

**Local Roots, Global Futures: Indigenous Economies and Emerging Industries**

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**Abstract**

The global development paradigm is increasingly shifting from growth-oriented models to inclusive and sustainable frameworks that emphasize social equity, cultural continuity, and ecological balance. Indigenous economies, often overlooked in mainstream discourse, provide alternative development pathways grounded in community participation, ethical resource utilization, and decentralized governance. This study examines the relevance of indigenous economies in shaping emerging industries, particularly in Maharashtra. Drawing on the governance philosophy of Ahilyadevi Holkar, it explores how indigenous economic principles can guide start-ups and social enterprises in the modern context. Adopting a qualitative approach based on secondary data from peer-reviewed sources, the study proposes a conceptual framework linking indigenous knowledge systems with contemporary entrepreneurial ecosystems. The findings indicate that aligning emerging industries with local traditions, supported by welfare-oriented governance, can foster inclusive prosperity. The research contributes to interdisciplinary literature and offers policy insights for sustainable industrial development.

**Keywords:** *Indigenous economies, inclusive prosperity, emerging industries, Ahilyadevi Holkar, start-ups, social enterprises, Maharashtra*

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**1. Introduction**

The economic development in the twenty-first century is increasingly defined by the interplay between technological innovation, globalization, and the expansion of emerging industries such as start-ups, digital platforms, and innovation ecosystems. While these forces have accelerated economic growth and created new employment opportunities, they have simultaneously intensified structural challenges including income inequality, regional disparities, and environmental degradation. Contemporary development discourse has therefore shifted toward more inclusive and sustainable models that prioritize human well-being, social justice, and ecological balance. In this context, development is no longer viewed solely through the lens of economic output but as a multidimensional process that integrates social, institutional, and environmental considerations (Stiglitz et al., 2010). This transition has prompted scholars and policymakers to explore alternative economic paradigms that can address the limitations of conventional growth-centric models. Indigenous economies have emerged as a critical area of interest within this evolving discourse, offering locally grounded and ethically driven approaches to economic organization. These systems are characterized by community-centric production, collective decision-making and sustainable resource management practices that are deeply embedded in cultural and ecological contexts. Unlike mainstream capitalist frameworks that emphasize profit maximization

and market expansion, indigenous economies prioritize long-term sustainability, social cohesion, and equitable distribution of resources. Empirical research highlights that such systems possess inherent resilience and adaptability, enabling them to respond effectively to socio-economic and environmental changes while preserving cultural identity (Altieri & Toledo, 2011). As a result, indigenous economic principles are increasingly being recognized as valuable foundations for designing inclusive development strategies in the modern era. India provides a unique and complex setting to examine the convergence of indigenous economies and emerging industries where rapid industrialization coexists with deeply rooted traditional livelihoods (Gaikwad, 2024). The Urban centres such as Mumbai and Pune function as hubs of finance, technology, and entrepreneurship, while rural and tribal regions continue to sustain indigenous economic practices based on agriculture, handicrafts, and forest-based resources. This duality presents both opportunities and challenges for policymakers and entrepreneurs seeking to balance growth with inclusivity. Historical governance models further enrich this discourse by demonstrating how localized economic systems can be effectively integrated within broader administrative frameworks. The governance of Ahilyadevi Holkar, known for its decentralized and welfare-oriented approach, exemplifies how economic development can be aligned with social justice and community participation (Chakrabarti, 2018).

## **2. Background of Study**

The discourse on economic development has undergone a significant transformation over the past few decades, moving from a narrow focus on industrial growth and capital accumulation toward a broader emphasis on sustainability, inclusivity, and human well-being. Traditional development models, largely influenced by neoclassical economic theories, prioritized GDP growth as the primary indicator of progress. The growing concerns over environmental degradation, socio-economic inequalities, and regional imbalances have challenged this approach. Scholars have increasingly argued that development must incorporate social and ecological dimensions to ensure long-term viability and equitable outcomes. This shift has led to the emergence of alternative frameworks that integrate sustainability, resilience, and inclusiveness into development planning, particularly in the context of emerging economies (Raworth, 2017). Consequently, there is a growing need to reassess the role of local economic systems within global development paradigms. Within this evolving context, indigenous economies have gained prominence as sustainable and community-oriented alternatives to conventional economic systems. These economies are deeply rooted in local traditions, knowledge systems, and ecological practices, emphasizing collective welfare, ethical resource utilization, and intergenerational equity. Unlike mainstream industrial systems that often externalize environmental and social costs, indigenous economies operate within ecological limits and promote harmony between human activity and natural ecosystems. Empirical studies have demonstrated that such systems are not only environmentally sustainable but also socially resilient, as they foster strong community networks and participatory governance structures (Kothari et al., 2014). This growing recognition has encouraged scholars and policymakers to explore how indigenous economic principles can be integrated into modern development strategies, particularly in regions where traditional livelihoods continue to play a vital role.

India provides a rich setting to examine the relevance of indigenous economies in contemporary development. The local economies are the best mixture of heritage, technologies, traditions and talent. They should be exposed to the world through high-end technologies like artificial intelligence (Gaikwad, 2024). The coexistence of advanced industrial sectors and traditional economic systems creates a unique

duality that shapes regional development patterns. Maharashtra, as one of India's leading industrial states, exemplifies this dynamic interaction. While cities like Mumbai and Pune serve as hubs of finance, technology, and entrepreneurship, large parts of the state continue to depend on agriculture, handicrafts, and forest-based livelihoods. This dual structure highlights the need for development models that can bridge the gap between modern industrial growth and traditional economic practices. Historical governance experiences, particularly those associated with Ahilyadevi Holkar, offer valuable insights into how decentralized and welfare-oriented systems can support both economic stability and social equity. Her governance model demonstrated that local economies, when supported by ethical leadership and inclusive policies, can contribute significantly to sustainable and balanced development (Kulkarni, 2016).

### **3. Scope and Significant of Study**

This study explores the interface between indigenous economic systems and emerging industries, with a specific focus on Maharashtra as a representative context of dual economic structures. The scope includes analyzing how indigenous knowledge, community-based production systems, and decentralized governance models can inform the development of start-ups and social enterprises in a sustainable and inclusive manner. It also examines historical insights, particularly from welfare-oriented governance practices, to understand their contemporary relevance in shaping entrepreneurial ecosystems (Scoones, 2016). The significance of the study lies in its contribution to bridging the gap between traditional and modern economic paradigms by demonstrating that indigenous economies can serve as viable foundations for resilient and inclusive industrial growth. By integrating perspectives from development economics, sustainability studies, and entrepreneurship (Bhanot & Gaikwad, 2025). The research provides actionable insights for policymakers, academicians, and practitioners aiming to promote regionally balanced development, reduce socio-economic inequalities, and align industrial progress with ecological and cultural sustainability (Hickey & Mohan, 2004).

### **4. Research Objectives**

- To examine indigenous economies as complementary models for emerging industries
- To analyse the governance philosophy of Ahilyadevi Holkar through the lens of inclusive prosperity
- To develop a conceptual framework linking indigenous economic principles with start-ups and social enterprises
- To analyse Maharashtra-specific evidence on indigenous entrepreneurship and emerging industries
- To derive policy implications for inclusive and sustainable industrial development

### **5. Reviews of Literature**

The literature on indigenous economies highlights their embeddedness within social, cultural, and ecological systems, where economic activities are governed by shared norms, ethical practices, and collective responsibility rather than purely market-driven motives. Scholars emphasize that such systems challenge dominant capitalist models by prioritizing social welfare, environmental sustainability, and long-term resource stewardship over short-term profit maximization (Escobar, 2018). Traditional knowledge systems demonstrate advanced capabilities in managing natural resources, particularly in agriculture, forestry, and water conservation, reflecting a deep understanding of ecological balance

(Gadgil & Guha, 1995). Contemporary studies further underline the resilience of indigenous economies in coping with environmental uncertainties and market fluctuations, as adaptive knowledge systems enable communities to respond effectively to changing conditions (Berkes, 2018). However, increasing integration into global markets has raised concerns regarding exploitation, loss of autonomy, and cultural erosion, thereby necessitating robust governance frameworks to protect indigenous interests (Briggs, 2005).

The concept of inclusive prosperity has evolved as a multidimensional approach to development, extending beyond economic growth to include equitable access to opportunities, resources, and institutional participation. Development theorists argue that true prosperity must incorporate social security, human development, and participatory governance as key indicators of progress (Sen, 1999). Governance structures play a critical role in achieving inclusive outcomes, with decentralized systems often demonstrating higher levels of accountability and responsiveness to local needs (Manor, 2018). Welfare-oriented governance models further ensure that economic growth translates into tangible social benefits. In this context, the work on collective action highlights how community-based institutions can effectively manage shared resources, reinforcing the relevance of indigenous governance systems in contemporary development discourse (Ostrom, 2010).

Historical scholarship provides valuable insights into governance models that align with the principles of inclusive prosperity, particularly through the example of Ahilyadevi Holkar. Her administration is widely recognized for integrating ethical leadership with administrative efficiency, emphasizing justice, decentralization, and public welfare over territorial expansion (Gordon, 1993). Her contributions to infrastructure development, trade facilitation, and social welfare strengthened local economies and enhanced regional stability (Kulkarni, 1996). Despite extensive historical documentation, limited research has examined her governance through modern development frameworks. Reinterpreting her model in the context of inclusive development reveals its continued relevance for contemporary governance and policy formulation (Yasin, 2019).

The literature on emerging industries, start-ups, and social enterprises identifies entrepreneurship as a key driver of innovation, employment generation, and economic transformation. Start-ups are increasingly viewed as engines of growth, particularly in knowledge-driven and technology-intensive sectors (Audretsch & Belitski, 2017). Social enterprises, which combine commercial viability with social objectives, play a crucial role in addressing developmental challenges and promoting inclusive growth (Bacq & Eddleston, 2018). In India, however, entrepreneurial ecosystems tend to be concentrated in urban regions, leading to regional disparities in economic opportunities. Scholars argue that integrating indigenous economic practices into entrepreneurial frameworks can enhance inclusivity, sustainability, and local participation, thereby aligning emerging industries with broader development goals (Gereffi, 2018).

## **6. Discussion and Analysis**

The governance of Ahilyadevi Holkar reflects a deeply ethical and welfare-oriented administrative model grounded in justice, decentralization, and community participation. Her authority was derived from moral legitimacy rather than coercive power, fostering trust and cooperation among subjects. The decentralized administrative structure empowered local institutions and village-level authorities, enabling context-specific decision-making and improving administrative responsiveness. Community participation was integral, particularly in matters related to land, trade, and welfare, ensuring inclusive governance. Additionally, her emphasis on accessible justice systems and transparent grievance

redressal mechanisms strengthened social equity. Economic policies were aligned with welfare objectives, focusing on livelihood security and collective well-being rather than isolated economic growth. Infrastructure development, including roads, markets, and water systems, enhanced trade and regional integration while supporting indigenous economic practices and local livelihoods (Gordon, 1993).

Maharashtra's contemporary economic landscape demonstrates a dual structure where advanced industrial sectors coexist with indigenous livelihood systems rooted in agriculture, crafts, and forest-based activities. While urban centres like Mumbai and Pune dominate innovation and finance, rural regions continue to depend on traditional economic practices. Recent trends indicate the emergence of start-ups and social enterprises integrating indigenous knowledge into sectors such as agro-processing, handloom, organic farming, and eco-tourism, showcasing the scalability of traditional practices without compromising cultural identity. However, these enterprises face structural challenges, including limited access to finance, weak institutional support, and inadequate market linkages. Addressing these issues requires inclusive and context-sensitive policy frameworks. The study highlights that integrating indigenous economies with emerging industries can foster inclusive and regionally balanced growth. It further emphasizes that governance principles such as decentralization, ethical accountability, and welfare orientation exemplified by Ahilyadevi Holkar remain highly relevant for strengthening contemporary entrepreneurial ecosystems and promoting sustainable development (Bacq & Eddleston, 2018).

## **7. Finding of Study**

- The findings of the study reveal that indigenous economies and emerging industries are not mutually exclusive but can operate in a complementary and mutually reinforcing manner when supported by appropriate governance frameworks. Indigenous economic systems, characterized by community participation, ethical resource use, and ecological sustainability, provide a strong foundation for inclusive development.
- The study finds that these systems possess inherent resilience and adaptability, enabling them to respond effectively to market fluctuations and environmental uncertainties while maintaining social cohesion and cultural continuity. This demonstrates that indigenous economies are not backward or obsolete but represent viable models for sustainable economic organization in the contemporary context.
- The analysis further indicates that governance plays a critical mediating role in integrating indigenous economies with modern industrial systems. The governance model of Ahilyadevi Holkar illustrates how decentralization, welfare orientation, and ethical leadership can foster economic stability and social equity simultaneously. Such governance principles enhance trust, participation, and accountability, which are essential for inclusive growth.
- The study finds that when local institutions are empowered and community participation is encouraged, economic development becomes more equitable and context-sensitive, thereby reducing regional disparities and strengthening grassroots economies.
- The study also highlights the growing relevance of indigenous knowledge systems within Maharashtra's start-up and social enterprise ecosystem. Emerging enterprises are increasingly incorporating traditional practices in sectors such as agro-processing, handloom, eco-tourism, and natural products, demonstrating that indigenous knowledge can be transformed into scalable and market-oriented innovations.

- The structural challenges such as limited access to finance, weak institutional support, and inadequate market linkages continue to hinder the full potential of these enterprises. The findings suggest that targeted policy interventions and institutional mechanisms are necessary to support indigenous-based entrepreneurship.

## 8. Conclusion

The study concludes that the evolving landscape of economic development necessitates a paradigm shift from purely growth-oriented models to frameworks that emphasize inclusivity, sustainability, and social equity. Indigenous economies, often overlooked in mainstream discourse, emerge as vital contributors to this transformation by offering community-driven, ecologically balanced, and ethically grounded approaches to economic organization. The analysis demonstrates that these systems are not relics of the past but dynamic and adaptive structures capable of informing modern development strategies. By integrating indigenous knowledge with emerging industrial practices, economies can achieve more resilient and context-sensitive growth, particularly in regions characterized by socio-economic diversity such as Maharashtra. The study highlights the critical role of governance in enabling the convergence of indigenous economies and emerging industries. The governance model of Ahilyadevi Holkar provides a historically grounded example of how decentralization, welfare orientation, and ethical leadership can foster both economic stability and social cohesion. Contemporary entrepreneurial ecosystems, especially start-ups and social enterprises, can benefit significantly by embedding these principles into their operational and strategic frameworks. The research underscores that sustainable and inclusive industrial development is achievable when local traditions, community participation, and institutional support mechanisms are effectively aligned with global economic opportunities, thereby paving the way for balanced and equitable development trajectories.

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