconomic inequalities rather than dismantling them.

Algorithmic Bias, Digital Divide, and Marginalization:

Digital systems, often perceived as neutral, can carry embedded algorithmic biases that disadvantage underrepresented groups. Algorithms governing advertising, content visibility, and recommendation systems are shaped by historical data, which may reflect societal prejudices. For instance, studies have shown that women-led enterprises receive less visibility on e-commerce platforms and social media and are less likely to be

recommended in algorithm-driven promotions. Moreover, digital divides in Access to devices, internet connectivity, and digital literacy contribute to the marginalization of women, especially those from marginalized castes, tribal communities, and religious minorities. Without inclusive design and equitable data governance, digital tools risk entrenching exclusion rather than overcoming it.

Role of Technology in Reducing Barriers vs. Reinforcing Inequities:

Technology is a double-edged sword. On the one hand, it can dismantle traditional gatekeeping mechanisms, offering visibility, autonomy, and opportunities for income generation. On the other, if access is skewed and platforms are not designed inclusively, it can reinforce and reproduce existing social hierarchies.

For example, Access to mobile banking has enabled women entrepreneurs to manage finances independently, yet many face challenges due to a lack of documentation or institutional recognition.

E-commerce platforms offer market access, but women are underrepresented as sellers and often limited to informal, low-margin sectors, such as home-based crafts or apparel.

Thus, the benefits of digital entrepreneurship are mediated by intersectional identities and structural inequalities, necessitating a critical evaluation of technological interventions.

Examples of Tech-Driven Inclusive Entrepreneurship Platforms

Several initiatives have emerged to promote inclusive digital entrepreneurship:

Sheroes: A women-only social platform in India that offers networking, mentorship, and business promotion opportunities to women entrepreneurs, particularly in tier-2 and tier-3 cities.

Meesho: An Indian social commerce platform enabling women to start their online reselling businesses with minimal investment, leveraging WhatsApp and Facebook.

Digital Saksharta Abhiyan (DISHA): A Government of India initiative to promote digital literacy among marginalized communities, especially women, in rural areas.

UNDP's Disha Project (in partnership with IKEA Foundation): Supports women entrepreneurs through digital skills training, mentorship, and market linkages.

These examples underscore the transformative potential of technology when designed and deployed through an inclusive and intersectional lens. However, they also highlight the need for policy support, digital literacy programs, and equitable platform governance to ensure meaningful inclusion.

Social Innovation and Sustainable Enterprises:

In recent years, there has been a growing recognition of the urgent social and environmental issues facing our world—such as climate change, poverty, inequality, and resource depletion. This awareness has given rise to new forms of entrepreneurship that go beyond traditional business goals of profit-making. Social innovation and sustainable enterprises have emerged as essential responses to these challenges, aiming not only to create economic value but also to promote social justice and protect the environment. One influential idea in this space is the concept of "Creating Shared Value" (CSV), developed by Michael Porter and Mark Kramer in 2011. Unlike conventional corporate social responsibility (CSR), which often treats social and environmental efforts as secondary to the main business, CSV proposes that businesses should embed these concerns directly into their core operations. It argues that companies can become more competitive and profitable by actively solving social problems, such as improving education, reducing pollution, or expanding healthcare access because doing so strengthens the communities and markets they depend on. Sustainable and social enterprises function at the intersection of economic, social, and environmental objectives. This means they not only focus on making a profit but also consider the impact of their actions on people and the planet. To achieve this, they often adopt innovative approaches such as inclusive decision-making, community engagement, and long-term planning that considers the needs of future generations. Examples include worker-owned cooperatives, businesses that reuse or recycle materials (utilizing circular economy models), and social enterprises that reinvest profits into their social missions. Measuring the success of these enterprises requires different tools than those used for traditional businesses. Profit alone is not enough. Instead, a combination of indicators is used to assess their broader impact. These include Social Return on Investment (SROI), which evaluates the social value created compared to the money invested; impact assessments, which can consist of both numbers and personal stories; the Triple Bottom Line approach, which tracks performance in terms of people, planet, and profit; and alignment with the United Nations Sustainable Development Goals (SDGs), which offer a global framework for social and environmental progress. These measures help us understand how such enterprises are creating meaningful change, not just in financial terms but in how they contribute to a more just, inclusive, and sustainable world.

Policy and Institutional Framework:

India has progressively developed a multi-layered policy framework to encourage entrepreneurship and promote inclusive growth. Although these efforts reflect a strong intent to democratize economic opportunities, challenges persist in ensuring effective implementation and equitable Access, particularly for marginalized communities. One of the central pillars of India's current entrepreneurial policy ecosystem is the Startup India initiative launched in 2016. This flagship program aims to reduce bureaucratic hurdles, provide tax benefits, and support incubators to nurture innovation-driven startups. Complementing this is the Stand-Up India Scheme, also initiated in 2016, which specifically targets women and entrepreneurs from Scheduled Castes and Scheduled Tribes (SC/ST), facilitating bank loans to encourage their entry into enterprise development. Another foundational policy is the National Policy for Skill Development and Entrepreneurship (2015), which seeks to integrate entrepreneurship education and foster ecosystem building at national and regional levels. To further promote inclusion, affirmative action and financial inclusion strategies have been introduced to redress historical inequalities. Measures such as reservations in public procurement and targeted financial schemes are instrumental in this regard. For example, MUDRA loans, under the Micro Units Development and Refinance Agency, aim to enhance credit access for small-scale entrepreneurs, particularly women, Scheduled Caste (SC)/Scheduled Tribe (ST) individuals, and rural populations. Additionally, the Priority Sector Lending (PSL) norms require banks to allocate a certain percentage of their loans to these underrepresented groups.

Recognizing that Access to finance alone is insufficient, the government and supporting institutions have established various skill-building, incubation, and mentorship programs. Initiatives like the Atal Innovation Mission (AIM) and Technology Business Incubators (TBIs) provide crucial platforms for nurturing early-stage startups. The Women Entrepreneurship Platform (WEP) by NITI Aayog further enhances support by offering digital mentorship, Access to funding opportunities, and a network for knowledge sharing explicitly tailored to women entrepreneurs. Moreover, NGOs and academic institutions are increasingly playing a vital role in equipping aspiring entrepreneurs with training, mentorship, and localized support, bridging the gaps often left by formal policy structures. Within this broader ecosystem, the roles of the state and civil society become complementary. While the state is responsible for creating a policy and regulatory environment conducive to entrepreneurship, civil society organizations serve as

intermediaries that translate these frameworks into on-the-ground realities. They advocate for the needs of marginalized populations, implement grassroots training programs, and provide community-based support structures. The success of inclusive entrepreneurship in India ultimately depends on collaborative governance, where the state, private sector, and civil society work together to build a resilient, accessible, and equitable entrepreneurial landscape.

Best Practices and Global Insights:

Learning from global practices offers valuable insights for shaping inclusive and sustainable models of entrepreneurship. Countries across the Global South have pioneered innovative approaches that blend economic development with social equity. For instance, Rwanda has implemented gender-sensitive entrepreneurship policies that simplify business registration processes and promote Access to mobile-based financial services, leading to a notable increase in women's economic participation. Similarly, Bangladesh has garnered international attention through the success of institutions like the Grameen Bank and BRAC, whose microfinance and social enterprise models have successfully integrated financial inclusion with broader social empowerment goals, especially among rural women. In Brazil, the Solidarity Economy movement and community cooperatives exemplify how collective entrepreneurship can thrive even within informal economies, fostering a sense of ownership, mutual support, and community resilience. At the international level, organizations such as UNCTAD emphasize the importance of building inclusive digital economies, advocating for platforms that bridge gender gaps in e-commerce and digital entrepreneurship. UN Women and the International Labour Organisation (ILO) further emphasize that gender-responsive entrepreneurial ecosystems must address structural barriers, including Access to childcare, personal safety, and mobility factors, which significantly impact women's ability to engage in entrepreneurial activities. Innovations in financing models have also played a significant role in transformation. Microfinance institutions have enabled small-scale entrepreneurs, particularly women, to access working capital that is otherwise unavailable through formal banking systems. Worker-owned cooperatives introduce more democratic business models, allowing shared decision-making and reducing traditional hierarchies in the workplace. Additionally, impact investing has emerged as a powerful strategy to mobilize funds for enterprises that aim to generate both measurable social and environmental outcomes alongside financial returns. These global experiences underscore the importance

of context-sensitive, equity-driven, and community-focused approaches in fostering inclusive entrepreneurship.

Conclusion and Recommendations:

Expand Access to finance for marginalized entrepreneurs through collateral-free credit, subsidized interest rates, and targeted digital inclusion policies.

Bridge the gender digital divide by investing in digital infrastructure, literacy, and safe online environments.

Integrate entrepreneurship education into formal curricula with a focus on empowerment and sustainability.

Develop inclusive innovation policies that recognize diverse forms of knowledge and enterprise, particularly those rooted in local contexts.

Strengthen intersectional policy frameworks that address caste, gender, class, and regional disparities.

Future Directions for Research and Intervention:

Assess the long-term impact of digital entrepreneurship on marginalized communities.

Explore intersectional metrics of success in sustainable enterprises.

Evaluate the effectiveness of affirmative action policies in transforming entrepreneurial landscapes.

Reimagining Entrepreneurship in the Digital and Sustainable Era:

To fulfil its promise of equity and inclusion, entrepreneurship must be reimagined not just as a tool for economic productivity but as a means of social transformation. This requires embedding principles of justice, intersectionality, and sustainability into every layer of policy, practice, and pedagogy. The digital era presents both opportunities and challenges. In this context, entrepreneurship must strive not only for innovation but also for impact, inclusion, and integrity.

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