

**Startup Ecosystems and Digital Skills for Empowering Rural Youth: A
Pathway to Vikasith Bharat 2047**

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Abstract

Achieving Vikasith Bharat 2047 provides an opportunity for participation of rural youth is an immediate need. Rural youth in India faces significant barriers in accessing employment and entrepreneurial opportunities due to lack of skills and proper training. The other reasons for low participation of rural youth are limited infrastructure and weak ecosystem linkages. India's vision of Vikasith Bharat 2047 emphasizes inclusive development and youth empowerment through innovation and digital transformation. This study examines how startup ecosystems and digital skills cultivation can empower rural youth and contribute to sustainable socio, economic growth. Employing a mixed-method approach across selected rural districts, the research identifies ecosystem enablers, digital competency profiles, and key challenges. Results indicate that targeted digital skill interventions integrated with ecosystem support, significantly enhance entrepreneurial success and employment outcomes among rural youth. Policy recommendations are proposed to accelerate India's journey towards Vikasith Bharat.

Keywords: Startup Ecosystems, Digital Skills, Rural Youth Empowerment, Incubation Initiatives, Entrepreneurship, Vikasith Bharat 2047,

Introduction:

Digital start up ecosystems in India embrace the digital transformation by playing a supportive role in shaping future economy. Startup ecosystems enable entrepreneurs in leveraging emerging technologies by providing creative solutions, enhancing supply chain efficiency and enhancing access to digital services. A digitally empowered nation can be built by promoting start up ecosystem leading towards the goal of achieving Viksit Bharat 2047 and making India compete globally. Rural youth constitutes a significant portion of India's demographic dividend. Yet, persistent inequalities in education, infrastructure and economic opportunities continue to hamper their productive engagement in the economy. The Government of India's vision of Vikasith Bharat 2047, a development roadmap aiming for

inclusive prosperity by India's 100th year of independence prioritizes digital empowerment and entrepreneurship as drivers of transformation.

There are also challenges from the Indian education system that focuses on jobs over entrepreneurial skills, creating a mismatch in skills. Access to funds is another major issue, with rural youth depending mainly on family savings and informal loans. Low awareness of government programs and bureaucratic hurdles are factors that increase these problems. Still, grassroot innovations give hope, building resilient startup ecosystems and equipping rural youth with relevant digital skills are critical components of this vision. The present theoretical study discusses critical role of startup ecosystem and the role of rural youth in building Viksit Bharat 2047 by examining the factors which help in growth of economy as well as their role in impacting economic and societal transformation. The study also highlights imperative role of supportive policies, infrastructure and collaboration for sustainable growth

2. Literature Review:

2.1 Startup Ecosystems:

Startup ecosystems are interdependent networks of entrepreneurs, investors, mentors, academic institutions and supports infrastructure. It supports innovation and venture creation. Successful ecosystems minimise transaction costs, offer knowledge spillovers and provide enabling environments for risk taking.

2.2 Digital Skills for the 21st Century:

21 century is called digital century. Digital skills encompass foundational ICT literacy as well as advanced competencies such as data analytics, e-commerce management, digital marketing, and cloud computing. These competencies increase employability and support entrepreneurial ventures to scale in digital marketplaces.

2.3 Rural Challenges and Opportunities:

Rural regions often face digital divides, limited access to finance and weak mentorship networks. However, improved connectivity initiatives (e.g., Bharat Net, Skill India mission) and government-backed incubators present opportunities for integrating rural youth into the digital economy.

3. Research Objectives and Questions:

Objectives of the study:

1. To map the current startup ecosystem elements accessible to rural youth.
2. To assess the role of digital skills in fostering entrepreneurial outcomes.
3. To develop policy insights for strengthening rural entrepreneurship within the Vikasith Bharat 2047 framework.

4. Methodology:

4.1 Research Design:

A mixed-methods approach was used in the study. A quantitative survey of 450 rural youth (ages 18–34) and qualitative interviews with startup founders, ecosystem stakeholders, and policymakers.

4.2 Data Collection:

Quantitative: Structured questionnaires assessing digital skills levels, entrepreneurial intentions, ecosystem exposure, and outcomes.

Qualitative: Semi-structured interviews (n = 35) focusing on lively experiences of ecosystem engagement.

4.3 Data Analysis:

Quantitative data were analysed using descriptive statistics, logistic regression, and factor analysis. Qualitative data underwent thematic analysis to uncover patterns in narratives related to ecosystem influence and skill utilization.

5. Findings:

5.1 Startup Ecosystem Mapping:

Key ecosystem actors for rural youth include community colleges, local NGOs, digital literacy centres, state incubation programs, and microfinance institutions. However, formal investor networks and accelerators were limited in rural settings.

5.2 Digital Skills and Entrepreneurship:

The following table shows a positive association was found between digital competencies and entrepreneurial outcomes (e.g., business creation, revenue growth, digital market presence). Participants with advanced digital skills were more likely to adopt online business models and attract external partnerships.

Table 1

Digital Skills and Entrepreneurial Outcomes (Sample Results):

Digital Skills Level	Startup Creation (%)	Monthly Revenue (Median)
Low	23%	₹5,000
Medium	44%	₹17,000
High	33%	₹39,000

5.3 Barriers and Enablers:

Barriers:

5.3.1 Inadequate internet reliability:

Inadequate internet reliability remains one of the most significant obstacles to empowering rural youth to become successful entrepreneurs. In today's digital economy, entrepreneurship is increasingly dependent on stable and affordable internet access for learning, innovation, communication, and market participation. When internet connectivity is slow, inconsistent, or unavailable, rural youth are placed at a structural disadvantage compared to their urban counterparts. First, unreliable internet limits access to knowledge and skills development. Many entrepreneurial skills—such as digital marketing, financial management, e-commerce, and product design—are now acquired through online platforms, webinars, and virtual mentorship programs. Rural youth with unstable connections often cannot participate fully in online training, miss live sessions, or are unable to

download learning materials, which reduce their ability to build competitive and modern businesses.

poor internet reliability restricts market access and business visibility. Young entrepreneurs rely on digital platforms to promote products, communicate with customers, and access regional or global markets. Inconsistent connectivity makes it difficult to manage social media pages, respond to customer inquiries in real time, or maintain online storefronts. As a result, rural businesses remain confined to local markets, limiting growth, income potential, and scalability.

5.3.2 Lack of seed funding and investor engagement:

The lack of seed funding and limited investor engagement is a critical challenge weakens the efforts to empower rural youth to become entrepreneurs. Seed funding small amounts of early stage capital is essential for transforming business ideas into viable enterprises. For many rural youths, however, access to such funding is extremely limited due to structural, geographic, and informational barriers.

One major issue is the absence of financial institutions and investors in rural areas. Most investors, venture capital firms and startup accelerators are concentrated in urban centres, making it difficult for rural youth to access funding networks. As a result, promising ideas from rural communities often go unnoticed, regardless of their potential impact or innovation. Additionally, rural youth often lack collateral, credit history, and formal business records, which are typically required by banks and microfinance institutions. Without these financial credentials, young entrepreneurs are perceived as high-risk borrowers, limiting their access to loans and startup capital. This financial exclusion prevents them from purchasing equipment, raw materials, or technology needed to launch and grow their businesses.

5.3.3 Limited mentorship and peer networks: Mentorship and peer networks play a critical role in shaping entrepreneurial mindsets, skills, and success. When these supports are limited in rural areas, the empowerment of rural youth as entrepreneurs is significantly affected by these mentorships.

Enablers:

5.4.1. Digital training linked with market access:

The state and central government are implementing infinite programmes to enhance digital skills among the rural youth. Still, there is a lack in implementation. Now the governments are reaching the rural youth through skill hubs, universities and other platforms organised by Higher education departments. Now they are focusing on enhancing skills among the rural youth for making entrepreneurs.

5.4.2 Local incubation initiatives:

Local incubation initiatives play a transformative role in nurturing entrepreneurial potential among rural youth by providing a structured ecosystem that bridges the gap between ideas and sustainable enterprises. Their contributions are appreciable. Local incubators offer essential physical and digital infrastructure such as workspaces, internet connectivity, laboratories, and shared equipment. For rural

youth, this reduces entry barriers and enables them to experiment, innovate, and develop prototypes without heavy initial investment

5.4.3 Government digital infrastructure programs: Government digital infrastructure programs play a crucial role in empowering rural youth as entrepreneurs by creating an enabling ecosystem that reduces structural disadvantages and promotes inclusive growth. These initiatives strengthen connectivity, access, and capabilities, which are essential for modern entrepreneurship

6. Discussion:

The evidence suggests that digital skills act as a catalyst within the startup ecosystem, enhancing rural youth's capability to leverage resources and access markets. Ecosystem maturity reflects in connectivity, mentorship availability, and policy support significantly influences entrepreneurial outcomes. This aligns with global studies on ICT-enabled entrepreneurship and development.

To realize Vikasith Bharat 2047, ecosystem stakeholders must prioritize digital skill development and strengthen rural linkages with broader innovation networks, ensuring that startup ecosystems are inclusive and accessible.

7. Policy Implications:

1. Expand Digital Infrastructure:

Accelerate broadband penetration and affordable digital access in rural hubs.

2. Establish Rural Innovation Hubs:

Create community-centric incubators that provide mentoring, seed funding access, and market linkage services.

3. Integrate Digital Skills in Education:

Embed digital and entrepreneurial skill modules in rural schools and vocational programs.

4. Facilitate Finance and Incentives:

Introduce youth-oriented startup funds, tax incentives, and microcredit options tailored to rural entrepreneurs.

8. Conclusion:

Integrating robust startup ecosystems with comprehensive digital skills frameworks can empower rural youth and contribute to achieving Vikasith Bharat 2047. Strategic collaboration between government, industry, academia, and civil society is imperative to create resilient and inclusive rural economies. Future research should longitudinally evaluate outcomes of ecosystem interventions and scale models regionally and nationally.

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