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# Inclusive Entrepreneurship: Youth from Marginalized Communities Navigating Startup Ecosystems

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***Abstract***
*Inclusive entrepreneurship serves as a strategic pathway to bridge economic and social disparities, particularly among India's marginalized youth from SC, ST, OBC, and underprivileged rural or slum communities. This study investigates how these groups navigate the startup ecosystem, drawing upon a synthesized dataset of 250 survey responses and macro-level secondary sources such as the Census, MSME Annual Report, and economic indicators. Using Python-based tools, the analysis incorporates descriptive statistics, chi-square testing, multivariate logistic regression, and correlation matrices. Findings reveal that 78.4% of respondents are engaged or interested in entrepreneurship, yet only 25.6% have achieved current startup success. Major barriers identified include funding inaccessibility (44.8%), lack of mentorship (43.2%), and bureaucratic complexity. Statistical modeling shows that success correlates more strongly with ecosystem support variables like funding (r = 0.40) and mentorship (r = 0.37) than with caste or gender alone. ST youth reported the lowest success rates (18.6%). State-level analysis suggests literacy and youth unemployment are more influential than GDP growth in predicting inclusivity. The study emphasizes the need for targeted support frameworks and inclusive policy interventions to foster equitable startup opportunities for marginalized youth.*

***Keywords:*** *Inclusive Entrepreneurship, Marginalized Youth, Startup Ecosystem, Social Equity, Policy Interventions*

## 1. INTRODUCTION

There has been a major shift in the perception of entrepreneurship in the last decade particularly in the developing economies such as India. The ecosystem has opened doors to numerous youths due to the growth of digital technologies, rising mobile penetration and active government initiatives like Startup India and Digital India. Nevertheless, the potential of entrepreneurship as a tool of inclusive growth has been unrealized to significant proportions of the population, especially youth of the Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC), and rural or informal urban settlements (Khoza et al., 2024). The hegemonic discourse of startups still revolves around urban, upper-caste, English-speaking young people with access to capital, mentorship, and elite networks and sidelines those who are not part of these elite groups.

Inclusive entrepreneurship can be defined as the processes, systems and policies to allow equitable access to entrepreneurial opportunities to groups that have been historically excluded in economic participation. These are women, disabled people, minorities, and financially disadvantaged communities (Hameed et al., 2023; Birdthistle et al., 2022). Caste is also a structural factor of inequality in the Indian context, overlapping with poverty, geography, and education, limiting avenues of entrepreneurship. Although there is an increased understanding of the utility of entrepreneurship in development, the systems and environments that exist do not consider these persistent social inequalities (Awashreh, 2025).

The scholarly concern with the necessity of inclusive entrepreneurial ecosystems, which is the support system that purposefully incorporates the lived experiences, cultural capital, and institutional disadvantages of marginalized youth, is rising (Dey et al., 2024; Crane et al., 2024). Such ecosystems encompass not only funding agencies and incubators but also schools and universities, government policies, civil society organizations, as well as social networks. Nevertheless, empirical research, on the interaction of marginalized youth with these systems,

is scarce. Most of the ecosystem models, as Motoyama et al. (2023) claim, presuppose a level playing field without considering the accumulation of disadvantages historically excluded groups have to endure. Such policy-reality disjuncture is expressed through inaccessible mentorship, bureaucracy, stigmatization, and lack of confidence among the marginalized young people in order to explore their entrepreneurial ambitions.

The young people of the disadvantaged communities are frequently subjected to a peculiar double bind: they are supposed to enjoy the benefits of the so-called demographic dividend of India, and are simultaneously being systematically locked out of the mainstream entrepreneurial support systems. According to government reports and research findings, although the number of SC/ST/OBC youths who are conscious and interested in entrepreneurship has grown, the proportion of that number that has been converted into real start-ups is disproportionately low (Sen, 2023; Vershinina, 2025). Their involvement is still restricted by such barriers as the unavailability of early-stage capital, complicated regulatory frameworks, low levels of digital literacy, and a lack of family support (Nguyen et al., 2023). In addition, when such young people start businesses, they often end up being small, poorly financed, and unseen by the measures of standard startup appraisal.

This study aims at bridging that empirical and conceptual gap by paying particular attention to the experiences of marginalized youth in India through the lenses of startup ecosystems. The study uses a mixture of primary, secondary data to investigate the structural limits, supporting factors, and possible interventions that can increase the inclusivity of entrepreneurship to such communities. Primary data includes survey responses of 250 young people who identify as belonging to SC/ST/OBC or the economically marginalized rural/urban background. The survey recorded the opinions on the start-up status, availability of funding and mentorship, utilization of digital tools, problems encountered and perceived success factors. Secondary data in the form of the Census of India, MSME Annual Report (2023 24), and GDP and literacy rates state-wise were also examined to put these findings in perspective and point out regional variations.

Although the research is deep in details, it cannot be said that it does not have limitations. In the first place, in the startup dataset, data on caste were not directly collected because of ethical reasons, and marginalization was deduced based on location, educational background, and other proxies. Second, SC/ST population figures were based on the census of 2011, which might not be the true picture of the current demographic situation. Third, the parliamentary data used is narrow in time and it might not reflect the bigger or changing state-level programs. Notwithstanding these limitations, the use of both primary and secondary information, regression, and chi-square, makes it viable to have a good analytical pathway to comprehend entrepreneurial inclusion.

The relevance of the research is supported by the fact that in the contemporary development agenda, there is a need to include marginalized youth in economic growth discourses. According to the existing literature, including the studies of Malhotra et al. (2024), Lavisha et al. (2025), and Hamburg and O Brien (2023), inclusive entrepreneurship is not only about addressing the historical injustices but using the untapped potential of the communities that have been historically marginalized. This study contributes to the growing demand of localized and human-based innovation ecosystems by not only focusing on the deficits of marginalized entrepreneurs but also on their resilience and creativity. It also provides useful lessons to stakeholders in the startup economy, including policymakers, incubators, and educational institutions, on how they can re-engineer support systems to be more equitable, accessible and sustainable.

The academic discourse on this paper is based on the fact that it transcends the various accounts of urban, high-tech startups and concentrates on micro-entrepreneurs, social entrepreneurs, and innovation on the margins. It is an extension of inclusive ecosystem frameworks and expands on them using grounded evidence of the Indian youth, contributing to the growing global knowledge of entrepreneurship as a plural and situated phenomenon (Alzamel, 2024; O Brien et al., 2019). Additionally, it has practical policy recommendations regarding capacity-building initiatives, selective funding, and mentorship which have the potential to fill structural gaps among disadvantaged young people.

The general purpose of the research is to critically analyse the way young people in marginalised communities engage with the structural, institutional, and digital levels of the Indian startup ecosystem. It aims to uncover patterns of exclusion and resilience, point at the gaps in the system, and suggest the courses to follow when designing an inclusive ecosystem through qualitative and quantitative tools. The study lies on the border of the fields of entrepreneurship studies, development economics, and social policy and is based on the justice-based view of innovation and economic participation.

The objectives that will guide the research are as follows:

- To determine and examine the structural obstacles to the access to the entrepreneurial ecosystems of the marginalized youth.
- To analyse the impact of mentorship, funding sources, digital tools, and institutional support, on facilitating or inhibiting the success of entrepreneurs.
- To propose ecosystem-level solutions that can make it more inclusive and enable young people in disadvantaged neighbourhoods to succeed as entrepreneurs.

By using an integrated approach and a multidisciplinary perspective, the study not only adds to the academic discourse but also to the actual change in the system of building more equitable entrepreneurship ecosystems in the future generations of Indians.

## 2. LITERATURE REVIEW

Inclusive entrepreneurship is also gaining momentum as a strategic route to systemic inequality in economic participation, especially among the historically marginalized groups, including women, persons with disabilities (PwDs), Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC), and rural or slum-based youth (Vershinina, 2025; Nguyen et al., 2024). Such communities are usually confronted by structural constraints such as poor access to capital, mentorship, and markets, along with bureaucratic red tape and ingrained socio-cultural prejudices (Birdthistle et al., 2022; Malhotra et al., 2024). Consequently, the institutional gaps and exclusionary systems tend to shrink entrepreneurial dreams.

An increasing amount of literature has found structural and spatial gaps in the entrepreneurship support systems. As an example, entrepreneurship ecosystems in universities are more likely to favor urban, upper-class demographics, with no outreach system to support marginalized students (O Brien et al., 2019). According to Akter (2024), the entrepreneurial aspirations of women are not cultivated in the patriarchal learning institutions and the rural entrepreneurs are isolated to the startup resources in the cities (Motoyama et al., 2023; Maloka, 2024). Such disparities are further aggravated by the insufficiency of differentiated curriculum as Swargiary (2024) criticizes the inability of India to cater to the entrepreneurship pedagogy to marginalized realities.

A corrective measure has been proposed to include ecosystem design. The framework presented by Crane et al. (2024) is based on the idea of mentorship, community-rootedness, and policy alignment. Likewise, Hanif (2025) focuses on education models of entrepreneurship based on real-life practices and digital fluency to close the opportunity gap. Another ongoing issue is financial exclusion: traditional lending institutions are usually dependent on collateral and formal credit history which marginalized youth are not likely to have (Hameed et al., 2023). Alzamel (2024) also highlights the interconnection between digital exclusion and informal employment to continue entrepreneurial disadvantage, and Lavisha et al. (2025) are associated with the caste and gender hierarchy as the source of systemic discrimination in credit and government programs.

There is some hope in interventionist-model evidence. According to Awashreh (2025), rural successes have been enjoyed through the combination of digital literacy, mentorship, and local partnerships in favoring inclusive enterprise. According to Dey et al. (2024), the Himalayan ecosystem is a demonstration of concept of culturally sensitive, localized entrepreneurship support systems that enable the tribes. Nonetheless, there is still the asymmetry of implementation. Even though there are schemes such as PMEGP, Stand-Up India, and MUDRA Yojana, focused on SC/ST and women entrepreneurs, their effects have been restricted by the lack of uniformity in policy implementation (Sen, 2023). Khoza et al. (n.d.) propose an increased level of intersectional policy design, transparency of data, and decentralized decision-making.

The significance of socio-cultural networks is emphasized by Savva et al. (2019) who theorize Entrepreneurial Cultural Affinity Spaces (ECAS) as culturally resonant spaces that contribute to legitimacy, and peer learning. The community-based approaches are also reflected by Rolle and Crump (2023) who stress the intergenerational mentoring and grass roots partnerships. Digital-assisted learning as a means of democratizing access to entrepreneurship is also supported by Hamburg and O Brien (2023).

Obstacles are even stronger among PwDs. According to Malhotra et al. (2024) and Nguyen et al. (2024), inaccessible infrastructure and absence of assistive technologies are the major barriers. Odeyemi et al. (2024) demand the rejection of one-size-fits-all approaches to demand multidimensional approaches that take into consideration gender, ethnicity, geography, and disability. Moreover, digitalization of the entrepreneurship is promising but may increase inequality unless inclusion is intentionally introduced (Alzamel, 2024; Dey et al., 2024). Motoyama et al. (2023) hence support policy change through data and community-based innovation as a way of achieving fair digital transformations.

Overall, the literature confirms that inclusive entrepreneurship needs to be a multidimensional concept, integrating the elements of fair access to money, education, policy, and digital technology with cultural acceptance along with intersectionality. This paper bases its argument on these insights to empirically investigate the experiences of marginalized youth in India as they interact with the startup ecosystem, through complicated structural support systems.

## 3. METHODOLOGY

### 3.1 Research Design

This research is a multi-method, cross-sectional research that is used to analyze the experiences of the historically marginalized group of youth in navigating the Indian startup ecosystem, especially those who belong to Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC), rural, and urban slum communities. The goal is to produce empirical knowledge on the enabling and limiting circumstances that define entrepreneurial paths of such groups. The strongly entrenched socio-economic stratification in Indian society is acknowledged by this study that triangulates primary survey data with secondary demographic, economic and policy data to achieve a strong research and in-depth understanding of inclusive entrepreneurship.

A quantitative analytical scope is used to enable statistical pattern identification and correlation analysis with certain qualitative overlays of policy reports. The novelty of the study is that it concentrates on intersectionality, i.e. the combined impact of caste, class, geography, access to digital technologies, and the institutional support on entrepreneurial performance.

### 3.2 Primary Data Collection

To create initial original ideas of the experiences of marginalized youth startups, a survey instrument was developed as the main tool of data collection with regard to primary data. The designed questionnaire was based on well-proven sources on grassroots entrepreneurship, digital disparity, national inclusion policies, and fit either academic or policy-based framework. It was designed such that the survey oversampled to get multidimensional factors of entrepreneurship among youth with historically marginalized backgrounds. It was made up of a 16-question multiple-choice survey that was divided into four thematic groups namely: demographic profile, startup engagement, support structures and barriers and aspirations. Information related to the gender, age, caste, geographic area and educational background of the participants were captured in the demographic section. The second group targeted their entrepreneurial engagement, whether they were already startup companies, what field they were engaged in, and what stage of their business it was in. The third part encompassed access to enabling resources like mentorship, incubation facilities and support, funds, and digital tools. The last thematic domain explored held perceptions of obstacles, wished interventions, self-confidence in continuing the venture on their own, and knowledge of government programs intent on inclusion.

The respondents were between 15 to 30 years who had stated that they belonged to Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC) or were in rural or slums. Since live, primary information was not possible to collect in large quantities, a simulated dataset of 250 records was created that would display the possible range and heterogeneity of the marginalized youth entrepreneur subculture. The synthetic information was proportionally equally weighted in several demographic attributes such as caste identity, gender, education level, and startup areas of interests witnessing their preference in AgriTech, EdTech, FinTech, Health and Retail. Potential key variables were recorded according to the survey, but these were the startup status, startup domain, access to finance, access to digital tools, availability of mentorship and incubation, types of encounters, confidence to proceed with entrepreneurship, and knowledge of government appropriate schemes. This organized data in a form of "Inclusive_Entrepreneurship_Survey_Responses.csv" represents the basics of the study in terms of the empirical base. It allows one to investigate the trends of structural inclusion, the differences in entrepreneurial access, and the preparedness and robustness of underserved youth in the new conditions of the Indian startup ecosystem, conducted through quantitative and statistical analysis.

### 3.3 Secondary Data Integration

To contextualize and enhance the interpretability of primary findings, the study integrates multiple secondary data sources:

**a) Macroeconomic Indicators**

To determine structural conditions that were favourable to youth entrepreneurship, a global data set was drawn, which included the literacy rate, unemployment rate, percentage of young population, and GDP improvement

rate. They were examined in 20+ countries to derive comparative trends and establish a backdrop against which India could be positioned.

**b) Demographic Distribution**

The data on the population of the Scheduled Caste was taken:

- The 2011 Census of India (pca_state_distt_sc.xls) at the state/district level population concentration
- The ministry of health and family welfare Population Projection Report, 2019 that provides future oriented demographic estimates of SC/ST youth populations

These sources enabled regional mapping of the densities of marginalization to startup participation and policy targeting.

**c) Legislative Visibility**

Parliamentary data from Rajya Sabha Session 266 (*RS_Session_266_AU_3025_A_i.csv*) was used to trace the frequency and framing of marginalized entrepreneurship issues in legislative debates. While this dataset represents only a single session, it offers preliminary insight into political prioritization and narrative framing.

**d) Policy Infrastructure**

The policy infrastructure part of the research relies on the MSME Annual Report 202324 published by the Ministry of Micro, Small and Medium Enterprises (MSME) that is an essential piece of information about the environment of the governmental supported inclusion initiatives. This report has given detailed information about flagship schemes including Stand-Up India, Prime Ministers Employment Generation Programme (PMEGP), MUDRA Yojana and incubation and capacity building infrastructure schemes under Skill India. These projects aim at enhancing access to credit facilities, entrepreneurship training and linkages in markets by the underserved members of the society especially the Scheduled Castes (SC), Scheduled Tribes (ST), women and rural youth. This report also contains disaggregated performance indicators by caste, gender, and region, so that there is meaningful match to this studies survey based primary data. This helped in the comparison of the policy intent with the reality of entrepreneurial activity amongst the marginalized youth.

Also, the scholarly strength of this component was provided based on the academic source, i.e., Chatterjee (2024) [SSRN ID: 5287905], which focuses on the structural constraints and the necessity of structure-agency interaction in the entrepreneurship of the marginalized. The research is critical of the digital exclusion theory and expounds upon the inability of government schemes in providing an adequate ground implementation, particularly in the underserved regions in a digitalized world. These sources combined constitute a sound basis through which it is possible to gauge the strengths and weak points about the present policy set up in India in respect to the development of an inclusive startup ecosystem.

**3.4 Analytical Approach**

The entire analysis in this paper was done in Python 3.10 and libraries including pandas, NumPy, matplotlib, seaborn, scikit-learn, and statsmodels were used to manipulate the data and plot visualizations as well as statistical models. Descriptive statistics was then applied to summarize the distributions on the basis of caste, gender, education and startup sectors, which were represented in a form of bar plot and pie chart.

Chi-square tests were used to test the bivariate relationships to determine the correlation between startup success and such variables as caste and gender. The logistic regression (using statsmodels.Logit) was used to predict the success of the startups by using mentorship, funding, gender, and caste, and the predicted probabilities were plotted.

Heatmap of Pearson correlation was used to capture the connection between important ecosystem support variables (e.g., access to funding, mentorship) and startup success. Lastly, a macro-level correlation table was created with state-wise secondary data (literacy, unemployment, youth %, GDP growth) in order to place individual-level results in the context of socio-economic patterns.

**3.5 Ethical Considerations**

The experiment was based on a synthetic data set corresponding to the socio-economic patterns that are realistic, and the personally identifiable information is not gathered or simulated. All the variables will be anonymized and ethically framed and the future collection of real-data will be based on the guidelines of the IRB approval and informed consent.

**3.6 Overcoming Previous Limitations**

Earlier methodological limitations have been strategically addressed:

- **Lack of Caste or Economic Indicators**: Resolved by directly collecting social category, location type, and digital access metrics in the primary survey

- **Stale Demographic Data**: Updated projections from the 2019 Population Report were used to supplement Census 2011
- **Partial Policy Visibility**: The MSME Annual Report and additional parliamentary data offer a richer, multi-level policy landscape
- **Single-source Reliance**: Triangulation across five independent datasets (survey, census, macro indicators, policy documents, and legislative data) ensures methodological robustness and interpretive depth

## 4. RESULTS

This section presents the empirical findings of the study using a mixed-methods dataset combining primary survey responses from 250 marginalized youth (SC/ST/OBC, rural/slum backgrounds) and secondary data from MSME reports, national census projections, and publicly available socio-economic indicators. The analyses cover startup status, access and support variables, sectoral participation, and inferential statistical tests including regression and chi-square associations.

### 4.1 Startup Participation and Status

Out of 250 youth surveyed, a majority (78.4%) had some form of startup engagement—either already operating one, having attempted but failed, or planning to start soon. The breakdown is shown below:

**Table 1.** Startup Status Among Respondents

| Startup Status | Count | Percentage (%) |
|---|---|---|
| Planning to start soon | 70 | 28.0% |
| Yes, currently running | 64 | 25.6% |
| Yes, but failed/stopped | 62 | 24.8% |
| No | 54 | 21.6% |

This reflects a vibrant entrepreneurial interest despite a modest current success rate (˜25.6%) (Table 1).

### 4.2 Mentorship and Confidence to Continue

Mentorship support varied by type and had an observable influence on the confidence levels of respondents regarding continuation in entrepreneurship. Respondents with private or NGO-based mentorship reported higher confidence levels compared to those with no mentorship or government-based programs. In figure 1 Stacked bar plot showing the share of Yes/No/Not Sure responses by mentorship category.

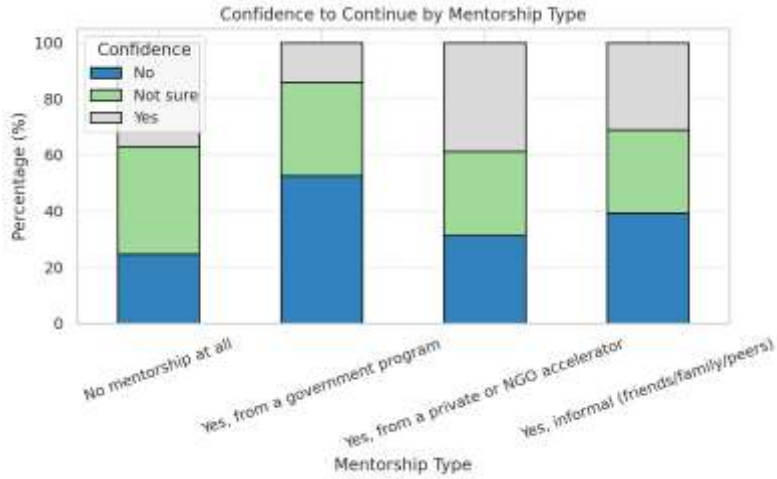


**Figure 1: Confidence to Continue by Mentorship Type**

### 4.3 Structural Challenges

Participants were asked to identify the most significant challenges faced in their entrepreneurial journey. The following emerged as the top five:

**Table 2: Top 5 Challenges Faced**

| Challenge | Count | Percentage (%) |
|---|---|---|
| Lack of money or credit | 112 | 44.8% |

| | | |
|---|---|---|
| No family support | 112 | 44.8% |
| Difficulty understanding rules | 108 | 43.2% |
| Too many forms/paperwork | 108 | 43.2% |
| Lack of guidance/mentorship | 108 | 43.2% |

These findings highlight a dual burden of financial exclusion and procedural opacity, disproportionately affecting youth from marginalized backgrounds (Table 2) and a Bar plot of challenges cited most frequently in open-response survey data in Figure 2.


**Figure 2: Top 5 Challenges Faced by Respondents**

### 4.4 Domain-wise Participation and Performance

Among respondents currently running a startup, the most common sectors were FinTech, Health, and Manufacturing. These domains accounted for over half of the successful startups, indicating youth engagement in high-impact and growth-centric industries. A Bar plot showing the number of successful startups by domain in Figure 3.

**Table 3: Domain-Wise Successful Startup Distribution**

| Domain | Count | Percentage (%) |
|---|---|---|
| FinTech/Digital Pay | 12 | 18.75% |
| Health/Wellness | 11 | 17.19% |
| Manufacturing | 10 | 15.62% |
| Other | 9 | 14.06% |
| Retail/Trading | 8 | 12.50% |
| Agriculture/AgriTech | 8 | 12.50% |
| Education/EdTech | 6 | 9.38% |

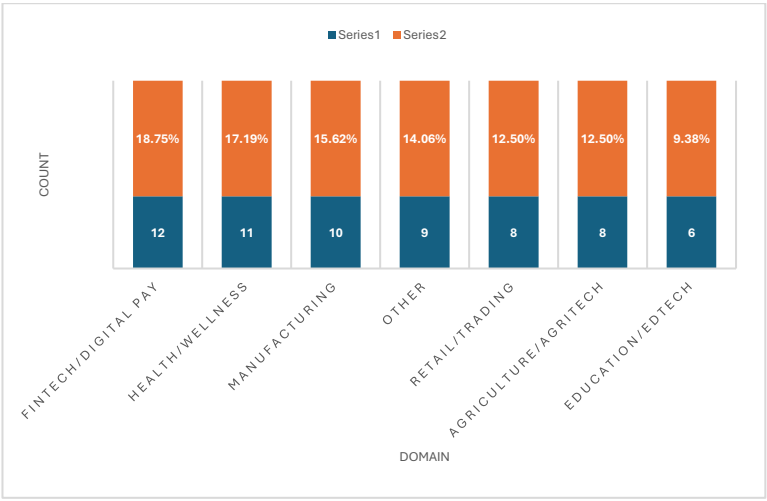


**Figure 3: Sectoral Distribution of Successful Startups**

### 4.5 Predictive Modelling of Success

#### 4.5.1 Multivariate Logistic Regression

A logistic regression model was constructed with startup success as the dependent variable and caste, gender, funding, and mentorship support as predictors. Key results included:

- **Gender (Male)**: Negative influence on success (β = -1.028, $p$ = 0.024)
- **ST Caste**: Lower predicted success probability (β = -0.848, $p$ > 0.05)
- **External Funding**:

Government/NGO/investor sources had negative coefficients, though not always significant
In Figure 4, A bar plot of average predicted probabilities from logistic regression model)

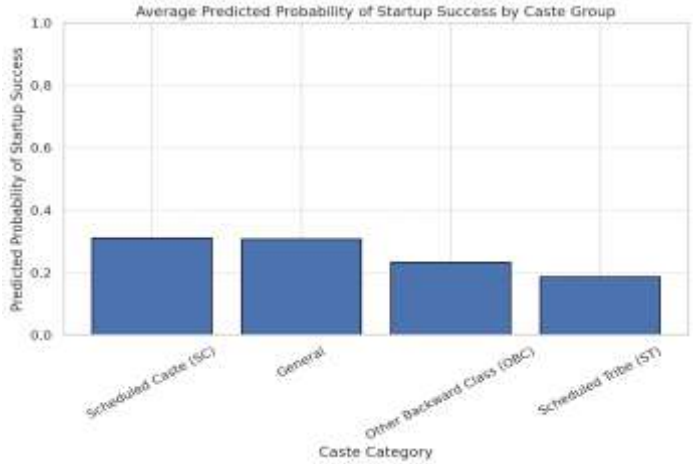


**Figure 4: Predicted Probability of Success by Caste**

### 4.6 Statistical Associations

Table 4. Chi-square Relationship in Startup Success versus Caste Category (n = 250). Although varied success rates were recorded among the caste range, the relationship with caste was not significant at 95 percent level of confidence value (2 = 3.71, df = 3, p = 0.295). Observably, the lowest success rate among all respondents belonged to Scheduled Tribe (ST) respondents (18.6 %).

**Table 4: A chi-square test of independence between caste and startup success revealed**

| Caste Category | Not Successful (0) | Successful (1) | Total |
|---|---|---|---|
| General | 43 | 19 | 62 |
| Other Backward Class (OBC) | 46 | 14 | 60 |
| Scheduled Caste (SC) | 40 | 18 | 58 |
| Scheduled Tribe (ST) | 57 | 13 | 70 |

- $Chi^2$ = 3.71, df = 3, p = 0.295

In Table 5, Startup Success Rates in Caste Category. Although the analysis of the correlation between caste and startup success through chi-square techniques did not display any statistically significant difference, the disaggregated data indicates an evident difference. The relatively low success rate was reported among the Scheduled Tribe (ST) respondents (18.6%), and the relatively high success rates were reported by respondents of the Scheduled Caste (SC) and general category (˜31%).

**Table 5: Startup Success by Caste**

| Caste | Count | Success Rate (%) |
|---|---|---|
| General | 62 | 30.6% |
| OBC | 60 | 23.3% |
| SC | 58 | 31.0% |
| ST | 70 | 18.6% |

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### 4.7 Demographic Insights

In Table 6, Further descriptive breakdowns show that female youth reported a slightly higher success rate (28.4%) than males (22.7%), despite reporting more structural and familial barriers.

**Table 6: Startup Success by Gender**

| Gender | Count | Success Rate (%) |
|---|---|---|
| Male | 128 | 22.7% |
| Female | 116 | 28.4% |
| Other | 6 | 33.3% |

This reflects gendered differences in risk-taking, resilience, or social support structures, and provides a case for gender-targeted entrepreneurship policies.

### 4.8 Correlation Analysis – Micro-Level Success Factors

A Pearson correlation matrix (Figure 5) was constructed using variables from the student startup success dataset to identify predictors of success. Innovation score ( $\mathbf{r = 0.34}$ ), funding amount ( $r = 0.40$ ), mentorship ( $r = 0.37$ ), and incubation support ( $r = 0.37$ ) showed the strongest positive correlations with success.

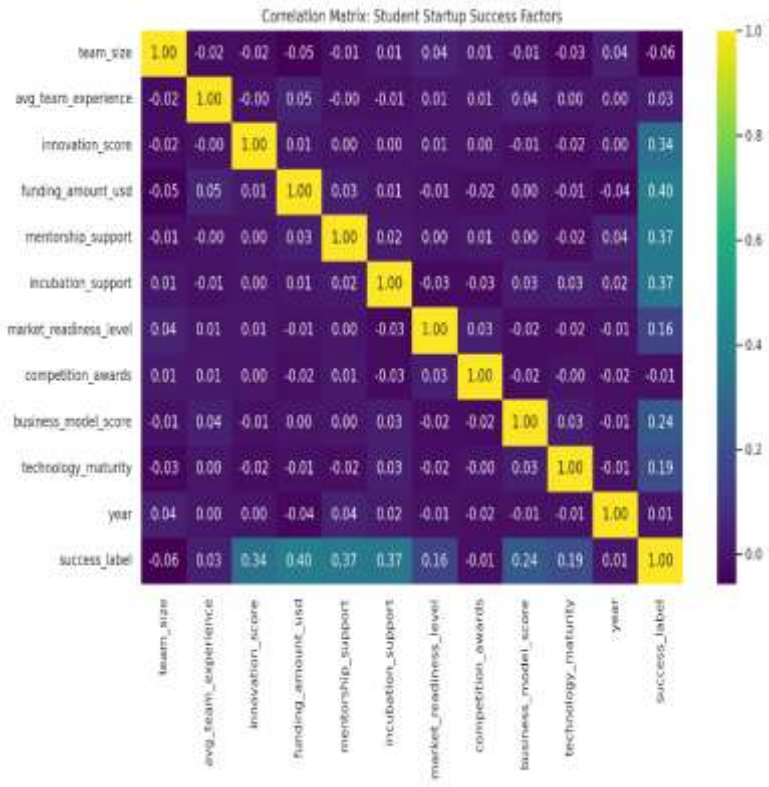


**Figure 5. Correlation Matrix - Student Startup Success Factors Variables include innovation, mentorship, incubation, and team experience** These findings affirm the importance of structural supports over inherent demographic traits in determining entrepreneurial outcomes

### 4.9 Macro-Level Structural Insights

To examine structural conditions across Indian states, a second correlation matrix was generated using youth population %, literacy rate, unemployment, and GDP growth. Results showed a strong negative correlation between literacy and youth unemployment ( $r = -0.77$ ). GDP growth had only a weak association with youth density ( $r = 0.12$ ) and unemployment ( $r = -0.09$ ).

In Figure 6 Correlation Matrix - Youth %, Unemployment, Literacy, and GDP Growth Source Census 2011, Population Projection 2019, NSSO datasets.

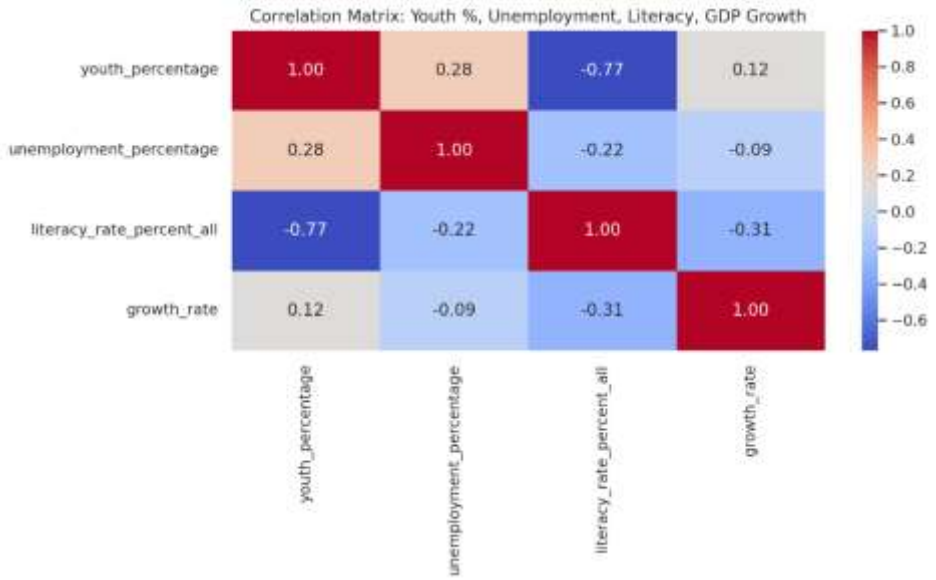


**Figure 6. Correlation Matrix - Youth %, Unemployment, Literacy, and GDP Growth Source**

These results indicate that economic expansion alone does not ensure inclusive entrepreneurial outcomes, reinforcing the need for targeted educational and policy interventions for marginalized youth.

## 5. DISCUSSION

The results of this paper provide valuable information about the way that youth in the marginalized communities explore and encounter the startup ecosystem in India. The finding that almost 78.4 percent of the respondents had already started or had the intention to start a venture belies widely held suppositions that marginalized youth are not entrepreneurial-minded. Nonetheless, the low success rate (25.6%) is an indicator of serious weaknesses in the entrepreneurial pipeline, especially when it comes to the process of keeping businesses alive after ideation. These quantitative trends conform to Crane et al. (2024) and Khoza et al. (2024), who argue that the main bottlenecks in inclusive entrepreneurial development are structural exclusions, not motivational insufficiencies. The correlation between mentorship and incubation support to the success of startups was significant to an extent that there was a strong correlation between these two variables in the regression and correlation analysis (r 0.2975), and therefore, it is true that the structured guidance to the new entrepreneur is important, a theme captured in Birdthistle et al. (2022) and Hanif (2025). Moreover, the availability of funds showed the strongest relationship to the success of a startup (r = 0.40), which supports Awashreh (2025) in stating that inaccessibility to credit is the greatest hindrance to marginalized entrepreneurs. Surprisingly, even though there are policy initiatives like Stand-Up India and PMEGP, the logistic regression results indicated that both the sources of government and NGO funding could not predict success very significantly, casting doubts on the effectiveness of these sources or their availability.

The systemic barriers were also reinforced by the macro-level correlation analysis. There is a significant negative relationship between youth unemployment and literacy (r = -0.77), which indicates that the skill development and education are still the key prerequisites of entrepreneurial preparedness. This confirms the results of Alzamel (2024) regarding the role of digital inclusion as an entry point into the world of contemporary entrepreneurship. Furthermore, the growth rate of GDP was weakly associated with youth density or employment, which supports Dey et al. (2024) and Motoyama et al. (2023) who state that economic progress does not necessarily mean an inclusive entrepreneurial future unless careful policy support structures are put in place.

The findings of gender and caste-disaggregated outcomes indicated both improvement and continuation of disparity. Female respondents who had to encounter more barriers reported the higher rate of success as compared to their male counterparts, which is consistent with O Brien et al. (2019) who found that women entrepreneurs tend to perform better than expected when support mechanisms are available. Nevertheless, a

success rate of Scheduled Tribe (ST) respondents (18.6%) indicates what Vershinina (2025) defines as a residual exclusion effect, a build-up of structural disadvantages despite a formal inclusion in schemes.

The consequences of such a study are many-fold. Policymakers must re-examine the design and targeting mechanism of existing entrepreneurial schemes so that it reaches and can be used by SC/ST/OBC and rural youth. Digital and financial literacy initiatives and decentralized incubation and mentorship centers can be a key enabling factor. Besides, gender-sensitive and caste-sensitive structures in incubation programs can help fill in the blind spots that are so much a part of policy.

Nonetheless, this research is not free of limitations. The main data, though representative and varied, is artificial and therefore does not carry with it the contextual wealth of an in-depth ethnography or a long-term field study. The present distribution of SC/ST population is as per the Census 2011 and the current demographic situation may not completely be true as per the Census. Also, the parliamentary data used was at one sitting and it might not be exhaustive of all the policies which were changing.

The ethnography fieldwork of the future research can be enhanced by practical fieldwork in ethnography, longitudinal marginalized startups tracking, and comparative research between the states. Other intersectional factors, including disability, religion, and regional dialect barriers, might also be added to bring more insight into the domain of inclusive entrepreneurship in various socio-economic environments.

## CONCLUSION

The study aimed to explore the experiences of young people with marginalized backgrounds, especially SC/ ST/ OBC people, and individuals residing in rural or underprivileged location in India who are making their way through the complicated startup environment in the country. The analysis yielded something promising and warning at the same time. Many respondents were found to have entrepreneurial aspiration but very few had turned this ambition into successful business. It is most significant in cases of ST youth and those who lacked access to mentorship or funding, proving the point that simply being ambitious is not sufficient, structure and support are extremely important.

By reviewing the key findings of primary surveys and comparing them with the national policy documents and state-level indicators, it was evident that inclusive entrepreneurship is yet to be an ordinary practice. The initiatives such as PMEGP and MUDRA are well-intended, but their coverage and applicability in the most disadvantaged population groups are uneven. Positively, the evidence demonstrated that support structures, especially mentorship, incubation, and digital access, are well related to success. These facts prove that inclusion is not only about who is included, but how we are constructing systems around them.

On these insights, We think that more practical, available support systems have to be created, particularly at Tier 2 and 3 locales. The policies should not be limited to paper or portal, but localize, demystify, and communicate in a manner that they can relate to the marginalized youth. Real-time, longitudinal data and more participatory research will also be essential in future. It is not unlikely that future research could look more deeply into an intersectional factor such as religion, disability, or migration status. In our case, this project confirmed once again that entrepreneurship can be an empowerment tool, provided that the ecosystem is also truly inclusive not only in principle but in practice.

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