



Corporate Social Responsibility Vs. Inclusive Business: A Comparative Study Of Effectiveness In Developing Economies

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Abstract: This study compares the efficacy of inclusive business (IB) and corporate social responsibility (CSR) strategies in developing nations in tackling important socioeconomic issues like sustainable development, economic inclusion, and poverty alleviation. CSR has always prioritized voluntary philanthropic efforts and community welfare, has been widely adopted by businesses to enhance their social impact. However, its long-term effectiveness and alignment with core business operations have been questioned. In contrast, Inclusive Business integrates low-income and marginalized communities directly into business value chains as suppliers, consumers, and employees, fostering both profitability and social progress. Using case studies and empirical data, the research explores the relative impact, sustainability, and scalability of both approaches. The findings suggest that while CSR initiatives often provide short-term community benefits, Inclusive Business offers a more sustainable and inclusive model for economic empowerment and poverty alleviation, particularly in resource-constrained and under-served regions. This study contributes to the discourse on how businesses can more effectively support sustainable development goals by aligning their strategies with the needs of local communities in developing economies.

Key words: Corporate Social Responsibility (CSR), Inclusive Business (IB), Poverty Alleviation, Economic Inclusion, Marginalized Communities, Social Impact, Business value chains, Sustainable Development Goals (SDGs).

1. Introduction:

The growing awareness of global socio-economic disparities and the pressing need for sustainable development have intensified the focus on the role of businesses in promoting inclusive growth, particularly in developing economies. In this context, two key strategies have emerged: **Corporate Social Responsibility (CSR)** and **Inclusive Business (IB)**. These frameworks represent distinct yet complementary approaches that businesses use to address societal challenges while pursuing their economic goals. While CSR emphasizes a company's ethical responsibilities to society, Inclusive Business seeks to integrate underserved with the goal of generating shared value, populating the very center of the company model.

The term "corporate social responsibility" (CSR) describes the selfless actions taken by businesses to support social objectives such as moral conduct, environmental sustainability, and community well-being. CSR operations have historically included environmental conservation, community development projects, charity endeavors, and regulatory compliance. CSR is sometimes viewed as a means for companies to "give back" to the community while maintaining their profitability. In developing economies, where poverty, inequality, and infrastructure gaps are prevalent, CSR has been used as a tool for improving local communities' well-being.

However, critics argue that CSR initiatives can be disconnected from a company's core business objectives, often resulting in short-term, surface-level interventions with limited long-term impact. CSR in developing economies tends to focus on issues such as healthcare, education, and environmental conservation. While these initiatives can improve living standards, they often do not address the structural economic challenges that keep large portions of the population in poverty. Moreover, some CSR efforts are seen as reactive measures, undertaken primarily to enhance corporate reputation or meet regulatory demands, rather than proactively addressing the root causes of underdevelopment. In many cases, CSR's philanthropic nature leads to one-time or periodic interventions that may not provide sustainable economic opportunities for the communities they target.

In contrast, Inclusive Business (IB) is a relatively newer and more transformative approach that seeks to directly involve low-income populations in the business value chain as consumers, employees, suppliers, and distributors. IB strategies are embedded within the company's core operations, ensuring that business activities are both commercially viable and socially inclusive. This approach is particularly relevant in developing economies, where the majority of the population often remains excluded from formal markets. By engaging underserved communities as key stakeholders in their value chains, businesses can not only expand their markets but also contribute to poverty alleviation, job creation, and local economic development. Unlike CSR, which can sometimes be peripheral to a company's main operations, Inclusive Business models are built on the idea of creating shared value, where business success and social progress go hand in hand. By integrating marginalized populations into the supply chain, businesses can generate mutual benefits: they gain access to new markets and labour sources, while local communities gain sustainable livelihoods and access to essential goods and services. This dual value proposition makes IB a more sustainable and scalable approach, as it aligns social impact with long-term business profitability. Companies like Unilever, Nestlé, and DANONE have demonstrated the potential of IB models to simultaneously address market gaps and improve socio-economic conditions in developing regions. Despite the clear distinctions between CSR and IB, both approaches face challenges in their implementation, particularly in resource-constrained and politically unstable environments typical of many developing economies. Factors such as weak infrastructure, poor governance, limited access to capital, and regulatory hurdles often hinder the success of both CSR and IB initiatives. Furthermore, businesses may struggle to balance their profit motives with the social and environmental goals espoused by CSR and IB frameworks, especially when short-term Long-term sustainability is subordinated to financial returns. The research aims to evaluate the effectiveness of inclusive business (IB) and corporate social responsibility (CSR) practices in reducing poverty, particularly in underprivileged and rural areas of emerging nations. It seeks to assess the durability of CSR programs compared to IB models, determining which strategy has a greater potential for systemic change and long-term scalability. The study will explore how each approach—CSR or IB—more effectively integrates marginalized groups into the formal economy, providing employment, entrepreneurial opportunities, and access to essential goods and services. Additionally, it will examine how CSR and IB align corporate interests with community needs, highlighting the trade-offs between social impact and profitability in each model. Finally, the research aims to identify the main challenges faced by CSR and IB initiatives in developing economies and explore strategies businesses can adopt to overcome these challenges, thereby maximizing their positive contributions to social and economic development.

2. Scope of Study:

This study's focus is on comparing the Inclusive Business (IB) and Corporate Social Responsibility (CSR) models in emerging nations. The study looks at how well each of them handles important socioeconomic issues like sustainable development, economic inclusion, and poverty alleviation. The study investigates the ways in which these business practices support local economic empowerment and are consistent with the Sustainable Development Goals. Important elements within the scope consist of:

Geographic Focus: The study is centred on developing economies, with case studies drawn from regions such as Sub-Saharan Africa, South Asia, and Latin America, where poverty, inequality, and infrastructure gaps are prevalent.

Sectorial Analysis: The research covers multiple sectors, including agriculture, manufacturing, and healthcare, to provide a diverse range of examples for how CSR and IB are implemented in different industries.

Comparative Impact The study assesses how CSR and IB affect access to necessary products and services, economic inclusion, job development, and poverty alleviation. It contrasts the ways in which each model supports regional growth and attends to the particular requirements of underprivileged and marginalized groups.

Sustainability and Scalability: The study assesses the long-term sustainability and scalability of both CSR and IB initiatives, exploring which approach is more viable for creating systemic, long-term change in developing economies.

Challenges and Opportunities: The research identifies the challenges and limitations that both CSR and IB models face in resource-constrained environments, such as weak infrastructure, regulatory hurdles, and limited access to capital. It also highlights opportunities for businesses to overcome these barriers and maximize their positive impact.

3. Literature Review:

(Vastradmath, (2015)) In a corporate framework, various stakeholders are involved, with business entities or companies being one of the key players. These businesses contribute significantly to the pool of resources that influence their internal stakeholders and philanthropically back business endeavors. Long before it gained widespread recognition, Indian corporations such as Tata and Birla had been engaged in Corporate Social Responsibility (CSR) for decades. Through their nationwide CSR pledges, these businesses have aggressively tackled problems in sectors like livelihoods, health, education, and the environment. The European Commission and the United Nations claim that corporate social responsibility (CSR) supports the triple bottom line, which includes social justice and environmental preservation. To attain the triple bottom line, the business sector must find, advocate for, and put into place efficient policies and procedures. All of the organizations questioned have CSR policies and processes in place, according to the research. The majority of businesses create and carry out CSR programs. that operate in areas that encompass the larger community. Although a dedicated CSR department is frequently absent, it was also discovered that many businesses promote and carry out CSR projects through their human resources departments, foundations, or partnerships with NGOs. CSR programs run by Indian businesses, especially those centered on rural development, have demonstrated a beneficial effect on economic and societal advancement.

(Cezarino, (2022)) In emerging markets, Corporate Social Responsibility (CSR) and social entrepreneurship play a crucial role in driving social inclusion and enhancing welfare. In CSR plays a constructive role in tackling important societal issues, such as the Sustainable Development Goals (SDGs) of the UN, in nations with substantial demands for social and economic change. The United Nations Development Programme (UNDP) chose two projects for this study, and it examines how they operate in accordance with responsible management principles in an economy that is transitioning. The study aims to respond to two important questions: 1) Does CSR promote more inclusivity by assisting social entrepreneurship? and 2) How might CSR initiatives help achieve the SDGs? Stakeholder theory is used in the analysis to highlight how context affects strategic management decisions about social inclusion. Both case studies provide useful examples of how integrating responsibility themes into core business strategies serves as an effective catalyst for advancing the crucial objectives outlined in the SDGs.

(KIM, (2019).) The Post-2015 Development Agenda sets out a vision for a global economy that broadens opportunities for low-income groups, pushing businesses to adopt more inclusive practices. Yet, the practical steps to achieve inclusivity are not clearly defined. This ambiguity arises in part from the inconsistent and weak conceptualizations of what it means to be an 'inclusive business' and how inclusive business models should operate. Development practitioners and academics frequently offer competing and subjective interpretations, which has left the concept of business inclusivity theoretically underdeveloped.

This article seeks to advance the on-going conversation about inclusive business by offering a clear conceptual framework. It aims to establish what it truly means to be an inclusive business, and how inclusive business models should be structured. Drawing on a range of literature on topics like inclusive growth, sustainable business models, social enterprises, and hybrid organizations, the article revises and refines the definitions of

inclusive businesses and their models. One of the key arguments presented is that inclusive businesses must prioritize value creation for low-income and disadvantaged groups rather than focusing on value capture for themselves. These businesses should be evaluated based on the overall positive impact, or net value, they create for "income-constrained" groups. This shift in focus from profit-making to value generation is essential for fostering genuine inclusivity.

Moreover, the article proposes a way to delineate the boundaries of entrepreneurial responsibility. This has broader implications for how businesses should design sustainable models that integrate inclusivity as a core component. By establishing clearer guidelines, the article provides valuable insights into how businesses can align their strategies with the goals of economic inclusion and sustainability. This framework helps redefine entrepreneurial responsibility, encouraging businesses to not only contribute to inclusive growth but also to be judged on the real value they deliver to underprivileged communities.

(Gupta, (2015).) In the belief that this strategy will improve financial performance and advance inclusive sustainability, the government and business community have begun to regard Corporate Social Responsibility (CSR) as a strategic instrument for creating long-term policy. However, in the context of banking and financial institutions, financial inclusion and literacy tend to take precedence. With a comparison analysis between the two groups, this study attempts to assess the banking industry's CSR initiatives in relation to the degree of financial literacy among working women and stay-at-home moms. Using a questionnaire-based methodology, the study included 300 participants who were chosen through non-random sampling and included both working women and stay-at-home moms. To compare the two target groups' levels of financial literacy, data analysis was done using percentage, frequency, mean, standard deviation, and a t-test.

The main conclusions of the study imply that both groups' levels of financial literacy are about the same. It emphasizes how important it is to provide a thorough knowledge base for financial awareness initiatives. The study may not be as applicable to other populations because it only looked at women. However, this study offers novel perspectives on a mostly uncharted field and emphasizes the significance of pragmatic initiatives by the Central Bank, commercial banks, and non-banking financial businesses (NBFCs) to raise women's financial literacy.

(Nomani, (2014).) The eleventh and twelfth five-year plans have made inclusive growth a central goal of governance. Prosperity promotion has been prioritized over poverty alleviation in recent establishments. The size of the gaps reflects the state's inability to convert rapid growth into inclusive growth. While India is thriving, Indians are not. Since the beginning of NEP, wealth and resources have become more concentrated in private hands, indicating a clear need to break the mold of "capitalism" and raise people's awareness of their social obligations. In order to create a strong CSR program, the paper looks at the Companies Act of 2013's mandate and potential in relation to CSR governance, the scope of CSR activities, expenditure rules, important compliance criteria, and activity mapping.

The paper highlights concerns about the current growth trajectory and argues that the new act's CSR provisions have the potential to stop social and economic disarticulation that the current pattern of development threatens to bring about if they are implemented in accordance with our Constitution's social justice principles.

(Jamali, (2018).) Local manifestations of Corporate Social Responsibility (CSR) differ greatly between rich and developing nations, despite the fact that CSR is becoming more and more popular worldwide. The literature on corporate social responsibility (CSR) in developing nations is reviewed at several levels in this paper, with a focus on the distinctive elements and subtle characteristics that set it apart as a specialist field of study. 452 publications published between 1990 and 2015 are examined in this review. Based on this thorough analysis, the authors identify important characteristics that set the CSR literature in developing nations apart. They concentrate on two primary areas: the conceptualization of CSR, known as "CSR Thinking," and the practice and implementation of CSR, known as "CSR Doing."

Five major themes that capture the diversity in this literature are identified by the authors: (1) intricate institutional elements in the national business system (NBS); (2) external macro-level elements; (3) the significance of numerous actors engaged in formal and informal governance; (4) complex and nuanced forms of corporate social responsibility; and (5) the wide range of both favorable and unfavorable CSR results. The

study ends by emphasizing how CSR is highly contextualized in developing nations, influenced by a variety of actors and multidimensional factors within larger formal and informal governance frameworks.

(Kramarenko, (2023).) The study focuses on creating a business model for the strategic renewal of businesses, especially in the fields of social responsibility, environmental sustainability, and the economy. The main concern is the necessity of developing a strategic renewal business model that is appropriate for the market and societal issues of the present day. A stakeholder-oriented approach to standard corporate strategy has led to the development of a business model for enterprise rejuvenation. The relative nature of businesses' operations, the evolution of analytical techniques and decision-making procedures, and the main elements, paths, and results of interactions within the suggested model are all identified and justified by this model. The study shows how a socially conscious, inclusive business model can be used in business analysis. The findings of the study demonstrate that the strategic renewal model, which emphasizes generating socially inclusive value as opposed to merely traditional shareholder profit, is based on a combination of the relative approach, stakeholder theory, corporate philanthropy, and the "charitable corporation" notion. The approach highlights social and environmental aspects in addition to the economic one. To adapt business models to contemporary issues, it is recommended that firms expand the use of qualitative analysis in strategic decision-making and build ties with important stakeholders.

The practical relevance of this research lies in the fact that specific elements of the business model can help companies critically assess their strategies and take effective steps to adapt to modern challenges.

(Carroll, (2018).) The purpose of this chapter is to provide and provide a thorough analysis of the idea of corporate social responsibility, or CSR. It starts by highlighting the significance of corporate social responsibility (CSR) in the current business context, where businesses are being held more and more responsible for their effects on the environment and society. The chapter gives a thorough analysis of the meaning of corporate social responsibility (CSR) in the modern day while also charting the concept's development over time. Examining relevant and frequently overlapping frameworks that support or enhance CSR is one of the chapter's main goals. Creating shared value, corporate citizenship, sustainability, stakeholder management, business ethics, conscious capitalism, and purpose-driven company are a few of these. Each of these frameworks shares a core set of principles with CSR—namely, the pursuit of value, the need for balance between competing interests, and a focus on accountability for the outcomes of business activities.

Although these ideas are commonly used interchangeably with corporate social responsibility (CSR), the chapter highlights that each offers a distinct viewpoint on how companies engage with the environment and society. For instance, stakeholder management aims to balance the requirements and interests of all parties impacted by a company's operations, whereas business ethics largely deals with moral concepts that drive corporate behavior. Corporate citizenship refers to a company's obligation to make constructive contributions to the communities in which it operates, whereas sustainability deals with the long-term effects of commercial operations on the environment.

Other related concepts like creating shared value emphasize the integration of social and economic goals, conscious capitalism promotes ethical and conscious leadership in business practices, and purpose-driven business underscores the importance of companies aligning their core missions with broader societal goals. In addition to reviewing these concepts, the chapter identifies key research avenues that are critical for further understanding and advancing CSR. These include assessing how well CSR practices work, looking into how CSR fits into corporate governance, analyzing how CSR and financial performance are related, and researching how CSR affects stakeholder relationships and societal results.

(Bhattacharyya, (2012).) With both developed first-world and emerging third-world regions, India is a country of contrasts. It is currently acknowledged as an emerging economy with a distinct place in the world economy. However, India must choose a new course of growth to guarantee a secure and healthy future for the globe since it runs the risk of contributing to global warming if it keeps growing economically using existing technology. As a result, India's development difficulties are intricate and varied.

Since 1991, following the era of liberalization, globalization, and privatization, business in India has experienced significant growth. But what role can Indian businesses play in this scenario? What potential does corporate social responsibility (CSR) hold for India's future development? This study informed by existing literature and enriched with insights from in-depth interviews with experts in the business sector, civil society,

and government, examines the current context of CSR, explores emerging debates, and presents new perspectives on its role in shaping India's development.

(Blowfield, (2019)) This essay examines how companies operate in developing countries and whether or not they can contribute to the fight against poverty. It looks into the ways that company advances both socially and economically. Additionally, it considers what it means for companies to serve as development agents. This chapter also looks at the circumstances in which business takes on a developmental role. Lastly, the limitations of business as a determinant of development are discussed.

(Ferreira, (2018).) Societies face hitherto unheard-of challenges in terms of environmental sustainability and social inclusion. Although businesses can and should contribute to achieving these goals, their efforts have so far yielded a range of results. Therefore, a more comprehensive perspective is necessary to comprehend how inclusive and sustainable economies might be built. The first section of the study examines the significance of concentrating on the methods used to produce inclusive and sustainable results. Two brief case studies on social investment and biodiversity offsetting follow. Lastly, a research agenda that focuses on building inclusive and sustainable economies is presented.

(Singh, (2015).) Value-based education and corporate ethics serve as the cornerstones of a civilized society in the rapidly evolving business environment. In light of the Companies Act of 2013, this will be the main focus of the training program's Corporate Social Responsibility themes. They must acknowledge the necessity of establishing institutions that support and foster moral decision-making rather than undermining it. They developed into vibrant, active components of municipal government. To fulfill the goals of the Indian government and the Modi motto of "Made in India," the corporate sector should invest Corporate Social Responsibility (CSR) funds, which now represent 2% of net profit, in the Swachh Bharat Abhiyaan. The state administration should permit field inspections by embassy representatives of the countries that issued travel recommendations to their citizens.

(Sahoo, (2025).) Corporate social responsibility (CSR) initiatives have expanded to encompass a range of endeavors aimed at fostering diversity in society. This chapter examines the potential for corporate social responsibility (CSR) to promote diversity in the domains of game-based learning and professional employment. Through a review of recent research and case studies, this chapter emphasizes the value of CSR programs in fostering a more inclusive environment for a range of groups, including minorities, those with disabilities, and marginalized groups. Two fields with notable social and economic implications are professional employment and game-based learning. Examined is the intersection of these two disciplines and how they contribute to broader social and economic outcomes in this theme analysis. Businesses may play a crucial role by combining inclusive employment practices with game-based learning techniques.

(Sousa) In order to build a more equal society, the Sustainable Development Goals (SDGs) offer a framework for evaluating how well organizations can respond and adapt to the difficulties of a complex environment, become more inclusive, and prioritize the needs of people. As the world becomes more interconnected, the social dimensions of employment—more especially, diversity and culture, poverty alleviation, and the quality of work—become more significant. For the benefit of businesses, workers, and society at large, corporate governance practices incorporate strategies centered on transparency, equity, accountability, and diversity. This chapter's major goal is to provide a thorough analysis of corporate governance approaches that incorporate the SDGs' main goals. This was achieved by doing a literature analysis and empirical research to look at the primary corporate governance practices

(Fifka, (2013).) Over the past four decades, corporate responsibility reporting has been a prominent subject of empirical investigation. During the 1970s and 1980s, the majority of research came from Anglo-Saxon and Western European nations. In contrast, the last twenty years have seen an increase in studies on responsibility

reporting in emerging and developing nations, often reflecting the reporting practices of local enterprises. Consequently, numerous studies have emerged that empirically examine the factors affecting responsibility reporting. These studies have investigated whether internal elements, such as company size and industry, or external pressures from stakeholders influence disclosure practices. This paper has two primary objectives. The first is to present a summary of the existing literature to support future research. A total of 186 studies have been reviewed regarding the factors they considered and classified according to their geographical sources. This categorization enables an assessment of whether researchers from different regions have employed distinct methods in their empirical analysis of responsibility reporting and whether their conclusions vary. Findings suggest that scholars from various regions have indeed taken different approaches in their empirical research, although evidence of significant differences in the impact of specific determinants on reporting practices is scarce.

(Brammer, (2012).) Corporate Social Responsibility (CSR) has emerged as a significant subject in business studies, yet it frequently neglects the role of institutions. This introductory article for the Special Issue of Socio-Economic Review examines how institutional theory can deepen our comprehension of CSR as a governance tool. This viewpoint encourages us to move past the notion that CSR solely relies on the voluntary initiatives of businesses and highlights the wider historical and political factors that shape the degree and character of corporate social responsibilities. The idea of CSR has historically evolved as a response to the waning of more formalized forms of social solidarity within liberal market economies. Conversely, in various advanced economies, CSR is more closely linked to formal institutions that promote stakeholder engagement or entail government intervention. The conflict between business-led CSR and multi-stakeholder approaches is also apparent on a transnational scale, where the meanings and ramifications of CSR are still debated. Therefore, research and practice in CSR reveal a crucial paradox: the liberal notion of voluntary involvement versus the consequences of obligatory social responsibilities. Institutional theory presents a valuable approach for exploring how the distinctions between business and society are formed differently and for improving our insight into CSR's effectiveness within the larger institutional framework of economic governance.

5. Methodology

5.1 Research Design

This research utilizes a mixed-methods strategy, combining qualitative and quantitative techniques to evaluate the influence and efficiency of CSR and IB in emerging economies.

5.2 Data Collection Methods

A comprehensive study was conducted using multiple research methodologies to gain deeper insights into the implementation of Inclusive Business (IB) and Corporate Social Responsibility (CSR) initiatives. First, secondary research was undertaken through an extensive literature review, drawing from academic journals, case studies, and reports published by reputable organizations such as the United Nations Development Programme (UNDP) and the World Bank. This helped establish a strong theoretical foundation and provided context for analyzing real-world applications. Additionally, case studies of multinational corporations (MNCs) such as Unilever, Nestlé, and Danone were examined to understand how these companies integrate IB and CSR strategies into their business models. These case studies provided valuable insights into the challenges and best practices associated with implementing socially responsible business practices on a global scale. Furthermore, a structured survey was conducted to collect quantitative data on the perceived effectiveness of IB and CSR initiatives. The survey targeted three key groups—business professionals, students, and organizations—ensuring a diverse range of perspectives. A total of 60 participants were involved, with 20 individuals from each group completing the questionnaire. Notably, no interviews were conducted as part of this research. By employing these combined research methods, the study aimed to present a well-rounded analysis of IB and CSR approaches, their impact, and their practical applications in contemporary business environments.

5.3 Data Analysis Techniques

The research incorporated both qualitative and quantitative data analysis to ensure a comprehensive understanding of the effectiveness of Corporate Social Responsibility (CSR) and Inclusive Business (IB) initiatives. For qualitative data, thematic analysis was employed to identify recurring patterns and key themes

related to the effectiveness of CSR and IB strategies. This method allowed for a deeper exploration of qualitative insights, highlighting common trends, challenges, and best practices observed across various sources.

On the other hand, quantitative data was analyzed using statistical tools such as correlation and regression analysis. These techniques were applied to measure the impact of CSR and IB initiatives on critical socio-economic factors, particularly economic inclusion and poverty alleviation. Correlation analysis helped determine the strength and direction of relationships between CSR/IB initiatives and economic outcomes, while regression analysis provided insights into the extent to which these business strategies influence broader economic indicators. By integrating both qualitative and quantitative approaches, the study aimed to provide a well-rounded evaluation of how CSR and IB contribute to sustainable development and social well-being.

6. Analysis & Findings

6.1 Comparative Effectiveness of CSR and IB

Both **Corporate Social Responsibility (CSR)** and **Inclusive Business (IB)** aim to create positive social and environmental impacts while maintaining business profitability. However, their approaches and effectiveness differ based on goals, implementation, and long-term sustainability.

Criteria	CSR (Corporate Social Responsibility)	Inclusive Business (IB)
Definition	Voluntary initiatives where businesses contribute to social and environmental well-being beyond legal requirements.	A business strategy that integrates low-income or marginalized communities into the value chain as
Approach	Often philanthropic, focusing on donations, sustainability programs, or ethical business practices.	Focuses on core business operations to create mutual value for both the company and underserved communities.
Business Integration	Separate from the core business model, often managed by CSR departments.	Embedded into the core business strategy, ensuring sustainability and long-term impact.
Sustainability	Can be short-term, dependent on company priorities and profitability.	Long-term sustainability due to integration into the business value chain.
Impact Measurement	Often difficult to measure direct business benefits, as it is more about reputation and compliance.	Easier to measure impact as it directly affects revenue, supply chains, and market expansion.
Stakeholder Perception	Improves corporate reputation and stakeholder trust but may be seen as a cost center.	Strengthens market positioning by addressing social issues while generating profits.
Examples	Corporate donations, carbon offset programs, employee volunteering.	Microfinance, low-cost healthcare products, inclusive supply chains (e.g., Unilever's Shakti program).

6.2 Challenges Faced by CSR and IB in Developing Economies

CSR Challenges:

- Lack of alignment with core business operations
- Dependency on external funding and regulatory mandates
- Short-term and unsustainable interventions

IB Challenges:

- High initial investment required for inclusive market strategies
- Resistance from traditional business models
- Regulatory and infrastructural barriers in low-income markets

6.3 Case Study Insights

Unilever's IB Model: The company's "Shakti" initiative in India empowers rural women by integrating them into its sales and distribution networks, creating economic opportunities while expanding market reach.

Nestlé's CSV Approach: The "Creating Shared Value" model engages small-scale farmers in its supply chain, improving agricultural practices and ensuring a stable income for local communities.

Tata Group's CSR Initiatives: Focuses on healthcare and education but often remains disconnected from core business functions, limiting long-term impact.

7. Recommendations

7.1 For Businesses

Shift from Traditional CSR to IB Models: Companies should integrate IB strategies into their core operations to ensure long-term sustainability.

Invest in Capacity Building: Businesses should provide training and resources to marginalized communities to enhance their participation in economic activities.

Develop Multi-Stakeholder Partnerships: Collaborations with governments, NGOs, and local enterprises can enhance the effectiveness of CSR and IB initiatives.

7.2 For Policymakers

Strengthen Regulatory Frameworks: Governments should create policies that incentivize businesses to adopt IB models while ensuring CSR contributions are effectively utilized.

Support Infrastructure Development: Enhancing transportation, digital connectivity, and financial inclusion will facilitate successful IB implementation.

7.3 For Future Research

- A longitudinal research to gauge the CSR and IB models' long-term effects.
- Comparative analysis of IB strategies across different industries to identify best practices.
- Exploring the role of technology in enhancing CSR and IB effectiveness.

8. Conclusion

This study provides a comparative analysis of Corporate Social Responsibility (CSR) and Inclusive Business (IB) in developing economies, evaluating their effectiveness in addressing socio-economic challenges such as poverty alleviation, economic inclusion, and sustainable development. The findings highlight fundamental differences between the two approaches: while CSR initiatives focus on philanthropy and external community welfare, IB integrates marginalized populations into business value chains, creating a sustainable cycle of economic empowerment.

CSR has played a crucial role in social development by funding healthcare, education, and environmental initiatives. However, due to its often voluntary and philanthropic nature, CSR initiatives can lack alignment with a company's core operations, making them less sustainable and scalable in the long run. Many CSR projects remain short-term interventions that do not address systemic economic challenges, and in some cases, they serve more as reputation-enhancing strategies than genuine long-term solutions for development.

In contrast, IB offers a more sustainable and impactful alternative by embedding social responsibility within a company's core business model. By integrating low-income communities as suppliers, employees, distributors, and consumers, IB fosters economic inclusion while maintaining profitability. This approach ensures long-term sustainability, as the success of inclusive business models is directly tied to their ability to generate value for both businesses and marginalized populations. Case studies from companies like Unilever and Nestlé demonstrate that IB strategies can effectively create shared value, improving social conditions while driving business growth.

Despite the clear advantages of IB, both CSR and IB face challenges in implementation. CSR efforts are often hindered by weak regulatory frameworks, lack of accountability, and dependency on external funding. IB, on the other hand, requires substantial initial investment, infrastructure development, and regulatory support to be successful. Businesses must navigate these challenges by adopting innovative strategies, forging partnerships with governments and NGOs, and leveraging technology to maximize their social impact.

In the end, although CSR is still useful for delivering necessary social services, IB proves to be a more effective and long-lasting paradigm for long-term economic empowerment. In order to optimize their impact on sustainable development, companies in underdeveloped nations ought to shift from conventional corporate social responsibility programs to more comprehensive IB models. Businesses will be able to match social progress and profitability thanks to this change, which will promote inclusive growth and significantly aid in the accomplishment of the Sustainable Development Goals (SDGs).

Future studies should examine how IB is applied in certain industries, evaluate the long-term financial and social benefits, and pinpoint the most effective ways to expand inclusive business models throughout various industries and geographical areas. Businesses may significantly contribute to the development of a more sustainable and equitable global economy by promoting an inclusive and accountable corporate environment.

This conclusion highlights the value of IB as a sustainable substitute for CSR and offers a compelling summary of your findings. Tell me if you require any other adjustments!

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