


## Chapter 6

# Digital Transformation: Catalyzing Rural Entrepreneurship in the 21st Century

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### ABSTRACT

*The digital era has brought significant changes to the business landscape, but it has also exacerbated inequality and posed challenges to achieving the Sustainable Development Goals (SDGs). This research employed exploratory sequential mixed methods to investigate how digitalization impacts rural entrepreneurship. Results highlight the diverse opportunities that digital transformation and technological advancements have created in rural entrepreneurship. These opportunities include the growth of family-run businesses, improved employment prospects, and enhanced regional economic development. By harnessing local humanist knowledge, a business model that promotes social solidarity and economic transformation has the potential to mitigate uncertainty and inequality. Consequently, this study provides empirical evidence and recommendations for institutional and social reforms, contributing to our understanding of the latest innovation theories associated with Konratieff Schumpeter's wave in institutional and social entrepreneurship.*

### INTRODUCTION

The digitization of rural entrepreneurship is rapidly gaining significance, and it has garnered attention in policies aimed at both regional and global development (World Bank, 2022). This transformation introduces a range of fresh possibilities and challenges, all of which are rooted in the local knowledge potential inherent in the paradigm of rural Social Solidarity Economy (SSE) transformation. Additionally, digitization holds the potential to significantly impact economic advancement and promote regional

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growth (Baranauskas & Raisiene, 2022). However, it is important to note that previous discussions have primarily focused on the challenges, with limited attention given to the potential benefits.

Digital technology may clearly provide economic value, but in order to fully realise its potential for creating value, it's also critical to identify and take advantage of the opportunities it presents (Kreuzer et al., 2022). Therefore, our study's main goal was to find out how, in the particular context of India, technological digitalization is affecting rural entrepreneurship.

The Sustainable Development Goals (SDGs) are both challenging and advanced by the digitalization and technological transformation of entrepreneurship. Scholars and organisations have given this dual impact a great deal of attention (Qureshi & Woo, 2022; World Bank, 2022).

On the one hand, through encouraging innovation, improving access to resources and information, and generating new economic opportunities, digitalization has the potential to greatly accelerate progress towards the SDGs. But it's important to understand that the same digital revolution might also make economic inequality worse, which can make it difficult to accomplish these same objectives i.e. SDGs. Digitalization can exacerbate economic inequality by creating a digital divide. When some populations have limited access to digital technologies, skills, or resources, they may miss out on the economic opportunities and benefits that digitalization can offer. This inequality can make it challenging to achieve the goal of reducing inequality within and among countries (SDG 10-Reduced Inequality).

Issues related to data privacy, cybersecurity, and digital surveillance can undermine trust in digital systems and infringe on personal freedoms. This erosion of trust can hinder progress toward building strong and inclusive institutions (SDG 16-Peace, Justice, and Strong Institutions) that ensure equal access to justice and protection of human rights. The digital revolution, while offering efficiency gains, can also contribute to increased energy consumption and electronic waste, which may contradict efforts to combat climate change (SDG 13-Climate Action). Managing the environmental impact of digitalization is essential for aligning it with the goal of environmental sustainability. In summary, the difficulties in accomplishing the SDGs arise from the negative consequences associated with digitalization, such as economic inequality, privacy concerns, and environmental impact. To overcome these challenges, it is crucial to implement policies and practices that address these issues while harnessing the positive aspects of digitalization to accelerate progress toward the SDGs.

Concerns about the possible effects of digitalization, such as the possibility of rising unemployment and income inequality, are becoming more prevalent in industrialised nations like the US (Yusuf, 2021). Furthermore, despite their tremendous advancements in technology, developing nations like China and India are seeing a concurrent rise in inequality (Qureshi, 2019). The digital divide is widened by these discrepancies being further compounded by unequal access to high-speed internet, especially among low-income households (Chiou & Tucker, 2020).

In addition, the digital revolution has brought about a technical revolution that has made economic inequality worse and made it more difficult for low-income households to support the growth of youth and human capital (World Bank, 2022). This has resulted in a growing economic disparity between employers and employees, which emphasises the need to carefully weigh the benefits and drawbacks of the technological revolution brought about by digitalization (Aboulilah et al., 2022).

It is noteworthy that studies and real-world observations suggest that modern digital technology has sparked worries about possible detrimental psychological impacts that could be difficult to identify or completely comprehend in addition to being unpleasant (Rijswijk et al., 2021). These consequences highlight how crucial it is to thoroughly investigate the ramifications of digitalization outside of its economic context. Understanding the causes behind digital transformation in entrepreneurship and its

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