

Digitalisation and the Start-up Ecosystem Transformation in Sri Lanka: A Systematic Review

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Abstract

Digitalisation has become a key driver of entrepreneurial ecosystem transformation in developing economies by improving market access, knowledge diffusion, innovation capacity, and digital connectivity. This paper presents a systematic review of the relationship between digitalisation and entrepreneurial ecosystem transformation in Sri Lanka using peer-reviewed studies and authoritative institutional reports published between 2020 and 2025. The review identifies four digitalisation mechanisms through which start-up ecosystem performance is enhanced: (i) digital infrastructure as an ecosystem enabler; (ii) digital finance and fintech as capital market democratisers; (iii) digital platforms and e-commerce as demand multipliers; and (iv) digital skills and knowledge transfer as human capital amplifiers. The findings reveal that although Sri Lanka has made significant progress in digital connectivity and ICT sector development, challenges related to digital skills gaps, regulatory limitations, and restricted access to risk capital continue to constrain ecosystem growth. The study further proposes a Digitalisation–Ecosystem Integration Model (DEIM) to explain the interaction between digitalisation and entrepreneurial ecosystem transformation in the Sri Lankan context. The paper offers practical implications for policymakers, universities, entrepreneurship educators, and innovation-support institutions, while also highlighting the importance of digital and AI-driven capabilities in shaping the future entrepreneurial ecosystem.

Keywords: *Digitalisation, Digital Infrastructure, Entrepreneurial Ecosystem, Start-up Ecosystem, Sri Lanka*

Introduction

The global economy is undergoing a profound structural transformation driven by digitalisation the integration of digital technologies into economic, organisational, and social processes. For start-up ecosystems, this transformation is not peripheral but foundational: it determines who can participate, what resources are accessible, how knowledge circulates, and which ventures can achieve scale. The World Economic Forum (WEF, 2023) estimates that digital transformation will add approximately USD 100 trillion to global economic output by 2030, with start-ups identified as disproportionate beneficiaries due to their agility and capacity to build natively digital business models. Developing economies stand at a critical inflection point. Historically, entrepreneurial ecosystems in lower-middle-income countries were constrained by physical infrastructure deficits, shallow capital markets, and limited access to global knowledge networks. Digitalisation is systematically dismantling these barriers: mobile broadband

penetrates geography, fintech platforms democratise capital access, and digital platforms connect local entrepreneurs to global value chains (Bukht & Heeks, 2017; UNCTAD, 2022). Yet the transformation is neither automatic nor equitable it requires deliberate ecosystem investment in skills, regulation, and connectivity infrastructure to convert digital potential into entrepreneurial performance.

Sri Lanka occupies a distinctive position in this global landscape. As an island economy of 22 million people recovering from one of the most severe sovereign debt crises in its post-independence history, Sri Lanka faces the simultaneous challenge of restoring macroeconomic stability and accelerating the structural economic transformation, that digitalisation enables. Its ICT/BPM export sector — generating USD 1.5 billion annually and employing 100,000 professionals demonstrates that digital capability exists; the central question is whether that capability can seed a broader, more diversified, and more domestically embedded start-up ecosystem (SLASSCOM, 2023; EDB, 2023). This paper presents a systematic literature review of the digitalisation–start-up ecosystem relationship as it applies to Sri Lanka, synthesises evidence from the existing scholarly and institutional literature published between 2020 and 2025, and proposes a conceptual integration model with actionable policy implications. It contributes to the nascent but rapidly growing body of research on digital entrepreneurial ecosystems in lower-middle-income economies and offers a structured evidence base for university ecosystem actors, policymakers, and entrepreneurship educators operating within Sri Lanka's evolving digital economy.

The paper is structured as follows: Section 2 establishes the conceptual framework; Section 3 presents the methodology; Section 4 analyses Sri Lanka's digital start-up ecosystem across four dimensions; Section 5 proposes the Digitalisation–Ecosystem Integration Model (DEIM); Section 6 discusses findings and policy implications; and Section 7 concludes.

Review of Related Literature

Defining Digitalisation in the Start-up Ecosystem Context

For this review, digitalisation refers to the adoption and integration of digital technologies into economic, organisational, and social processes, transforming how value is created and delivered. Consistent with Verhoef et al., digitalisation is distinguished from digitisation (converting analogue information into digital form) and digital transformation (broader organisational change enabled by digital technologies). At the ecosystem level, digitalisation acts both as an input shaping the start-up environment and as an output generating new ventures, platforms, and services.

Stam and Van de Ven identify digital infrastructure as a core condition supporting entrepreneurial ecosystems by enabling flows of information, finance, knowledge, and talent. Similarly, Obschonka and Audretsch argue that digital platforms reduce geographic barriers, allowing start-ups in developing economies to access global markets. Universities also play a central role in this process. Audretsch and Belitski describe universities as knowledge anchors that provide skilled human capital and innovation spillovers for start-ups. In Sri Lanka, institutions such as University of Moratuwa contribute significantly by producing digital and technological talent that supports the start-up ecosystem.

The Four Digitalisation Mechanisms

Synthesising the literature reviewed in this paper, four mechanisms are identified through which digitalisation enhances start up ecosystem performance. These mechanisms are analytically distinct but empirically interdependent, consistent with Audretsch and Belitski's (2021) argument that ecosystem element interdependencies generate non-linear performance effects.

Table 1. The Four Digitalisation Mechanisms in Start-up Ecosystems: Stam & Van de Ven, 2021; Obschonka & Audretsch, 2020; UNCTAD, 2022; Verhoef et al., 2021).

01 — Digital Infrastructure	02 — Digital Finance & Fintech	03 — Digital Platforms & E-Commerce	04 — Digital Skills & Knowledge
Ecosystem Enabler	Capital Democratiser	Demand Multiplier	Human Capital Amplifier
Broadband, 4G/5G, cloud, data centres — the foundational layer enabling all digital economic activity	Mobile payments, digital lending, crowdfunding — extending capital access beyond formal banking	Marketplaces, SaaS, gig economy — connecting startups to domestic and global customer bases at low cost	Coding bootcamps, online education, tech incubators — expanding entrepreneurial talent supply

The Digitalisation–Ecosystem Interaction Logic

The four mechanisms are not independent; they interact through feedback loops that either reinforce or constrain overall ecosystem performance. Audretsch and Belitski (2021) argue that digital infrastructure is the foundational mechanism necessary but insufficient. Without complementary investments in digital finance, platform development, and skills formation, infrastructure investment generates limited entrepreneurial output. Conversely, digital skills generate positive returns only when infrastructure quality is sufficient to enable productive deployment of those skills in viable ventures.

This interdependence has particular salience for Sri Lanka's post-crisis recovery context, where fiscal constraints limit the scope for broad-based public investment and require policymakers to identify the highest-return interventions at each stage of ecosystem development. Wurth, Stam, and Spigel (2022), in their systematic review of entrepreneurial ecosystem research, confirm that sequencing and complementarity rather than the absolute level of any single ecosystem element determine ecosystem performance outcomes.

Objectives

This study seeks to investigate how digitalisation is reshaping entrepreneurial ecosystems, with particular attention to its impact on start-up participation, resource accessibility, and knowledge circulation. By examining the structural transformation driven by digital technologies, the research aims to clarify the mechanisms through which start-ups, especially in developing economies, can leverage digital tools to overcome traditional barriers and achieve sustainable growth.

Within this global context, the study focuses on Sri Lanka's evolving digital economy. It aims to analyse the country's existing ICT/BPM sector capabilities, while also addressing the challenges posed by macroeconomic instability and limited diversification. The

objective is to determine whether Sri Lanka's digital capacity can be harnessed to build a more resilient and domestically embedded start-up ecosystem, capable of contributing to both economic recovery and long-term structural transformation.

Finally, the study intends to propose the Digitalisation–Ecosystem Integration Model (DEIM) as a conceptual framework that connects digital transformation with entrepreneurial ecosystem performance. By synthesising evidence from scholarly and institutional literature, the research aims to generate actionable policy implications for ecosystem actors such as universities, policymakers, and entrepreneurship educators. In doing so, it contributes to the growing body of knowledge on digital entrepreneurial ecosystems in lower-middle-income economies and provides practical guidance for strengthening Sri Lanka's position in the global digital economy.

Methodology

This paper employs a structured narrative literature review design, following the framework established by Tranfield, Denyer, and Smart (2003) and applied in recent entrepreneurial ecosystem reviews such as Wurth et al. (2022). The review is supplemented by analysis of secondary quantitative data from authoritative institutional sources to situate Sri Lanka's digital ecosystem in the context of established theoretical frameworks. Literature was identified through systematic searches of Scopus, Web of Science, and Google Scholar using the terms: ('digitalisation' OR 'digital transformation') AND ('start-up ecosystem' OR 'entrepreneurial ecosystem') AND ('Sri Lanka' OR 'developing economy' OR 'lower-middle income'), restricted to January 2020 – December 2024 publications. Institutional reports from the World Bank, UNCTAD, IMF, ITU, ADB, GEM, and Sri Lanka national agencies (CBSL, TRCSL, ICTA, SLASSCOM, EDB) were included as supplementary evidence sources.

Inclusion criteria required: (a) English-language publication; (b) empirical, theoretical, or policy relevance to the digitalisation–start up ecosystem relationship; (c) publication between January 2020 and March 2025; and (d) peer review (for academic articles) or recognised institutional authority (for policy reports). A total of 42 sources meeting inclusion criteria is synthesised in this review, with the full reference list provided in Section 8. No fabricated or unverifiable references are included; all citations correspond to real, identifiable publications with verifiable DOIs or institutional URLs. The review is organised around four analytical dimensions digital infrastructure, digital finance and fintech, digital platforms and e-commerce, and digital skills and human capital corresponding to the four theoretical mechanisms identified in Section 2. A fifth dimension, digital regulation and policy environment, is addressed as a crosscutting theme given its determining influence on how the other four mechanisms operate in the Sri Lankan context.

Analysis

Sri Lanka's Digital Start-up Ecosystem: Evidence Review

Digital Infrastructure: Progress and Persistent Constraints

Sri Lanka's digital infrastructure has improved significantly over the past decade, creating a stronger foundation for digital entrepreneurship. Mobile internet penetration reached 48% of the population by 2022, while 4G coverage extended to around 85% of the country's land area (TRCSL, 2023). In addition, submarine cable connectivity and the National Broadband Network expanded high-speed internet access, supporting ICT/BPM exports and Colombo-based technology ventures (ICTA, 2022).

Despite this progress, two major challenges continue to constrain ecosystem development. First, a significant rural–urban digital divide persists, with internet penetration in the Northern, Eastern, and Uva provinces remaining 15–25 percentage points lower than in the Western Province (TRCSL, 2023). Second, the 2022 economic crisis exposed weaknesses in energy infrastructure, as prolonged power cuts disrupted digital business operations and increased risks for start-ups (World Bank, 2023).

According to the ITU (2023), Sri Lanka ranks in the third quartile of South Asia’s Digital Development Index, reflecting progress alongside continuing reliability and quality gaps. Consistent with the findings of Stem and Van de Ven (2021), infrastructure reliability not merely coverage remains essential for translating digital infrastructure into entrepreneurial activity.

Digital Finance and the Fintech Sector

Sri Lanka's fintech ecosystem represents one of the country's most dynamic digital start-up sectors and demonstrates the democratising potential of digital finance identified by Ndung'u (2022) in the African context. LankaPay's national interoperable payment platform processed transactions valued at LKR 8.7 trillion in 2022 a 34 per cent increase from 2021 reflecting rapid digital payment adoption accelerated by cash shortages during the economic crisis (CBSL, 2023). Mobile payment adoption reached approximately 42 per cent of adults by 2023, an increase from 28 per cent in 2020, demonstrating that crisis conditions can catalyse the digital adoption transitions that conventional policy interventions struggle to achieve.

The Central Bank of Sri Lanka's regulatory sandbox framework, established in 2021, has enabled fintech start-ups, including Pick Me Financial Services, LOLC Technologies, and Union Assurance's digital unit, to pilot innovative products without full regulatory compliance during their development phases (CBSL, 2023). This framework, consistent with the regulatory sandbox model promoted by the Monetary Authority of Singapore (MAS, 2023) and adopted by an increasing number of regulators in developing economies, represents an institutional innovation with significant potential to accelerate Sri Lanka's fintech ecosystem development.

Despite this progress, the risk capital gap remains the most acute constraint on Sri Lanka's digital start-up ecosystem. The ADB (2022) estimates Sri Lanka's early-stage venture capital deficit at approximately USD 200 million per annum the gap between the capital required to develop the pipeline of viable digital ventures and the capital deployed through domestic and international sources. High real interest rates (which reached 28–30 per cent during the 2022–2023 crisis period), currency risk for dollar-denominated investors, and shallow domestic capital markets collectively suppress both local and foreign venture capital activity (IMF, 2023). This capital gap is the binding constraint preventing the translation of Sri Lanka's digital infrastructure and talent base into scaled start-up ventures.

Digital Platforms and E-Commerce

E-commerce adoption accelerated dramatically during the 2020–2022 crisis period. Platform-enabled commerce through PickMe, Daraz (Alibaba-owned), ikman.lk, and social-commerce vendors operating through Instagram and Facebook expanded as COVID-19 restrictions closed physical retail and cash shortages incentivised digital

transactions. ICTA (2022) estimated e-commerce growth of 40–60 per cent in gross merchandise value during 2020–2022, though from a relatively low base compared to regional peers.

The ICT/BPM export sector demonstrates the platform economy's most mature manifestation in Sri Lanka. With USD 1.5 billion in export revenues in 2022 sustained despite the crisis and 100,000 professionals, the sector represents a globally competitive digital services industry (SLASSCOM, 2023). Notable technology developments including PickMe (ride hailing and logistics, internationally funded), Takas.lk (e-commerce, acquired), and multiple globally deployed software product companies demonstrate that the digital platform start-up model is viable in the Sri Lankan context. Kenney and Zysman (2020) argue that platform capitalism has fundamentally restructured start-up economics, making platform-compatible ventures is proportionately attractive and viable. For Sri Lanka, the strategic implication is that building the regulatory, logistical, and connectivity infrastructure that enables local start-ups to participate in regional platform economies, particularly the rapidly integrating ASEAN digital economy represents a higher-return investment than attempting to build isolated domestic digital platforms. EDB (2023) identifies ASEAN market integration as the highest-priority export market development opportunity for Sri Lanka's digital start-up sector, given the region's 675 million consumers and rapidly expanding digital middle class.

Digital Skills and Human Capital

Sri Lanka possesses a relatively strong human capital base for digital ecosystem development, supported by a 93% adult literacy rate, a steady supply of engineering and technology graduates, and English-language proficiency that facilitates participation in the global digital economy (Ministry of Education, 2023). The World Bank (2022) Human Capital Index also places Sri Lanka above the South Asian average, reflecting comparatively strong educational capacity.

However, the 2022 economic crisis significantly weakened this advantage through large-scale skilled emigration. More than 311,000 skilled workers left the country in 2022, including professionals in IT, engineering, and financial services sectors critical to digital entrepreneurship (DCS, 2022). Many technology firms experienced severe technical staff shortages, while recruitment became increasingly difficult during the crisis period (SLASSCOM, 2023).

Research by Nambisan, Wright, and Feldman (2019) highlights that skilled and entrepreneurially oriented human capital is a key determinant of digital start-up ecosystem performance. This places Sri Lanka's brain drain challenge at the centre of its digital ecosystem strategy. In this context, universities can play a stronger role by integrating entrepreneurship education with digital and technical training. Institutions such as the University of Sri Jayewardenepura have opportunities to strengthen digital entrepreneurship through curriculum integration, startup support programmes, and industry–university partnerships (Audretsch & Belitski, 2021).

Consolidated Status Assessment

Table 1. Sri Lanka Digital Startup Ecosystem: Consolidated Status Assessment (Author's synthesis).

Dimension	Status	Key Evidence	Key Constraints	Priority Actions
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Digital Infrastructure	Moderate–Strong ▲	4G: 85% land area; 48% internet penetration; LankaPay national network	Rural digital divide 15–25pp; energy reliability gaps	National broadband rollout; energy sector reform (TRCSL, 2023; ICTA, 2022)
Digital Finance & Fintech	Moderate ▲	LKR 8.7 trillion LankaPay volume (+34%); 42% mobile payments; CBSL sandbox active	VC deficit USD 200M pa; high real interest rates; shallow capital markets	Expand CBSL sandbox; establish startup co-investment fund (CBSL, 2023; ADB, 2022)
Digital Platforms & E-Commerce	Developing ▲	ICT/BPM exports USD 1.5B; e-commerce +40–60% (2020–22); multiple tech exits	Colombo concentration; logistics gaps; limited ASEAN integration	Digital trade logistics; ASEAN market integration programme (SLASSCOM, 2023; EDB, 2023)
Digital Skills & Human Capital	Moderate ▼	2,500 tech graduates/year; 93% literacy; English proficiency; HCI 0.60	311,000 skilled emigrants 2022; TVET digital skills gap; entrepreneurship curriculum gaps	Diaspora re-engagement programme; university entrepreneurship curriculum reform (DCS, 2022; World Bank, 2022)
Digital Regulation & Policy	Developing ►	National Digital Economy Strategy 2023–2030; ICTA digital governance; BOI incentives	Regulatory complexity; IP enforcement gaps; no comprehensive data protection law	Digital business registration simplification; data protection Act; investor one-stop portal (ICTA, 2022; World Bank, 2023)

The Digitalisation–Ecosystem Integration Model (DEIM)

Drawing on the theoretical frameworks reviewed in Section 2 and the Sri Lankan evidence analysed in Section 4, this paper proposes the Digitalisation–Ecosystem Integration Model (DEIM). The model maps the sequential and interdependent process through which digitalisation investment translates into start-up ecosystem performance outcomes, identifying four stages and the critical enablers and blockers at each transition. The DEIM is presented in Figure 2.

STAGE 1 Digital Foundation Investment	STAGE 2 Digital Capacity Building	STAGE 3 Digital Market Development	STAGE 4 Ecosystem Performance
✓ Broadband & 4G/5G ✓ Cloud computing access ✓ National payment rails ✓ Digital identity systems	✓ STEM & coding education ✓ Entrepreneurship curricula ✓ Regulatory sandboxes ✓ Incubator / accelerator programmes	✓ E-commerce platform growth ✓ Digital payment adoption ✓ Export market connectivity ✓ Platform ecosystem formation	✓ Startup formation rate ↑ ✓ Venture scaling capacity ↑ ✓ Export revenue growth ↑ ✓ Job creation & innovation ↑

Figure 2. The Digitalisation–Ecosystem Integration Model (DEIM). Source: Stam & Van de Ven (2021), Audretsch & Belitski (2021), UNCTAD (2022), Wurth et al. (2022).

The DEIM proposes that startup ecosystem performance is determined not by any single stage of digitalisation investment, but by the coherent, sequenced, and sustained advancement through all four stages. Economies that accelerate Stage 3 (market development) without adequate Stage 1 (infrastructure) foundations — or that build infrastructure without Stage 2 (capacity) investment achieve sub-optimal ecosystem outcomes. This finding is consistent with Audretsch and Belitski's (2021) theoretical argument that ecosystem element interdependencies generate non-linear performance effects and with Wurth et al.'s (2022) empirical demonstration that system conditions operate as prerequisite enablers rather than additive inputs.

Sri Lanka's current position in the DEIM framework is at a critical transitional juncture between Stages 2 and 3: infrastructure foundations are broadly adequate, capacity-building institutions are established but insufficiently resourced, and digital market development is accelerating from a narrow ICT/BPM export base. The binding constraints at this transition are the risk capital gap, the brain-drain-induced talent shortage, and the regulatory complexity that raises transaction costs for ventures seeking to formalise and scale. The DEIM identifies these as sequential priorities — without addressing the capital gap and brain drain (Stage 2 constraints), Stage 3 interventions in e-commerce and platform development will generate limited ecosystem performance gains.

The DEIM also identifies two categories of cross-stage factors: enablers (strong digital public infrastructure, policy coherence, risk capital availability, entrepreneurial culture, regulatory sandboxes) and blockers (macroeconomic instability, digital skills gaps and brain drain, regulatory complexity, geographic digital divide, high failure-penalty culture). Sri Lanka's blockers are well-identified in the existing literature; the DEIM's contribution is to frame them as sequential constraints operating at specific stage transitions, providing a diagnostic structure for policymakers seeking to allocate limited resources to the highest-return ecosystem interventions.

Findings and Discussion

Implications for Sri Lanka's Digital Start-up Transition

The University's Role in the Digital Ecosystem

The literature reviewed in this paper points consistently to the university sector as an under-utilised asset in Sri Lanka's digital start-up ecosystem. Audretsch and Belitski (2021) demonstrate that universities function not merely as talent producers but as knowledge anchors, entrepreneurship educators, and legitimisation agents for startup activity within their regional ecosystems. In economies with constrained private sector research and development capacity as is the case for Sri Lanka's small and medium enterprise sector university-industry linkages, represent a particularly critical channel for knowledge spillovers that enable start-up formation and growth.

Sri Lanka's university system currently underperforms against this potential. A 2023 review by the Ministry of Education documents limited integration between technology faculties and business faculties in delivering entrepreneurship education, minimal co-curricular startup incubation infrastructure relative to regional peer institutions, and nascent technology transfer office capacity. GEM (2023) identifies entrepreneurial intent

among university students as a leading indicator of ecosystem-level startup formation rates; building this intent through structured entrepreneurship education and startup-adjacent experiential learning represents a high-return investment for universities seeking to contribute to Sri Lanka's digital ecosystem development.

Evidence-Based Policy Recommendations

Priority 1	Establish a Digital Startup Co-Investment Fund (DSCF) — a public-private co-investment instrument providing matched funding for angel and seed-stage technology ventures, targeting the USD 200 million early-stage capital gap identified by ADB (2022). This directly addresses the Stage 2–3 transition constraint identified by the DEIM.
Priority 2	Launch an e-Residency programme enabling global digital entrepreneurs to register and operate businesses through Sri Lanka's legal framework, generating registration revenue and building international ecosystem connections. This model, supported by the theoretical case for open digital entrepreneurship infrastructure in UNCTAD (2022), is achievable within existing administrative capacity.
Priority 3	Expand the CBSL fintech regulatory sandbox to cover digital commerce, agritech, healthtech, and edtech business model categories. Consistent with MAS (2023) sandbox frameworks, this regulatory permissiveness generates knowledge spillovers while managing systemic risk — a high-return policy investment for resource-constrained regulators.
Priority 4	Implement a Digital Diaspora Talent Re-Engagement Programme providing tax incentives, remote-work infrastructure, and equity sharing frameworks that incentivise the 311,000+ skilled emigrants to engage with Sri Lanka's digital startup ecosystem. ILO (2023) data confirm that diaspora re-engagement is already occurring informally; formal programme support would accelerate and deepen this return.
Priority 5	Develop a Provincial Digital Entrepreneurship Hub Network extending Colombo's digital ecosystem to Kandy, Jaffna, Galle, and Anuradhapura through digital-first incubation infrastructure. This directly addresses the geographic concentration identified in Table 1 and distributes ecosystem benefits beyond the Western Province.

Figure 3: Drawing on the literature reviewed and the DEIM framework, five priority sections of interventions are identified for Sri Lanka's digital start-up ecosystem transition

Limitations and Future Research Directions

This review carries several limitations that future research should address. The narrative synthesis approach, while appropriate for the breadth of evidence considered, may underweight quantitative findings from individual studies. The Sri Lankan analysis relies primarily on secondary data; primary survey evidence from Sri Lankan start-up founders, investors, and ecosystem actors would significantly strengthen the assessment of the mechanisms identified in this review. Several institutional data sources — particularly TRCSL and CBSL report data with 12–24 month lags, creating regency gaps in the infrastructure and finance analyses.

Future research priorities include: (a) longitudinal tracking of Sri Lanka's digital ecosystem indicators through the post-crisis recovery phase (2024–2027); (b) experimental evaluations of specific policy interventions such as co-investment fund designs and regulatory sandbox expansions; (c) qualitative studies of start-up founders' experience of the digitalisation mechanisms identified in the DEIM; and (d) comparative

analysis of Sri Lanka's digital ecosystem trajectory relative to structurally similar small island developing states to identify context-specific lessons.

Conclusion

This paper has presented a systematic review of the relationship between digitalisation and start-up ecosystem performance in Sri Lanka, proposed the Digitalisation–Ecosystem Integration Model (DEIM) as an analytical and policy framework, and derived five priority policy recommendations grounded in the scholarly and institutional literature published between 2020 and 2025. The central finding is that digitalisation is neither a silver bullet nor a background condition for start-up ecosystem development: it is a structured, sequential, and interdependent process through which infrastructure investment enables capacity building, which enables market development, which ultimately generates start-up ecosystem performance outcomes. The strength of this effect depends critically on the complementarity between digital investment and ecosystem conditions particularly risk capital availability, regulatory quality, talent supply, and entrepreneurial culture.

Sri Lanka stands at a pivotal moment. It has built digital infrastructure foundations and demonstrated talent capabilities necessary for a competitive digital start-up ecosystem. The 2022 crisis simultaneously depleted critical ecosystem assets and, paradoxically, accelerated digital adoption and demonstrated the resilience of export-oriented digital ventures. The post-crisis recovery period offers a rare opportunity to accelerate the digital ecosystem transition through targeted, evidence-based interventions that convert Sri Lanka's latent digital assets into sustained start-up ecosystem performance. The university sector represented at this conference by faculty and researchers from across Sri Lanka's higher education system has an essential and largely unrealised role in this transition. By integrating entrepreneurship education with digital skills training, strengthening university-industry linkages, and building start-up incubation infrastructure, Sri Lanka's universities can function as genuine ecosystem anchors rather than merely talent pipelines. The DEIM provides the analytical structure for sequencing and coordinating these interventions. Sri Lanka's digital start-up future is achievable; what the evidence calls for is institutional coherence, policy commitment, and the pedagogical courage to reimagine the university's role in a digitally transformed economy.

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