

## Sustainable Business Growth Evidence from Developing Countries

Khaled A. Z. Alyamani\*

\*Applied College, Abqaiq Branch, King Faisal University, P.O.Box 4000, Al-Ahsa 31982, Saudi Arabia,  
Email: [kalyamani@kfu.edu.sa](mailto:kalyamani@kfu.edu.sa)

Funding: This research is supported by Deanship of Scientific Research, Vice Presidency for Graduate Studies and Scientific Research, King Faisal University, Saudi Arabia (Grant number: KF242381).

**How to cite this article:** Khaled A. Z. Alyamani (2024). Sustainable Business Growth Evidence from Developing Countries. Library Progress International, 44(3), 25436-25446

### Abstract:

This article explores sustainable business growth in developing countries, addressing the critical challenges and potential of fostering economic development alongside environmental and social responsibility. With examples from various countries, the study examines strategies that contribute to sustainable growth, such as adopting eco-friendly technologies, responsible resource management, and investment in human capital. It also discusses the roles of government policies, international collaboration, and community engagement in supporting sustainability initiatives. Findings highlight the resilience of businesses that integrate sustainability, benefiting from reduced operational costs and increased competitiveness. However, challenges like limited access to financing, technology, and consistent regulatory support remain. The article concludes with recommendations to enhance sustainable business practices, suggesting measures like improved access to sustainable financing, strengthened policy frameworks, and increased consumer awareness. Ultimately, this work underscores the significance of sustainable business growth as a pathway to economic resilience, social equity, and environmental preservation in developing economies.

**Keywords:** Sustainable business growth, developing countries, eco-friendly technologies, resource management, government policies, international collaboration, community engagement, economic resilience, social equity, environmental preservation.

### Introduction

In any developing country, sustainable business growth is of utmost importance in the development of any economy. The world's economic system is constantly evolving with businesses in such countries facing many challenges to enable growth and sustainability. However, a good number of businesses in developing countries are recording remarkable successes as it indicates that sustainable growth is possible and also only a path to long-term prosperity. To developing economies, though, sustainable business growth is profoundly

important. Indeed, the United Nations points out that it is in developing countries that about 80% of the world's population lives, and their development translates to vital economic growth in curbing poverty and inequalities worldwide<sup>1</sup>. Moreover, sustainable business growth in these countries can have a positive impact on the environment, as businesses adopt environmentally friendly practices and technologies to reduce their carbon footprint<sup>2</sup>. In fact, the World Business Council for Sustainable Development reported in one study that conducive sustainable business practices lead to improved competitiveness of the

<sup>1</sup> United Nations. (2015). World Population Prospects: The 2015 Revision.

<sup>2</sup> World Business Council for Sustainable Development. (2017). Sustainable Development Goals: A Business Perspective.

firm, develop the reputation of the brand, and ultimately have access to new markets<sup>3</sup>. But behind every country, there's a battle that those countries face in growing business sustainably. Access to finance, inadequate infrastructure, and corruption are just a few challenges that businesses in these countries go through<sup>4</sup>. Furthermore, the lack of institutional capacity, weak regulatory frameworks, and limited human capital can also hinder business growth and sustainability<sup>5</sup>. According to the World Bank, the average time it takes to start a business in developing countries is 30 days, compared to 10 days in developed countries. Additionally, the cost of starting a business in developing countries is often higher, with an average cost of 70% of the country's per capita income, compared to 4% in developed countries<sup>6</sup>. Despite this, there are enough examples of improvements and sustainability through firms in developing countries through innovative strategies, local investments, as well as embracing best practice on sustainability. For instance, M-Pesa in Kenya or Grameen Bank of Bangladesh has shown that mobile financial services and microcredit can play an important role in promoting financial inclusion as a tool to reduce poverty<sup>7</sup>. Similarly, companies like Vestas in India and Suzlon in China have shown that investing in renewable energy can be a profitable and sustainable business strategy<sup>8</sup>. According to research by the International Finance Corporation, the average performance of companies using such sustainable practices seems to be higher than that of peers in the financial line<sup>9</sup>. Besides that, the growth of a sustainable business in developing countries has the side effect of uplifting the surrounding local communities. For example, companies such as Unilever and Nestle have been implementing sustainable agriculture that improved livelihoods of smallholder farmers in developing nations<sup>10</sup>. Additionally, companies like Coca-Cola and PepsiCo have implemented

water conservation practices that have reduced their water usage and improved access to clean water for local communities<sup>11</sup>. This article will explore the evidence and strategies behind the success of businesses in developing countries that have achieved sustainable growth. Through case studies and analysis, we will examine the key factors that contribute to sustainable business growth in these countries, including strong leadership, investment in human capital, adoption of sustainable practices, and effective risk management. We will also discuss the lessons learned from these examples and identify best practices for businesses in developing countries to achieve sustainable growth.

### **The Importance of Sustainable Business in Developing countries**

Sustainable business practices play a vital role in developing countries as they contribute to poverty reduction, sustainable development, and economic growth. By promoting and facilitating sustainable business and investments, private sector companies can help achieve the United Nations' Sustainable Development Goals (SDGs) <sup>12</sup>.

### **II. Evidence of Sustainable Business Growth in Developing Countries**

Sustainable business growth in developing countries is a crucial aspect of achieving economic development while minimizing environmental degradation and social inequality. Developing countries face unique challenges in pursuing economic progress, including population growth, environmental degradation, and social inequality. However, sustainable business growth can help address these challenges by promoting economic development, reducing poverty, and improving environmental and social outcomes. Sustainable business growth has emerged as the new imperative for businesses-especially in the developing world-for dealing with the conflicting needs of economic development that must be

<sup>3</sup> World Business Council for Sustainable Development. (2019). Business and the Sustainable Development Goals: A Framework for Action.

<sup>4</sup> World Bank. (2019). Doing Business 2020: Comparing Business Regulation in 190 Economies..

<sup>5</sup> African Development Bank. (2019). African Economic Outlook 2019.

<sup>6</sup> World Bank. (2020). Starting a Business.

<sup>7</sup> M-Pesa. (2012). About Us. Retrieved from <https://www.m-pesa.com/about-us>.

<sup>8</sup> Vestas. Sustainability. Retrieved from <https://www.vestas.com/en/sustainability>.

<sup>9</sup> International Finance Corporation. (2019). The Business of Sustainability.

<sup>10</sup> Unilever. Sustainable Agriculture. Retrieved from <https://www.unilever.com/sustainable-living/sustainable-agriculture>.

<sup>11</sup> Water Stewardship. Retrieved from <https://www.coca-cola-company.com/water-stewardship>.

<sup>12</sup> Natalie Chladek(2019) Why You Need Sustainability in Your Business Strategy.

balanced with environmental protection and social equity. Sustainable business growth therefore refers to developing business practices which both make profits and contribute to positive change in the environment and in society. It offers huge potential in developing economies to foster long-term economic resilience, reduce poverty, and ease challenges toward climate change (United Nations, 2015).

The development stage in developing countries has numerous economic, social, and environmental challenges. However, such stages also host emerging markets that have produced some of the most encouraging examples of practices leading towards sustainability. For instance, some of the markets that had the surge in enterprises involving green initiatives include renewable energy, agriculture, and waste management. Governments, international organizations, and investors support such endeavors in the understanding that sustainability will be the future for building resolute economies (International Renewable Energy Agency, 2019). To add to this, increased awareness among consumers and businesses of the need for sustainability makes firms embedding sustainable practices into their business models gain a competitive edge and access new markets.

Evidence of sustainable business growth in the regions mentioned can be reflected through increases in investments made in renewable sources of energy, like increased solar power in Africa and Latin America. Increasing numbers of small and medium-sized enterprises (SMEs) are taking up circular economy models that minimize waste and maximize resource efficiency; such an indication has been addressed by the World Bank, 2020. On the other hand, multinational companies are increasingly integrating sustainability into their activities in developing countries, contributing to the diffusion of best practices and technologies necessary for greener growth.

Since its introduction in 2008, the idea of Green Economy (GE) has seen much global attention because of its implementation as a means of recovery tool for the financial crunch more than in 2012 during the UN's Rio +20 conference on

sustainable development. In addition, the GE concept is also popularly recognized by the definition of the UNEP since it pointed out the harmonization of three issues: human capital, environment, and social justice<sup>13</sup>. Transition toward a GE is so full of controversy due to the presence of some myths concerning this phenomenon. Therefore, the impacts of transition toward a GE are as follows: First, "there is an inescapable trade-off between environmental sustainability and economic process". Second, the shift toward a GE is expensive for developing countries since it is a luxury that can be afforded by developed countries only. Third, it can also threaten the economic growth of developing countries as the developed one can use it for their interest only at the expense of the developing one<sup>14</sup>.

However, the report published by UNEP in 2011 indicates that the transition towards GE would generate more growth, create more jobs and decrease poverty after a few years. Like in a GE system, income per-capita and employment level growth must be guided by new private and public green investments that are less dependent on exploiting natural resources and environmental assets, which reduce carbon emissions, encourage the efficient use of energy, and lessen environmental deterioration. Countries can then attain more sustainable economic growth<sup>15</sup>.

This is because many developing nations are looking at GE as a new economic model for growth, leading to SD, because it contributes to the improvement and development of many sectors, such as renewable energy, agriculture, and so forth. Renewable energy: As the global trend in development, the company, also known as the solar PV power supply company, is expected to become one of the most essential foreign international energy supply companies before 2030 and a major source of energy before 2050. China is targeting to have a photovoltaic industry with a total cumulative installed capacity of 1050 GW by 2030<sup>16</sup>. Since it is one of the country's leading producers of PV (for solar energy) and also the largest exporter of the solar PV products as it exports more than 98% of its production. In addition, Malaysia increases access to energy for the poor in the rural areas like Bario Asal which can

<sup>13</sup> .Lukas E.N. Green economy for sustainable development and poverty eradication. *Mediterr. J. Soc. Sci.* 2015;6(6 S5):434. [[Google Scholar](#)].

<sup>14</sup> Caprotti F., Bailey I. Making sense of the green economy. *Geogr. Ann. Ser. B Hum. Geogr.* 2014;96(3):195–200. [[Google Scholar](#)] [[Ref list](#)].

<sup>15</sup> 4. Ge Y., Zhi Q. Literature review: the green economy, clean energy policy and employment. *Energy Proc.* 2016;88:257–264. [[Google Scholar](#)] [[Ref list](#)].

<sup>16</sup> *Egypt - Oil and Gas Equipment*. International Trade Administration .

be considered one of the successful case studies of implementing renewable energy in a remote rural area in Malaysia. The Egyptian government also intends to produce 42% of its electricity from renewable sources, especially from sun energy, in 2034/35<sup>17</sup>.

Several developing countries have made significant progress in promoting sustainable business growth. For example:

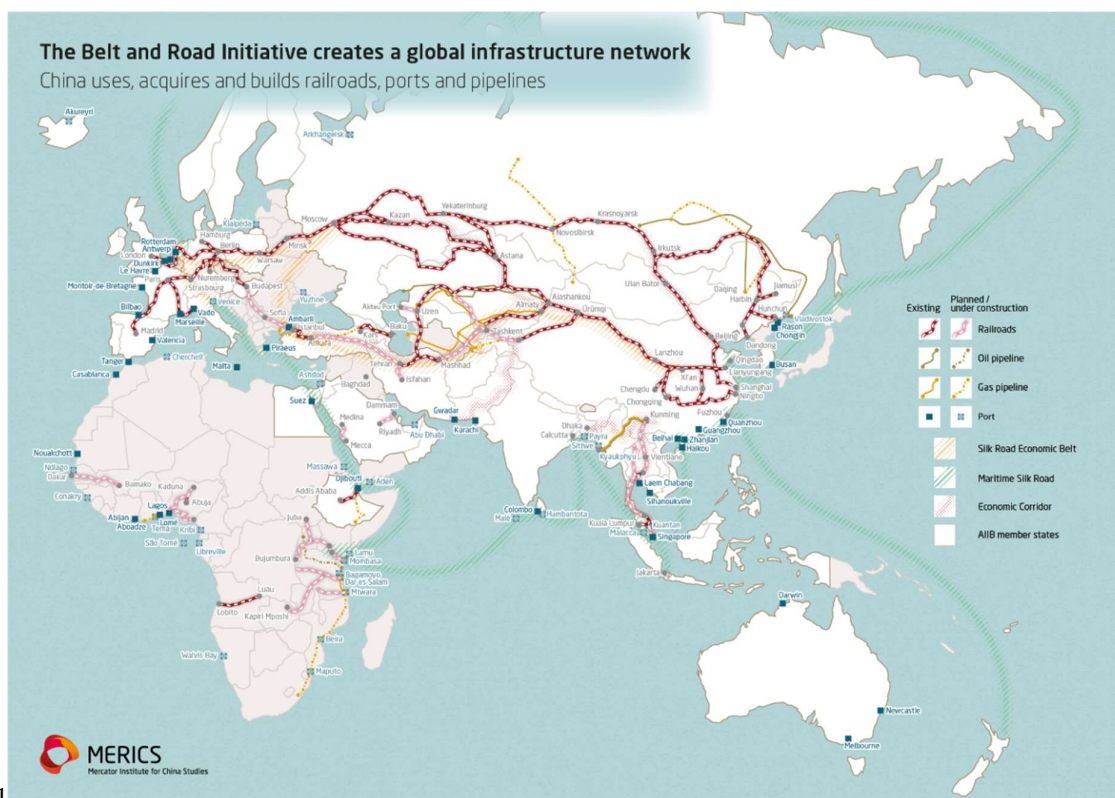
- **China: Belt and Road Initiative**

The Chinese government has launched the Belt and Road Initiative (BRI), a massive infrastructure development project that aims to promote economic growth while minimizing environmental degradation and social inequality. The BRI is a network of roads, railways, ports, and sea routes that connects China with Central Asia, Europe, and other parts of Asia. The initiative aims to promote trade, investment, and economic cooperation among participating countries, while also addressing environmental and social concerns<sup>18</sup><sup>19</sup>. Some of the key features of the BRI include:

- **Green infrastructure:** The BRI aims to promote the development of green infrastructure, such as renewable energy, green transportation, and sustainable urban planning.
- **Environmental protection:** The initiative includes measures to protect the environment, such as reducing pollution, conserving natural resources, and promoting sustainable land use.
- **Social inclusion:** The BRI aims to promote social inclusion by creating jobs, improving living standards, and reducing poverty in participating countries.

Examples of BRI projects that promote sustainable development include:

- The China-Pakistan Economic Corridor (CPEC), which aims to promote economic growth and reduce poverty in Pakistan while minimizing environmental degradation.
- The Silk Road Fund, which provides financing for infrastructure projects that promote sustainable development and reduce environmental impact.



SOURCE:[https://merics.org/sites/default/files/2020-06/Silkroad-Projekt\\_EN\\_2020\\_150dpi.png](https://merics.org/sites/default/files/2020-06/Silkroad-Projekt_EN_2020_150dpi.png)

<sup>17</sup> European Union (EU) Integrated sustainable energy strategy for technical assistance to support the reform of the energy sector (TARES), European delegation of the European union to Egypt. 2016.

<sup>18</sup>[fc.org/content/dam/ifc/doc/mgrt/developing-value-full.pdf](https://fc.org/content/dam/ifc/doc/mgrt/developing-value-full.pdf).



### India: Make in India Initiative

The Indian government has launched the Make in India initiative, a program that aims to promote manufacturing and economic growth while minimizing environmental degradation and social inequality. The initiative aims to attract foreign investment, create jobs, and promote innovation and entrepreneurship in India<sup>20</sup>.

Some of the key features of the Make in India initiative include:

- **Sustainable manufacturing:** The initiative promotes sustainable manufacturing practices, such as reducing waste, conserving energy, and promoting the use of renewable energy.
- **Environmental protection:** The initiative includes measures to protect the environment,

such as reducing pollution, conserving natural resources, and promoting sustainable land use.

- **Social inclusion:** The initiative aims to promote social inclusion by creating jobs, improving living standards, and reducing poverty in India.

Examples of Make in India projects that promote sustainable development include:

- The National Solar Mission, which aims to promote the use of solar energy and reduce India's dependence on fossil fuels.
- The Smart Cities Mission, which aims to promote sustainable urban planning and reduce environmental impact in Indian cities.



### Brazil: ABC Program

The Brazilian government has launched the ABC Program, an initiative that aims to promote sustainable agriculture practices while minimizing deforestation and social inequality. The program aims to promote the use of sustainable agricultural practices, such as agroforestry and permaculture, and reduce the environmental impact of agriculture in Brazil<sup>21</sup>.

Some of the key features of the ABC Program include:

- **Sustainable agriculture:** The program promotes sustainable agriculture practices, such as reducing the use of pesticides and

fertilizers, and promoting the use of organic farming methods.

- **Deforestation reduction:** The program aims to reduce deforestation and promote the conservation of natural habitats, such as the Amazon rainforest.
- **Social inclusion:** The program aims to promote social inclusion by providing training and technical assistance to small-scale farmers, and promoting the development of rural communities.

Examples of ABC Program projects that promote sustainable development include:

<sup>20</sup> Insights and dynamics of circular business model in developing countries' context: The empirical analysis of the returnable glass bottles process.

<sup>21</sup> Green marketing practices and organizational sustainable performance in developing countries context: an empirical study.

- The Agroforestry Program, which aims to promote the use of agroforestry practices and reduce deforestation in the Amazon region.
- The Organic Farming Program, which aims to promote the use of organic farming methods and reduce the environmental impact of agriculture in Brazil.

These country-specific examples demonstrate the efforts of governments in developing countries to promote sustainable business growth and development while minimizing environmental degradation and social inequality.

## **II. The Challenges of Sustainable Business Growth in Developing Countries**

Sustainable business development in developing countries is exposed to various challenges that might hinder their long-run success. The challenges are complex and interactive with each other; therefore, challenges will emerge with a significant impact on businesses, communities, and environmental systems. It identifies major challenges to sustainable business growth in developing countries, among them inequality and economic opportunities, poverty and unemployment, war and instability, suitability and availability, governmental issues, population growth, global economy, access to finance, corruption, environmental degradation, and of course, lack of institutional capacity and an underdeveloped human capital.

### **Inequalities and Economic Opportunities**

There is a big gap of inequality and highly scarce economic opportunities in many developing countries that could impact sustainable business growth. The 10% richest people in developing countries hold 30% of all earnings, whereas the

poorest 10% own as few assets as 2% reports the United Nations. Such an outcome causes social uprising, political instability, and breakdown in trust for institutions, which makes unsustainable business activities challenging to perform. This reduces investment in human capital, infrastructure, and innovation; thus, limited economic opportunities can stifle sustainable business growth<sup>22</sup>.

### **Poverty and Unemployment**

Poverty and unemployment are significant issues facing developing countries; hence business sustainability is hard to achieve without direct intervention in the causes of such problems. According to World Bank projections, in 2020, 736 million people would live in extreme poverty, of whom 43% would be found in Sub-Saharan Africa. Poverty and unemployment can cause social unrest, crime, and a loss of trust in institutions which makes business sustainability hard. Poverty and unemployment also contribute to the inaccessibility of educational, health, and other required services, which create more barriers to sustainable business development<sup>23</sup>.

### **War and Instability**

When businesses operate in war and instability, it becomes impossible for them to sustain a business. The reason is that, for survival of the business at all costs, they might have to compromise the sustainability of the business. In the year 2020, an estimated 12.6 million people experienced displacement because of conflict and violence, of which 70% were women and children. War and instability often result in a lack of investment in infrastructure, human capital, and innovation, thus affecting the growth of sustainable businesses<sup>24</sup>.

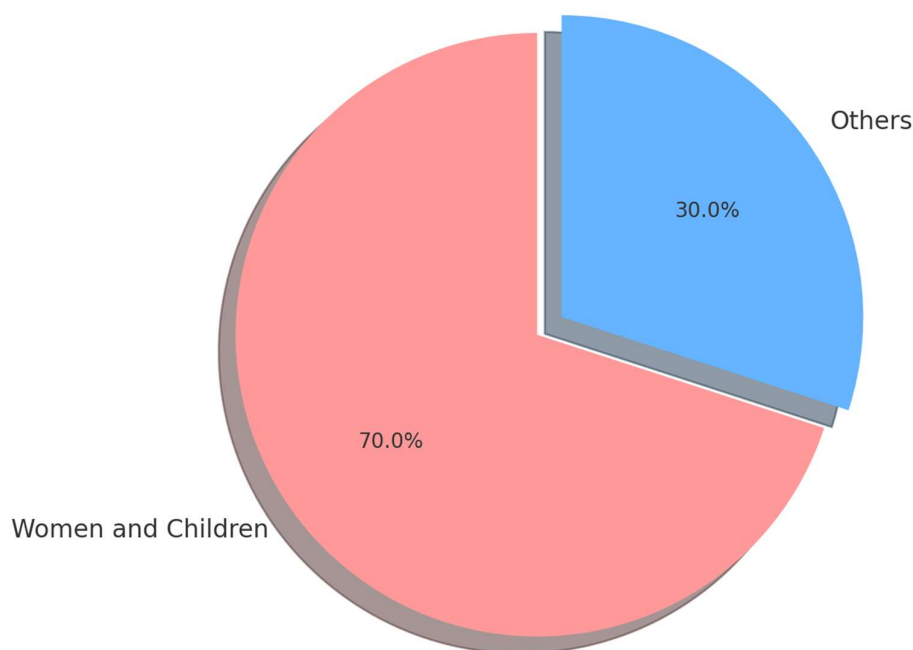
---

<sup>22</sup> United Nations. (2015). World Population Prospects: The 2015 Revision.

<sup>23</sup> Vasja Roblek (2017). The Challenges of Sustainable Business Development in the Post-Industrial Society in the First Half of the 21st

<sup>24</sup> A bibliometric analysis of sustainable development goals (SDGs): a review of progress, challenges, and opportunities(2023).

## Displacement Due to Conflict and Violence in 2020



**Figure 1:** The pie chart showing the number of people displaced due to conflict and violence in 2020, with 70% of them being women and children. The chart visually emphasizes the majority representation of women and children in displacement statistics.

### Corruption

Corruption can also pose a significant challenge to the sustainable development of business in developing countries because it has the potential of weakening the trust of institutions and creating uneven playing fields. For instance, while Transparency International reports, in 2020, 68% of all countries posted a corruption perception index score below 50, and 30% of those were developing countries<sup>25</sup>. Corruption can lead to a lack of investment in human capital, infrastructure, and innovation, further hindering sustainable business growth.

### Suitability and Availability

Developing countries may not have the necessary infrastructure, resources, or expertise to support sustainable business growth. According to the International Energy Agency, for the first time in decades, it is forecast that more people worldwide will live without access to electricity in 2022, with 760 million people. On the grounds of recent crises stemming from the impacts of the Covid-19 pandemic and Russia's invasion of Ukraine, the number of people without access to electricity has

increased to the 2019 level. It grows mainly in Sub-Saharan Africa, where 80% of the population lacks access to electricity. Recent data and analysis from the International Energy Agency suggest that in 2023, progress in access to electricity might begin again as the number of people without access decreases, albeit slower compared with pre-pandemic levels<sup>26</sup>.

### Population Growth

Rapid population increase in developing nations can impact resources, infrastructure, and the environment, making business growth more difficult to sustain. The United Nations estimates that by 2050, the world population will reach 9.8 billion, of which 50% of the increase is expected to come from Africa<sup>27</sup>. This rapid population growth can lead to a lack of access to education, healthcare, and other essential services, further hindering sustainable business growth.

Global growth is expected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021—a downward revision of 0.1 percentage point for 2019 and 2020 and 0.2 for 2021

<sup>25</sup> Transparency International, in 2020.

<sup>26</sup> International Energy Agency (2023).

<sup>27</sup> <https://www.un.org/en/desa/world-population-projected-reach-98-billion-2050-and-112-billion-2100>.

from those in the October WEO. The downward revision is primarily driven by negative surprises to economic activity in several emerging market economies, but notably India, which triggered a downward revision in growth prospects for the next couple of years. In a few instances, this also reflects an impact from increased social unrest<sup>28</sup>. However, this growth can be volatile, and developing countries may be vulnerable to external shocks, making it difficult for businesses to operate sustainably.

### Environmental Degradation

Environmental degradation can be a major challenge to sustainable business growth in developing countries, as it can lead to resource depletion, pollution, and climate change. This, in turn, can affect the availability of natural resources, infrastructure, and human capital, making it difficult for businesses to operate sustainably. Resource depletion is one major problem associated with environmental degradation. The United Nations reports that the world is consuming more natural resources than it can support. The world will consume 1.8 times more resources than the earth can possibly support by 2050, according to the United Nations. It means that the earth may have depleted its natural resources and may not be able to provide businesses with resources necessary for conducting business sustainably<sup>29</sup>. Another major challenge associated with environmental degradation is pollution. The world health organization reports that air pollution alone costs about 4.2 million premature deaths each year. It can lead to health issues for the workers and communities, therefore affecting their productivity, thus indirectly raising health costs for businesses. Climate change is also a great challenge associated with environmental degradation. From the intergovernmental panel on climate change, climate change leads to extreme weather events, rise in sea level, change in temperature, and precipitation modes which may affect infrastructure, agriculture, and water resources.

### Factors Contributing to Sustainable Business Growth In developing countries

Growing businesses sustainably in developing countries stands out as a crucial focus as these areas try to balance making money with being responsible to society and nature. This approach differs from usual growth models by considering long-term strength, including everyone, and staying green and sound. For companies in developing countries several key things can help achieve this type of growth. These include strong leaders with clear goals putting money into people's skills, using eco-friendly methods, teaming up with local groups, and handling risks well. Sustainable business growth in developing countries is crucial for economic development, improved living standards, and opportunities for individuals and communities. To achieve this, several factors contribute to sustainable business growth.

Firstly, responsible management of resources, efficiency, and innovation are essential for sustainable business growth<sup>30</sup>. This means using eco-friendly methods cutting down on waste, and making the best use of resources. Also, this can be achieved by:

- Establishing methods for managing supply chains that do not harm the environment
- Using less electricity and producing fewer gases that cause climate change
- Sourcing energy from resources that are always available
- Ensuring that trash is lessened and re-used.

By adopting these practices, businesses can reduce their environmental impact, improve their reputation, and reduce costs associated with waste and energy consumption.

Secondly, social responsibility and community engagement are vital for sustainable business growth<sup>31</sup>. It means that businesses should prioritize social welfare, invest in local communities, and promote fair labor practices. Prioritize social welfare and invest in local communities.

This step can enhance the following:

<https://greenly.earth/en-us/blog/company-guide/3-pillars-of-sustainable-development>.

<sup>31</sup>Dr. Maram Almansour (2023), Achieving Sustainable Development: The Integration of Economic Growth, Social Well-being, and Environmental Protection.

---

<sup>28</sup>

<https://www.imf.org/en/Publications/WEO/Issues/2020/01/20/weo-update-january2020>.

<sup>29</sup> United Nations. (2019). Global Resources Outlook 2019: Natural Resources for the Future We Want.

<sup>30</sup> Stephanie Safdie(2024), What are the Three Pillars of Sustainable Development?



- Promote fair labor practices and ensure fair compensation for employees
- Support local suppliers and entrepreneurs
- Engage in community development projects and philanthropy
- Foster a culture of diversity, equity, and inclusion

By prioritizing social responsibility and community engagement, businesses can build trust with their stakeholders, improve their reputation, and contribute to the well-being of local communities.

Thirdly, economic growth and stability are critical for sustainable business growth<sup>32</sup>. A stable economic environment encourages investment, job creation, and economic growth. Indeed, stable economic environment encourages:

- Investment and job creation
- Economic growth and development
- Increased consumer spending and demand
- Improved infrastructure and public services
- Reduced poverty and inequality

By promoting economic growth and stability, businesses can create opportunities for individuals and communities, improve living standards, and contribute to economic development.

Fourthly, access to education, training, and skills development is essential for sustainable business growth. This enables individuals to acquire the necessary skills to contribute to business growth and development<sup>33</sup>. This enables individuals to:

- Acquire the necessary skills to contribute to business growth and development
- Improve their employability and career prospects
- Start their own businesses and become entrepreneurs
- Participate in the formal economy and contribute to economic growth
- Improve their overall well-being and living standards

By investing in education, training, and skills development, businesses can improve their productivity, innovation, and competitiveness, while also contributing to the development of local communities. Lastly, effective governance, policies, and regulations are necessary for

sustainable business growth. Governments should create an enabling environment that promotes business growth, innovation, and investment<sup>34</sup>.

To sum up, the sustainable business growth in developing nations requires a mix of responsible resource management, social responsibility, economic development, access to education and skills development, alongside good governance. In doing so, such businesses will have played their part in contributing to the economic development, improved quality of life and opportunities for the people as well as communities at large.

### Conclusion

In conclusion, this article underscores the intricate balance between economic development and environmental stewardship in regions where challenges and opportunities coalesce. Developing countries present a unique case for analyzing sustainable growth due to their varying stages of industrialization, resource availability, and policy frameworks. These nations often face pressing social and economic needs, including poverty alleviation, job creation, and infrastructure development, which can sometimes seem at odds with environmental conservation. However, the pursuit of sustainable business practices offers a pathway to integrate these diverse objectives, fostering economic resilience and long-term prosperity while safeguarding natural resources.

The evidence presented from developing countries highlights the crucial role of businesses in driving this sustainable agenda.

By adopting eco-friendly technologies, engaging in responsible resource management, and fostering innovation, businesses can contribute to broader goals such as mitigating climate change and reducing carbon footprints. Moreover, these practices do not only benefit the environment but also lead to financial stability, as firms that engage in sustainable practices often build stronger, more resilient brands, reduce costs through efficiency, and align with the growing consumer demand for ethically produced goods and services.

Equally important is the role of government policies and international cooperation in supporting sustainable business growth. Regulatory frameworks that incentivize green practices, access to sustainable financing, and partnerships between public and private sectors are pivotal in nurturing businesses that prioritize

---

<sup>32</sup> Matthieu Teachout(2021) Can growth truly be sustainable?

<sup>33</sup> <https://www.iynf.org/2018/08/a-guide-to-sustainable-development-and-its-challenges-in-developing-countries/>.

<sup>34</sup>

<https://www.forbes.com/councils/forbesbusinessdevelopmentcouncil/2020/06/08/13-factors-to-ensure-sustainable-business-growth/>.

long-term ecological and economic health. Case studies from various developing countries demonstrate how targeted government interventions—such as subsidies for renewable energy projects or tax incentives for companies reducing their environmental impact—can help create an ecosystem conducive to sustainable growth.

However, there are still challenges to overcome. Many businesses in developing countries grapple with limited access to financing, technological know-how, and markets that are sometimes skewed towards unsustainable practices. These barriers, coupled with political instability or weak governance, can hinder the implementation of comprehensive sustainability strategies. Furthermore, the lack of clear metrics for measuring sustainable business growth can make it difficult for companies to assess their progress or for policymakers to craft effective regulations.

Despite these obstacles, the growing global emphasis on sustainability provides a hopeful outlook. International institutions, multilateral agreements, and growing social movements advocating for environmental and social responsibility are pushing businesses in developing nations to rethink their approaches. The transition to a more sustainable model is not just an environmental necessity but an economic imperative for long-term competitiveness in the global market. Companies that fail to adapt to this shift risk being left behind, both by consumers and by regulatory bodies that increasingly prioritize sustainability.

In essence, sustainable business growth in developing countries is not merely a theoretical construct but an actionable framework that, when appropriately implemented, fosters economic growth, enhances social equity, and ensures environmental preservation. The evidence from developing countries proves that, while the journey may be fraught with challenges, the rewards of pursuing sustainability are profound—both for businesses and the broader societies in which they operate. Through collaboration, innovation, and a commitment to long-term goals, sustainable business growth can transform developing economies, setting them on a trajectory toward inclusive, equitable, and environmentally sound development.

#### Findings:

##### 1. Economic Resilience through Sustainability:

Evidence from various developing countries shows that businesses adopting sustainable practices tend to be more resilient in the long run. Firms that invest in renewable energy, resource efficiency, and waste reduction often

experience reduced operational costs and increased profitability over time. Sustainable practices enable companies to adapt to environmental regulations, shifting market demands, and supply chain disruptions, making them more stable in volatile economic environments.

##### 2. Innovation and Technology Adoption:

Businesses in developing countries that embrace sustainability often engage in innovative practices, such as the use of renewable energy sources, sustainable farming techniques, and green technologies. These innovations not only reduce environmental impact but also provide competitive advantages. However, access to technology remains a significant barrier for many businesses, limiting the scalability of sustainable practices.

##### 3. Government and Policy Impact:

Supportive regulatory frameworks and policies play a critical role in driving sustainable business growth. In countries where governments provide incentives for green practices—such as tax breaks, subsidies for clean energy, or strict pollution controls—businesses are more likely to integrate sustainability into their core operations. Conversely, weak or absent policy frameworks result in slower adoption of sustainable practices.

##### 4. Limited Access to Sustainable Finance:

Many businesses in developing countries face challenges in accessing financing for sustainable initiatives. Traditional financial institutions often have limited knowledge or interest in financing eco-friendly projects, and sustainable finance mechanisms are still underdeveloped in many regions. This gap in financing options limits the ability of businesses to invest in long-term sustainability strategies.

##### 5. Consumer Demand for Sustainability:

Evidence suggests a growing consumer awareness and demand for sustainably produced goods and services, especially among the middle class in developing countries. Businesses that align with this shift in consumer behavior often experience increased customer loyalty and market differentiation. However, the scale of consumer demand varies widely depending on the level of awareness and purchasing power within each country.

##### 6. Barriers to Full Implementation:

Despite positive strides, many businesses face challenges in fully implementing sustainable practices. These include lack of technical expertise, limited access to markets that reward sustainability, political instability, and corruption. Additionally, the absence of

standardized metrics for measuring and reporting sustainability performance hampers businesses' ability to track their progress and make informed decisions.

**Future Suggestions:**

- 1. Strengthen Access to Sustainable Financing:** Governments, international financial institutions, and private sector players should collaborate to develop more robust sustainable financing mechanisms. This could include green bonds, impact investing, and concessional loans specifically tailored for businesses in developing countries looking to implement sustainable practices.
- 2. Capacity Building and Knowledge Transfer:** There is a need for programs that offer technical assistance, training, and capacity-building initiatives to help businesses in developing countries understand and implement sustainable practices. This could be achieved through partnerships with international organizations, universities, and NGOs to foster knowledge exchange and provide access to expertise in green technologies and sustainable business models.
- 3. Development of Clear Sustainability Metrics:** To promote more widespread adoption, developing standardized sustainability metrics and reporting frameworks tailored to the context of developing countries is crucial. These metrics should be practical, easily measurable, and relevant to the local economic and environmental challenges. Clear indicators will help businesses assess their progress and attract investors interested in sustainable projects.
- 4. Strengthening Policy and Regulatory Frameworks:** Governments in developing countries should focus on creating and enforcing policies that support sustainable business practices. This may include stronger environmental regulations, mandatory sustainability reporting, tax incentives for green businesses, and public-private partnerships to promote investment in green infrastructure. Well-structured policies can significantly enhance business commitment to sustainability.
- 5. Promote Public Awareness and Consumer Education:** Governments, civil society, and businesses should invest in raising awareness about sustainability among consumers in developing countries. When consumers become more informed about the benefits of sustainable products and services, demand for these goods will increase, thereby encouraging more businesses to adopt environmentally friendly practices.

- 6. Foster International Collaboration:** Given the global nature of many environmental and economic challenges, international collaboration is essential. Developing countries should engage more actively in global forums on sustainability, climate change, and economic development, leveraging international expertise, technology transfer, and funding mechanisms aimed at fostering sustainable growth.
- 7. Encourage Localized Innovation:** Businesses and governments should focus on developing local solutions tailored to the unique environmental and economic conditions of each country. Encouraging homegrown innovation, especially in agriculture, energy, and manufacturing sectors, can create scalable and sustainable solutions that are more appropriate to the needs of developing economies.
- 8. Create Inclusive Business Models:** Sustainability efforts should not only focus on environmental goals but also ensure that businesses promote social inclusion. Engaging marginalized communities, promoting fair labor practices, and ensuring equitable access to economic opportunities will strengthen the broader impacts of sustainable business growth in developing countries.

By focusing on these recommendations, developing countries can continue to make meaningful strides toward sustainable business growth, ultimately leading to improved economic resilience, environmental preservation, and social progress.