

## **INCLUSIVE GROWTH IN INTERNATIONAL BUSINESS- HISTORICAL AND CONTEMPORARY PERSPECTIVES**

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### **Abstract**

The necessity of balancing profitability with equity, sustainability, and social well-being is reflected in the rise of inclusive growth in international commerce as a key topic in the global economic discussion. Historically, international business went through stages of colonial commerce, industrial revolution, and post-World War II globalization, with expansion frequently concentrated in industrialized nations and based on extraction. economies, leaving developing countries on the outside. Contemporary views, on the other hand, highlight inclusive growth models that aim to integrate marginalized communities, encourage fair trade practices, and ensure that the advantages of globalization are distributed fairly. In addition, the growth of digital technologies, corporate social responsibility (CSR), and sustainability frameworks like the Sustainable Development Goals (SDGs) have contributed to making international business more inclusive. Nevertheless, issues like income disparity, the digital divide, and environmental degradation continue. This chapter explores how globalization, technological progress, and corporate responsibility have influenced modern inclusive growth dynamics. In addition, it explores how inclusive growth aligns with global sustainable development objectives and suggests strategies for governments and businesses to promote equitable participation and shared prosperity in international trade. This thorough overview offers key insights into inclusive growth as a vital component of sustainable global economic development.

**Keywords:** Sustainable Development Goals, Contemporary views, marginalized communities, Corporate social responsibility

### **Introduction**

In its simplest form, inclusive growth is an economic process that creates opportunities for all members of society while making sure that the benefits of that growth are equitably shared. Inclusive growth, as it relates to international commerce, encompasses more than merely maximizing profits and expanding GDP. It prioritizes a paradigm of global trade and investment that not only promotes economic progress but also expands participation, lowers

inequality, and advances social and environmental welfare. This covers women, workers in small and medium businesses (SMEs), marginalized communities, and workers in all nations, particularly those in developing regions. By focusing on equal opportunity in access to global markets, resources, technology, and investment, inclusive growth in international business promotes equitable participation in global value chains and reduces inequities. It integrates the objectives of boosting productivity and competitiveness with social inclusion, enabling marginalized communities to participate in and profit from international economic activities.

### **Importance of inclusive growth for sustainable economic development and global prosperity**

Sustainable economic development depends on inclusive growth because it promotes the fair distribution of the advantages of progress across all sectors of society. In contrast to traditional growth models that can exacerbate income disparity, inclusive growth aims to alleviate poverty by prioritizing the creation of opportunities for marginalized populations, improving access to healthcare, education, and jobs. It establishes vital foundations for long-term, resilient growth by promoting greater involvement in economic activity, which enhances social stability, encourages the development of human capital, and strengthens domestic markets.

Inclusive growth reduces disparities between nations and fosters fair participation in international trade and investment, hence contributing to global prosperity. Inclusive policies promote innovation, cooperation, and sustainable resource use while also improving the lives of marginalized groups. By aligning with the United Nations Sustainable Development Goals (SDGs), this shared progress fosters collaboration, reduces global tensions, and contributes to a more balanced, stable, and prosperous global economy.

### **Historical Perspectives on Inclusive Growth**

The notion of inclusive growth has its origins in the long history of economic philosophy and real-world development techniques. Early economic models, particularly those from the Industrial Revolution, placed a strong emphasis on increasing production, industrialization, and capital accumulation, frequently ignoring equity and social well-being. These strategies produced unparalleled riches, but they also resulted in significant societal disparities, labor exploitation, and the marginalization of particular groups and regions. As time went on, economists and decision-makers realized that inclusive growth alone cannot guarantee long-term stability or prosperity. Discussions on redistribution, social justice, and fair access to

possibilities were sparked by this awareness, which served as the basis for the contemporary notion of inclusive development.

Historical experiences from across the world also demonstrate how exclusionary practices in trade, colonialism, and investment patterns limited possibilities for many countries. For example, colonial economies were organized to favor imperial nations, leaving colonies reliant, underdeveloped, and cut off from the wealth produced by international trade. On the other hand, post-war programs like the Marshall Plan showed how intentional, inclusive economic policies might foster shared wealth and help reconstruct countries. These historical lessons emphasize that inclusive growth is an economic necessity as well as a moral one, since it guarantees that progress is sustainable, widely shared, and resistant to societal and political upheaval

### **Early Economic Growth Theories versus Inclusive Growth Concepts.**

Traditional economic growth theories, such as those by Adam Smith, David Ricardo, and later neoclassical economists, placed a strong emphasis on efficiency, specialization, and capital accumulation as the key factors behind wealth creation. These methods paid little attention to how the benefits of growth were shared among various groups in society, focusing instead on raising output and productivity. Consequently, inequalities frequently grew alongside economic growth, and marginalized populations gained little or no advantage from the overall development process.

These flaws led to the development of inclusive growth ideas, which stressed both the rate and manner of growth. Contemporary strategies emphasize that economic development must alleviate poverty, promote equal opportunity, and ensure that everyone has access to resources and markets. Inclusive growth, unlike earlier models that focused on growth, connects social equity with economic sustainability, understanding that broader participation in the rewards of growth results in more robust and resilient economies.

### **Drivers of Inclusive Growth in International Business Historical Context**

The forces behind inclusive growth in global business have historically changed in tandem with changes in global power dynamics and economic structures. Inequitable access to capital and technology, protectionist trade policies, and colonial regimes frequently impeded inclusive growth in the early years of global business. But throughout time, a number of reasons contributed to the growth of global market participation, including the development of international financial institutions, the expansion of education, and technical advancements.

These factors made it possible for more countries and people to participate in international trade and take advantage of financial opportunities.

Other historical facilitators of inclusion included the growth of international firms, cross-border investments, and better infrastructure. For instance, throughout industrialisation, hitherto remote markets were linked to global trade flows by the expansion of transportation and communication networks. In a similar vein, 20th-century institutional changes and development assistance initiatives encouraged economic engagement in developing nations. These factors signalled the start of a change in international business towards more inclusive practices, even though they weren't always dispersed equally.

### **Contemporary Perspectives on Inclusive Growth**

- **Modern Definitions and Frameworks of Inclusive Growth Emphasizing Equality of Opportunity, Poverty Reduction, and Shared Prosperity**

According to modern economics, development that guarantees fair access to opportunities, lowers poverty, and shares the advantages of growth with all facets of society is known as inclusive growth. In contrast to traditional growth, which emphasises GDP expansion above all else, contemporary frameworks emphasise the need for broad-based and sustainable growth. Access to financial services, healthcare, education, and equality of opportunity have all been emphasised by organisations like the United Nations and the World Bank as essential components of inclusive development. Economic benefits are distributed throughout communities and countries, rather than being concentrated in the hands of a select few, according to this viewpoint.

Inclusive growth is becoming more and more central to policy agendas because to frameworks like the Sustainable Development Goals (SDGs) and national development policies. They associate economic growth with resilience to shocks, environmental sustainability, and social inclusion. These strategies recognise that economies function best when everyone has the opportunity to contribute to and profit from progress by placing a strong emphasis on shared prosperity.

- **The Role of Multinational Corporations in Promoting Inclusive Growth Through Responsible Business Practices**

Due to their extensive worldwide presence and impact on labour markets, supply chains, and investment flows, multinational companies (MNCs) have emerged as decisive forces in

promoting equitable growth. Adopting ethical business practices, such as inclusive hiring, local capacity building, and fair labour policies, allows multinational corporations to empower underserved areas and promote sustainable development. Businesses can link profitability with inclusivity, as exemplified by activities in environmental, social, and governance (ESG) reporting and corporate social responsibility (CSR).

Additionally, MNCs can bridge the gap between established and developing economies by transferring technology, information, and skills across national boundaries. Shared prosperity is also facilitated by inclusive supply chain strategies, such as sourcing from small and medium-sized businesses (SMEs) and assisting women-led organisations. Incorporating inclusion into business practices helps companies build consumer trust and long-term market stability in addition to improving their reputation.

- **Impact of Globalization, Digital Transformation, and Innovation on Inclusive Growth Dynamics**

Innovation, digitalisation, and globalisation have radically changed the ways in which inclusive growth can be achieved. Globalisation has made it possible for developing nations to join international markets, but digital transformation has created additional opportunities by increasing access to e-commerce platforms, financial services, and educational resources. Underprivileged groups now have better access to resources and opportunities thanks to advancements in fields like finance, renewable energy, and healthcare technologies.

Global connectivity and digital tools have also made it easier for entrepreneurs and small firms to access foreign markets. What is commonly referred to as the "digital divide" is caused by differences in digital infrastructure and abilities, which continue to be a problem. This demonstrates that although technology and globalisation might promote inclusion, prompt action is required to guarantee that these advantages are shared fairly among populations and geographical areas.

- **Contemporary Challenges: Economic Inequality, Informal Sectors, Gender Gaps, Access to Resources and Markets**

Despite advancements, there are still major obstacles to inclusive growth in the modern world. As wealth is concentrated in a small elite and large populations face limited access to high-quality employment and services, economic inequality is still glaring both within and between countries. Because informal workers frequently lack social benefits, job stability, and fair compensation, the continued existence of sizable informal sectors in many developing

economies further erodes inclusion. These factors prolong poverty cycles and restrict full involvement in economic progress.

Inclusive growth is further hampered by gender disparities and unequal access to markets and resources. Barriers to finance, property rights, education, and technology are common for women, those living in rural areas, and marginalised groups. Furthermore, vulnerable populations are disproportionately impacted by global shocks like pandemics and climate change, which exacerbates inequality. Governments, businesses, and international organisations must work together to address these issues and establish just systems that offer everyone opportunities and protections.

### **Key Elements and Measures of Inclusive Growth Today**

- **Social Inclusion, Economic Participation, and Governance as Pillars of Inclusive Growth**

Social inclusion, economic engagement, and governance are the three interrelated pillars that support inclusive growth. Equal access to opportunity, healthcare, and education is guaranteed for marginalised groups, including minorities, women, and rural communities, through social inclusion. Because economic participation places a strong emphasis on widespread engagement in labour markets, entrepreneurship, and wealth creation, the advantages of growth are distributed across society rather than being concentrated among a select few. These results are made possible in large part by governance, which upholds accountability, openness, and inequality-reducing laws.

These pillars work together to build a foundation for long-term prosperity. More people may make meaningful contributions to the economy when social structures are inclusive, which encourages creativity and adaptability. Strong governance makes sure that organisations uphold rights, allocate funds equitably, and foster confidence among citizens, corporations, and governments. Without these components, growth runs the risk of becoming unstable and exclusive, deepening social and economic gaps.

- **Legal and Policy Frameworks Supporting Inclusive International Business Practices**

Frameworks for laws and policies are essential for integrating inclusive business practices into global operations. Laws pertaining to environmental preservation, labour rights, and anti-discrimination make ensuring businesses maintain ethical business practices and respect human

dignity. Global norms that direct businesses towards socially responsible behaviour are created by international agreements like the UN Global Compact and the International Labour Organisation (ILO). Inclusivity is further reinforced by trade policies that support equitable access to markets and technology transfer.

At the national level, inclusive policies that allow under-represented groups to engage in economic activity include social protection programs, financial inclusion schemes, and affirmative action. company governance guidelines, tax breaks for ethical companies, and legislation promoting gender equality all help to match company expansion with societal goals. The notion that inclusive development and sustainable profitability must coexist is strengthened by these frameworks, which not only advance equity but also level the playing field in global marketplaces.

- **Metrics and Indices Used to Assess Inclusive Growth Across Countries and Industries**

In order to measure inclusive growth, one must look beyond GDP to see how fairly economic advantages are allocated. Indicators like the UN Human Development Index (HDI), the World Bank's Shared Prosperity Index, and the World Economic Forum's Inclusive Development Index assess development by taking social mobility, health, education, and income distribution into account. These indicators show whether progress is fostering opportunities for everyone or escalating inequality.

Corporate inclusion is increasingly being assessed at the industry level using social impact evaluations, gender diversity ratios, and ESG (Environmental, Social, and Governance) indicators. Businesses are evaluated on their contributions to sustainability, fair labour standards, and social equity in addition to their financial results. Both countries and companies are encouraged to adopt growth plans that are socially responsible, resilient, and egalitarian by these multifaceted indicators.

### **Strategies for Achieving Inclusive Growth in International Business**

- **Inclusive Hiring and Talent Development Globally**

Promoting fair chances in global company requires inclusive recruiting practices and talent development. Employers who value diversity in hiring—taking into account factors like gender, colour, disability, and socioeconomic status—have access to a larger range of perspectives and abilities, which promotes creativity and adaptability. Businesses are being

urged by international initiatives to go beyond compliance and establish inclusive workplaces that foster the success of under-represented groups. This change boosts competitiveness in a variety of markets while also improving fairness.

Since talent development guarantees equal access to training, leadership development, and career promotion, it is closely related to inclusive recruiting. Education and employment gaps are lessened by multinational firms funding worldwide workforce training, mentorship programs, and digital upskilling projects. In addition to fulfilling their social responsibilities, companies may ensure long-term growth through a knowledgeable and motivated staff by creating inclusive talent pipelines.

- **Ethical Supply Chain Management and Fair Trade Practices**

International corporate expansion is guaranteed to not compromise community welfare, environmental sustainability, or labour rights thanks to ethical supply chain management. As a result of growing accountability for the sourcing of their products, businesses are being compelled to implement ethical and open procedures. Fair trade programs, for instance, promote equitable growth by giving small producers in developing nations access to international markets, safe working conditions, and fair remuneration.

Long-term resilience and brand credibility are also improved by implementing ethical supply chains. Businesses provide value for all parties involved, not just shareholders, by minimising environmental damage and exploitation. In addition to protecting their brand in an increasingly globalised marketplace, multinational corporations that give sustainability, human rights, and diversity first priority when making sourcing decisions also support wider economic development.

- **Corporate Social Responsibility and Stakeholder Engagement**

Business social responsibility, or CSR, has become a potent instrument for fostering inclusive growth since companies are expected to do more for society than just make money. In order to match business plans with community needs, CSR programs frequently focus on poverty reduction, education, healthcare, and environmental sustainability. Businesses generate shared value by tackling social and environmental issues, which helps society and their long-term prosperity.

Engaging stakeholders ensures that a variety of perspectives—including those of workers, clients, local communities, and investors—are taken into account when making decisions,

which enhances corporate social responsibility. Involving stakeholders helps businesses connect their operations with local reality and promotes trust, responsibility, and openness. With this strategy, company models become inclusive, sustainable, and socially conscious instead of solely focused on making money.

- **Leveraging Technology and Innovation for Inclusive Access and Opportunity**

Innovation and technology are now essential components of inclusive growth in global company. Underprivileged populations around the world now have more access to markets, financial services, and education thanks to digital platforms, mobile banking, and e-commerce. Affordable solutions that alleviate inequality and enhance quality of life are also being offered by advancements in agritech, healthcare, and renewable energy. These developments show how, when used properly, technology may close opportunity gaps.

To use technology in an inclusive way, though, the digital gap must be addressed. Investments in cheap internet, digital infrastructure, and skill development are necessary to guarantee that underserved populations are not left behind. Companies that prioritise inclusive digital transformation not only grow their clientele but also help create more robust and just global economies.

### **Challenges and Critiques**

- **Persistent Inequalities and Barriers Despite Growth in Global Trade**

Despite the substantial expansion of global trade, disparities and obstacles still exist, especially for poor nations and marginalised communities. While many low-income countries continue to rely on the export of raw materials with little value addition, wealth and market access are still concentrated in advanced economies. In addition, structural obstacles like inadequate infrastructure, restricted access to technology, and lax labour laws hinder widespread enjoyment of trade's advantages. Globalisation has therefore frequently widened wealth gaps, denying underprivileged groups access to worthwhile prospects.

- **Limitations of Current International Economic Policies in Achieving True Inclusivity**

The potential of current international economic policies to produce truly inclusive results is limited because they frequently place a higher priority on efficiency and liberalisation than equity. Trade agreements and investment frameworks can create imbalances that hurt smaller economies and enterprises by favouring larger corporations or wealthier countries. Furthermore,

in certain instances, conditionalities linked to aid or structural adjustment programs have weakened social safety nets and increased inequality. Although inclusion is being mentioned more and more in policies, methods to guarantee equitable benefit distribution across nations and groups are usually absent from their conception and execution.

- **Balancing Profit Motives with Inclusive Growth Objectives in Competitive Markets**

Businesses must strike a balance between profit incentives and inclusive growth objectives in highly competitive global markets. Corporate strategies are frequently driven by maximising shareholder returns, yet incorporating inclusion into company models is necessary for long-term sustainability. Businesses that make investments in ethical supply chains, fair salaries, and local capacity building may incur more short-term expenses, but they gain from improved customer loyalty, brand reputation, and labour stability. The secret is to reframe diversity as a strategic advantage that fosters resilience, creativity, and long-term success rather than as a trade-off.

#### **Future Directions and Emerging Trends**

- **Increasing Importance of Environmental Sustainability Intersecting with Inclusive Growth (Green Inclusive Growth)**

In order to ensure that advancement does not come at the expense of future generations, green inclusive growth emphasises the necessity of integrating environmental sustainability with economic and social development. Economies can reduce inequality, preserve ecosystems, and generate new jobs by supporting low-carbon businesses, sustainable agriculture, and renewable energy. Since vulnerable populations are frequently the ones most impacted by climate change, this strategy acknowledges that environmentally responsible growth is crucial for long-term resilience and equity.

- **Role of Emerging Markets and Developing Economies in Reshaping Global Inclusive Growth Paradigms**

By utilising their growing middle classes, technological adoption, and demographic dividends, emerging markets and developing economies are essential to redefining inclusive growth. Innovation in digital finance, cheap healthcare, and renewable energy is being spearheaded by countries such as China, India, and several African countries, demonstrating how growth and inclusion can coexist. Their stories highlight how crucial it is to adapt inclusive growth models to regional circumstances, upending conventional Western-led paradigms and promoting more equitable global development.

- **Impact of Global Crises (Pandemics, Economic Shocks) on Inclusive Growth Agendas**

Deep disparities have been made visible by global crises like the COVID-19 pandemic and recurrent economic shocks, which disproportionately impact low-income nations, informal industries, and vulnerable workers. The instability of current growth patterns and the pressing need for more robust safety nets, healthcare systems, and inclusive labour laws were brought to light by these upheavals. At the same time, crises have sped up global collaboration and technology adoption, opening doors for economies to be rebuilt on more robust and inclusive bases that put equity first in addition to recovery.

### **Conclusion**

While economic expansion has frequently increased income, it has not always guaranteed equity, resulting in persisting inequities in access and opportunity, as both historical and modern perspectives demonstrate. Historical lessons underscore the perils of expansion that excludes, while contemporary strategies prioritise sustainability, equality of opportunity, and shared wealth. Governments, businesses, and international organisations must work together in a multi-stakeholder, integrated manner to align policies and practices with social and environmental goals in order to achieve truly inclusive growth in international commerce. Future global economic systems must be envisioned with inclusion and sustainability as integral objectives, resulting in economies that are not only inventive and competitive but also equitable, resilient, and open to everyone.