



**Original Article**

**INCLUSIVE DEVELOPMENT IN INDIA: A STUDY OF CONTRIBUTION OF PRIVATE SECTOR**

**Dr. Imtiyaz M. Sayyad**

*Assistant Professor*

*School of Commerce and Management ,Punyashlok Ahilyadevi Holkar Solapur University, Solapur*

Manuscript ID:

IJAAR-B130319

ISSN: 2347-7075

Impact Factor – 8.141

Volume - 13

Issue - 3

January – February 2026

Pp. 97 – 103

Submitted: 15 Jan.2026

Revised: 23 Jan. 2026

Accepted: 10 Feb. 2026

Published: 28 Feb. 2026

*Corresponding Author:*

*Dr. Imtiyaz M. Sayyad*

Quick Response Code:



Website: <https://ijaar.co.in/>



DOI: 10.5281/zenodo.20321652

DOI Link:

<https://doi.org/10.5281/zenodo.20321652>



Creative Commons



**Abstract:**

*Inclusive development is understood as a process that not only promotes economic growth in India but also ensures that the benefits of growth reach diverse sections of society, particularly marginalized and disadvantaged groups. It aims to reduce socio-economic inequalities while enhancing overall social welfare. In recent years, the private sector has played a pivotal role in advancing inclusive development in India through employment generation, job creation, capital investment, poverty reduction initiatives, financial inclusion, corporate social responsibility (CSR) activities, and support for micro and small enterprises. This study is based on secondary data collected from government reports, academic research publications, and newspaper articles, which provide evidence of the significant contribution of the private sector to India's inclusive growth and development.*

**Keywords:** *Inclusive Development, Private Sector, Financial Inclusion, Corporate Social Responsibility (CSR)*

**Creative Commons (CC BY-NC-SA 4.0)**

*This is an open access journal, and articles are distributed under the terms of the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License (CC BY-NC-SA 4.0), which permits others to remix, adapt, and build upon the work non-commercially, provided that appropriate credit is given and that any new creations are licensed under identical terms.*

**How to cite this article:**

*Dr. Imtiyaz M. Sayyad. (2026). Inclusive Development In India: A Study Of Contribution Of Private Sector. International Journal of Advance and Applied Research, 13(3), 97 - 103. <https://doi.org/10.5281/zenodo.20321652>*

**Introduction:**

Several studies have clearly demonstrated the significant participation of private enterprises in the process of national economic growth. The study by Zulkhibri (2016) highlights the role of the private sector as a major investor and employment provider, generating income for different sections of society.

A number of global-level studies establish a positive correlation between private sector income, economic growth, and poverty reduction in society (Ombachi, 2024). The rapid growth of digitalization in the financial sector has significantly enhanced financial inclusion, which is one of the crucial



dimensions of economic growth and development (Dubey et al., 2024; Dulloo, 2021).

An Indian study by Prakash, Verma, and Negi (2023) brings to light that MSMEs—largely composed of private enterprises—play a vital role in job creation and socio-economic inclusion, an area in which the government has been striving for a long time. In addition to job creation and employment generation, the private sector is increasingly conscious of its social responsibilities and contributes to social inclusion in various forms through corporate initiatives (Kumar, 2025). Furthermore, an African study reveals that private sector-led mobile financial services have reduced the exclusion of underprivileged population segments and significantly improved financial inclusion (Sama-Lang, 2024).

#### Objectives of the Research:

1. To examine the role and contribution of the private sector in promoting inclusive development in India.
2. To evaluate recent trends in private sector investment and employment generation.
3. To analyze the contribution of micro, small, and medium enterprises (MSMEs) to economic inclusion.
4. To assess the impact of corporate social responsibility (CSR) and other private sector initiatives on social development.
5. To assess the impact of corporate social responsibility (CSR) and other private sector initiatives on social development. give few lines on this with stastical data and sources

#### Research Methodology:

The research employs a secondary data synthesis methodology where peer articles, publishing research reports and Indias newspaper articles reviewed that examines the private sectors role in inclusive development in Indian economic growth.. The data of last few years collected.

#### Major Findings:

The economic reforms generated Employment in India, but it remains far lower than in the unorganised sector, which employs the majority of workers across most states and industries. Despite this, the unorganised sector's contribution to Net Domestic Product declined between 1980–87, while the organised sector's share increased and remained stable until 1991. Strengthening the organised sector requires better wages, working conditions, flexibility, and employee welfare, along with strong government support and skill development initiatives. (Sreedhar, S., & Lakhani Bhaskar Kadel. (2025).

A State Bank of India (SBI) report highlights that India generated 125 million (12.5 crore) jobs between FY2014 and FY2023, compared to 29 million in the previous decade. During this period, 89 million jobs were created in manufacturing and services, largely driven by the private sector. Total employment reported by Udyam-registered MSMEs crossed 200 million (20 crore).

This indicates a significant contribution of the private sector to job creation in India.

Indicator	Value / Trend (2025)	Notes	Source
Formal Job Creation in FY25	12.9 million (Net)	Formal payroll additions under EPFO showed ~12.9M net jobs created, slightly lower than previous years.	The Times of India
Formal Jobs Added Mar	1.45 million (Net)	Organised sector	The Times of India



2025		(companies with $\geq 20$ employees) added ~1.45M formal jobs in March 2025.
------	--	--

*Source: The researcher has collected data from different sources*

The private sector plays a decisive role in economic growth by generating employment, mobilising investment, enhancing competitiveness, and fostering innovation through entrepreneurial risk-taking.

In a rapidly changing global environment, especially for emerging economies like India, private enterprises are crucial for absorbing the growing

workforce and responding to development challenges arising from uncertainty. By investing in education, vocational training, and industry–academia collaboration, the private sector helps bridge skill gaps and prepares a future-ready workforce aligned with evolving market needs. (Mittal et al., 2022)

Indicator	Data 2025	Source
Total PE-VC Investment	\$33 billion across ~1,164 deals	Business Standard report(Wednesday, January 21, 2026   09:26 AM IST
PE-VC Investment in Nov 2025	\$5.6 billion (monthly)	EY-IVCA roundup EY-IVCA Report Press release 23 Dec 2025   <a href="#">Mumbai, India</a>
Private Investment Trend (Q1 FY25)	2.8 lakh crore (~\$33 billion) showing volatility	(Note: exact Q1 drop referenced in discussion) <i>Derived from survey context</i>
Private Sector CAPEX (FY 2024-25)	6.56 trillion (~\$77.5 billion)	MoSPI forward-looking survey CAPEX(Capital Expenditure) survey released by the Ministry of Statistics and Programme Implementation(MOSPI)

*Source: The researcher has collected data from different sources*

According to the Ministry of MSME’s Udyam registration portal, MSMEs have generated over 27 crore jobs since its launch in July 2020, largely driven by the private sector. Women

represent nearly 26 percent of the workforce, contributing to around 6.25 crore employment opportunities. (MSME Desk. 2025, April 25).

Description	Data (Udyam Portal, Ministry of MSME)	Source
Total jobs reported by micro, small & medium enterprises since Udyam launch (July	≈ 27.34 crore jobs	Financial Express



2020)		
Women’s share of workforce	≈ 6.25 crore jobs (≈ 26%)	Financial Express

**Source: (MSME Desk. 2025, April 25).**

Surveys conducted by the Confederation of Indian Industry (CII) reveal that about 75% of companies perceive India’s current economic climate as favourable for private investment, and nearly 70% of firms intend to increase their investment levels during FY 2025–26. (Pimpalkhare, 2025)

The CII findings indicate that **97% of companies anticipate an increase in employment during both 2024–25 and 2025–26**, highlighting strong confidence in job creation driven by investment activity. (Business Standard, 2025)

Surveys conducted by the Confederation of Indian Industry (CII) reveal that about 75% of companies perceive India’s current economic climate as favourable for private investment, and nearly 70% of firms intend to increase their investment levels during FY 2025–26. (Mathrubhumi News, 2025)

In 2025, significant private investments were concentrated in the automotive and infrastructure sectors, with projects such as Maruti Suzuki’s ₹35,000 crore manufacturing facility, which is projected to create around 12,000 employment opportunities. (The Economic Times, 2026)

Over the last ten years, CSR expenditure by Indian corporations has increased more than threefold, touching an all-time high of ₹34,909 crore in FY 2023–24. A significant proportion of this spending—exceeding 55 percent—has been directed toward education and healthcare, indicating a sustained emphasis by the private sector on priority areas of social development.

Following the introduction of mandatory CSR provisions under Section 135 of the Companies Act in 2014, Indian companies collectively invested

approximately 1.53 Lakh crore in CSR initiatives between 2014 and 2022, highlighting sustained and long-term corporate involvement in advancing social development.

Empirical studies show that investments made through CSR—particularly in the areas of education and environmental sustainability—play a constructive role in advancing sustainable development objectives and contribute to poverty alleviation across Indian states.

Notwithstanding the rise in overall CSR expenditure, significant regional disparities continue, with several districts—such as 13 districts in Telangana—receiving no CSR allocations in FY 2023–24, pointing to limitations in the equitable distribution of social benefits.

**Conclusion:**

Although a majority of people are still a part of the unorganized sector, its most appreciable thing is that economic reforms and the expansion of the private sector have played a crucial role in generating employment in India. From FY2014 to FY2023, India added 125 million jobs, with manufacturing and services—primarily led by private companies—contributing the most. According to Udyam registration statistics, MSMEs have generated more than 27 crore employment opportunities in India, with women accounting for approximately 26 percent of the total workforce.. Employment in the formal organized sector continues to grow steadily, highlighting the increasing importance of structured jobs in the economy. Investments by the private sector, including PE-VC funding and capital expenditure, have driven growth, innovation, and



competitiveness, reflecting strong business confidence.

CII surveys indicate that most companies are planning to expand both investment and employment in the coming years. Moreover, private sector initiatives in education, vocational training, and industry–academia partnerships are helping address skill gaps in the workforce. Overall, the private sector stands out as a key engine of inclusive development, capable of improving wages, working conditions, and long-term economic stability.

CSR has become an important mechanism for promoting social development in India, reflected in the steady rise in corporate expenditure and long-term commitment following its legal mandate. The prioritization of education, healthcare, and environmental programmes indicates a positive contribution to human welfare and sustainable development objectives. Nevertheless, ongoing regional disparities point to systemic weaknesses in the distribution and implementation of CSR initiatives. Strengthening strategic planning, inter-stakeholder coordination, and outcome-based evaluation is crucial for achieving more balanced and inclusive social impact.

#### References:

1. Zulkhibri, M. (2016). *Poverty Alleviation and Inclusive Development: Rethinking the Role of Private Sector*. Islamic Research and Teaching Institute Working Paper.
2. Ombachi, A. O. (2024). Private sector investment and poverty reduction in developing economies. *International Journal of Developing Country Studies*, 6(2), 26–39.
3. Dulloo, R. (2021). Microfinance: Fostering Inclusive Growth in India. *Pacific Business Review International*, 13(11), 79–87
4. Dubey, R. S., Deepika, D., Deepa Vohra, & Shivanshi Singh. (2024). *Digitalisation for*

*Inclusive Growth in India*. *International Journal of Engineering and Management Research*, 14(4), 4–11.

5. Prakash, P., Verma, P. L., & Negi, V. (2023). MSMEs: Its Role in Inclusive Growth in India. *IIFT International Business and Management Review Journal*, 1(2), 120–131.
6. Kumar, R. (2025). Corporate social responsibility and inclusive development in India. *International Journal of Social and Economic Research*, 12(1), 45–58.
7. Sama-Lang, D. (2024). The Role of the Private Sector on Inclusive Growth in Africa. *International Journal of Research and Innovation in Social Science*
8. Sreedhar, S., & Lakhan Bhaskar Kadel. (2025). Contribution of India's job creation sectors: A comparative study of organized and unorganized sectors. *Journal of Research in Science and Engineering*, 7(1), 1–5. [https://doi.org/10.53469/jrse.2025.07\(01\).01](https://doi.org/10.53469/jrse.2025.07(01).01)
9. Mittal, P., Juyal, P., Jain, P., Bothra, R., & Agrawal, R. (2022). *Role of private investment in India's growth*. **IOSR Journal of Economics and Finance**, 13(6), 8–21. <https://www.iosrjournals.org>
10. 1Peerzada, A. (2025, December 31). *PE-VC investment in India steady at \$33 bn in 2025 as mega deals slip*. *Business Standard*. [https://www.business-standard.com/industry/news/pe-vc-investment-india-holds-steady-33-billion-2025-125123100787\\_1.html](https://www.business-standard.com/industry/news/pe-vc-investment-india-holds-steady-33-billion-2025-125123100787_1.html)
11. EY India. (2025, December 23). *PE/VC investments in India reach 88% of 2024 levels as 2025 nears close: EY-IVCA Report*. EY. [https://www.ey.com/en\\_in/newsroom/2025/12/pe-vc-investments-in-india-reach-88-percent-of-2024-levels-as-2025-nears-close-ey-ivca-report?](https://www.ey.com/en_in/newsroom/2025/12/pe-vc-investments-in-india-reach-88-percent-of-2024-levels-as-2025-nears-close-ey-ivca-report?)



12. Vision IAS. (2025, April 30). *CAPEX (Capital expenditure) survey released by the Ministry of Statistics and Programme Implementation (MoSPI)*. Vision IAS. <https://dce.visionias.in/news-today/2025-04-30/economics-%28macroeconomics%29/capex-capital-expenditure-survey-released-by-the-ministry-of-statistics-and-programme-implementation-mospi?utm>
13. The Times of India. (2025, September 2). *Formal job creation dips: EPFO records consecutive two-year decline; 12.9 million jobs created in FY25*. The Times of India. <https://timesofindia.indiatimes.com/business/india-business/formal-job-creation-dips-epfo-records-consecutive-two-year-decline-12-9-million-jobs-created-in-fy25/articleshow/123647874.cms>
14. The Times of India. (2025, May 22). *India's formal sector adds 1.45 million to workforce in March*. The Times of India. <https://timesofindia.indiatimes.com/business/india-business/indias-formal-sector-adds-1-45-million-to-workforce-in-march/articleshow/121336126.cms>
15. State Bank of India. (2024). *India generated 125 million jobs between FY2014 and FY2023: Employment trends in manufacturing, services and MSMEs* (SBI Ecwrap report). State Bank of India. <https://www.ibef.org/news/india-generated-125-million-jobs-between-fy14-and-fy23-says-sbi-report>
16. MSME Desk. (2025, April 25). *MSME jobs cross 27 crore mark; women make up 26% of workforce: Govt data*. The Financial Express. <https://www.financialexpress.com/business/sme-msme-jobs-cross-27-crore-mark-women-make-up-26-of-workforce-govt-data-3821972>
17. Pimpalkhare, M. (2025, January 19). *Private investment and job creation likely to rise in FY26, says industry body*. Mint.
18. Business Standard. (2025, January 19). *India's current economic environment conducive for private investments: CII*. Business Standard.
19. Mathrubhumi News. (2025, January 19). *CII survey highlights positive investment trends, 75% of private firms term it conducive*. English.Mathrubhumi.com. <https://english.mathrubhumi.com/news/money/cii-survey-positive-india-economy-outlook-1a8ffbaf?utm>
20. The Economic Times. (2026, January 17). *Maruti Suzuki to invest Rs 35,000 crore to develop new plant in Gujarat*. The Economic Times. <https://economictimes.indiatimes.com/industry/uto/auto-news/maruti-suzuki-to-invest-rs-35000-crore-to-develop-new-plant-in-gujarat/articleshow/126608974.cms>
21. Aluri, S. (2026, January 21). *RMZ Group proposes \$10 billion investment in AP*. The Times of India. <https://timesofindia.indiatimes.com/city/vijayawada/rmz-group-proposes-10-billion-investment-in-ap/articleshow/126842434.cms>
22. Economic Times. (2025). *CSR spend trebles in a decade, education & health get lion's share*. Retrieved from <https://economictimes.indiatimes.com/news/compnay/corporate-trends/csr-spend-trebles-in-a-decade-education-health-get-lions-share/articleshow/122326417.cms>
23. India CSR. (2024). *Economic Survey 2023-24: CSR spending reaches Rs. 1.53 lakh crore*. Retrieved from <https://indiacs.in/economic-survey-2023-24-csr-spending-reaches-rs-1-53-lakh-crore-from-2014-to-2022-8-years/>



24. 24.MDPI. (2025). *Corporate social responsibility funding and its impact on India's sustainable development*. Retrieved from <https://www.mdpi.com/1911-8074/16/2/90>
25. Times of India. (2025). *CSR spending touches ₹1,054 crore in Telangana, but over a dozen districts get nothing*. Retrieved from <https://timesofindia.indiatimes.com/city/hyderabad/csr-spending-touches-1054-crore-in-telangana-but-over-a-dozen-districts-get-nothing/articleshow/123371982.cms>