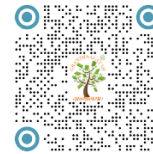


Original Article

SUSTAINABLE ENTREPRENEURSHIP DEVELOPMENT AMONG NEPALESE YOUTHS: INFLUENCE OF TRAINING, FINANCE, AND BUSINESS SUPPORT SERVICES

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ABSTRACT

The factors influencing the sustainable youth entrepreneurship development in Nepal in growing unemployment, underemployment and labour migration have been explored in the paper. Youth entrepreneurship is identified as one of the important strategies for job creation, innovation, poverty reduction and overall sustainable development among the youth population of Nepal. The objective of the paper was to examine the influence of entrepreneurship training, access to finance, business development services and their relationship on youth entrepreneurship development sustainably. The quantitative research approach followed by descriptive and analytical research designs were employed in the study. The primary data of the study were collected from 300 youth entrepreneurs of Bagmati Province of Nepal using structured questionnaire and convenience sampling techniques. The collected data were analyzed using frequency, percentage and analytical interpretation methods. The study revealed that entrepreneurship training had a significant impact in enhancing entrepreneurial knowledge, managerial skills and business sustainability among the youth entrepreneurs. Similarly, access to finance had remained one of the major hindering barriers for entrepreneurial growth because of poor collateral availability, loan procedure complexity. On the other hand, business development services like mentorship, consultancy, marketing support and advisory services had been able to contribute to the entrepreneurs' sustainability and improve business outcomes.

Keywords: Entrepreneurship Development, Youth Entrepreneurship, Access to Finance, Business Development Services, Nepalese Youth

INTRODUCTION

In the context of increasing rate of unemployment and underemployment among the youths in Nepal, entrepreneurship development has gained significance. In today's time, many young people are looking out for self-employment through innovative business ideas which can contribute in the economic development of the nation. The definition of youth, in terms of age, is by reference to the National Youth Policy which defines people between 16 to 40 years old as youth, implying that a large proportion of Nepalis falls under the youth category [Ministry of Youth and Sports \(2015\)](#). However, Nepal's youth has been tempted to migrate in large numbers to the Middle East, Malaysia and India as well due to limited employment opportunities and lacking entrepreneurial knowledge [Central Bureau of Statistics \(2011\)](#). Each year, some 400,000 young people join the labor force and many of them don't have the skills and information they need to compete successfully in today's economy [Gelal \(2022\)](#). Research shows that YE development is booming in Asia and that these businesses generate jobs faster than the average in Asia [Sharma and Paudel \(2023\)](#). For Nepalese entrepreneurship is considered as an important method of poverty alleviation, employment generation and economic

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dependency [Sharma \(2019\)](#). Although the government has adopted policies to support and encourage youth entrepreneurship and sustainable economic development, political chaos, poor infrastructure, financial constraints, and lack of business support services are still the challenges in the youth entrepreneurship development [Acharya \(2025\)](#). Entrepreneurship education, technological knowledge, and institutional support, along with access to finance, are believed to be key factors affecting entrepreneurial success among youths [Kafle \(2024\)](#). Hence, promoting youth entrepreneurship is vital for the sustainable economic and social development in Nepal. It can create job opportunities, stimulate innovation, cut down the foreign migration of youths, and enhance the living standard of Nepalese youths [International Labour Organization \(2022\)](#). Entrepreneurship is now seen as a solution to the problem of unemployment, poverty and economic dependency of youths in developing countries such as Nepal. Youth entrepreneurship plays a role in employment generation, innovation, competitiveness and sustainable economic growth [Dash and Kaur \(2012\)](#). [Chigunta \(2002\)](#) stated that youth entrepreneurship is the use of creativity, innovation, initiative and risk-taking skills for the establishment and operation of business enterprise. Though the country has faced many difficulties including access to finance, inability to provide business support, lack of entrepreneurial skills and political instability, youth entrepreneurship has emerged as an important driver in order to achieve sustainable development in Nepal [Shrestha \(2011\)](#).

RESEARCH OBJECTIVES

The specific objectives of the study were:

- To examine the influence of entrepreneurship training on sustainable youth entrepreneurship development.
- To analyze the effect of access to finance on sustainable youth entrepreneurship development.
- To assess the role of business development services in enhancing sustainable youth entrepreneurship development.

METHODOLOGY

In this study quantitative research approach has been used to study the factors influencing the development of sustainable youth entrepreneurship in Nepal. Descriptive and analytical research designs were used to reveal the relationship between entrepreneurship training, access to finance, business development services, technological knowledge, individual factors, and youth entrepreneurship development. The study was carried out in Bagmati Province, consisting of 10 municipalities namely Kathmandu, Lalitpur, Bhaktapur, Chitwan, Sindhuli, Dhading, Nuwakot, Sindhupalchok, Ramechhap and surroundings.

In the study, the target population was youth entrepreneurs (16-40 years). The non-probability sampling technique was used and the respondents were selected through the convenience sampling method which involved a group of people who are easily accessible and actively involved in entrepreneurial activities. The overall sample included 300 youth entrepreneurs. Structured self-administered questionnaire was used to gather primary data with the use of Likert scale and close ended questions were used. Both personal and electronic survey methods were used for data collection.

RESULTS

The analysis and interpretation of the data obtained from the youth entrepreneurs of Bagmati Province in Nepal is given in this section. The findings are reported based on the objective of the study "the factors that influence the development of sustainable youth entrepreneurship. To analyse the responses obtained from the respondents, descriptive statistical tools like frequency, percentage and analytical interpretation were used. The findings are displayed in tables and interpreted as appropriate to get meaningful results in terms of the effect of entrepreneurship training, access to finance, development services for businesses, individual factors and technological knowledge on sustainable entrepreneurship development of youth.

Table 1

Table 1 Demographic Characteristics of Respondents			
Variables	Categories	Frequency	Percentage
Age	Below 20 Years	30	10.00
	20–25 Years	86	28.67
	25–30 Years	95	31.67
	Above 30 Years	89	29.66
Gender	Male	228	76.00
	Female	72	24.00
Educational Qualification	SLC or Below	32	10.67
	Higher Secondary	71	23.67

	Bachelor's Degree	123	40.93
	Master's Degree and Above	74	24.67
Family Background	Business Family	182	60.67
	Non-Business Family	118	39.33

The Table 1 shows that the majority of the respondents were aged 25-30 years, followed by 20-25 years, which shows that a high number of the respondents were youths who are involved in entrepreneurship activities. The participation rate of males was relatively high compared to the participation rate of females. The majority of the respondents had a bachelor level of education and were part of business-oriented families, indicating that educational level and entrepreneurial family background positively affected youth entrepreneurship development.

Table 2

Table 2 Entrepreneurship Training and Sustainable Youth Entrepreneurship Development		
Statements	Frequency	Percentage
Respondents attending entrepreneurship-related training	220	73.33
Respondents not attending entrepreneurship-related training	80	26.67
Respondents believing training enhances sustainability	270	90.00
Respondents disagreeing with training effectiveness	30	10.00
Respondents finding training effective	116	38.67
Respondents finding training ineffective	64	21.33
Respondents unsure about effectiveness	10	3.33

The Table 2, entrepreneurship training is one of the important factors to sustainable youth entrepreneurship development. Most respondents felt that entrepreneurship-related training improved the entrepreneurs' performance and sustainability of the business. The results also indicate that training activities enhance the knowledge of managers, business confidence among youths and skills for business survival.

Table 3

Table 3 Access to Finance and Sustainable Youth Entrepreneurship Development		
Access to Financial Institutions	Frequency	Percentage
Easy Access	60	20.00
Difficult Access	150	50.00
No Access	90	30.00

The Table 3 show that access to finance is still one of the major challenges to sustainable youth entrepreneurship development in Nepal. Half of the respondents complained of problems accessing financial institutions, with a large proportion having no access. The findings suggest that the three factors of limited collateral, complex loan procedures and lack of financial support are significant factors that affect entrepreneurial sustainability.

Table 4

Table 4 Business Development Services and Sustainable Youth Entrepreneurship Development		
Statements	Frequency	Percentage
Respondents agreeing BDS enhances entrepreneurship	210	70.00
Respondents disagreeing	30	10.00
Respondents unsure	45	15.00
Situation dependent responses	15	5.00
Respondents disagreeing consultancy services are unnecessary	237	79.00
Respondents disagreeing mentorship services are unnecessary	219	73.00

Respondents agreeing BDS helps business expansion	60	20.00
Respondents disagreeing BDS helps expansion	150	50.00
Respondents unsure regarding expansion	90	30.00

The [Table 4](#) demonstrates that business development services play significant role in the development of sustainable youth entrepreneurship. Entrepreneurial performance was seen to be improved by consulting services, Mentorship support and guidance in the businesses. Many of the respondents, however, reported that there were not enough services available for the expansion of businesses, which means there is a need for better institutional support mechanisms.

Table 5

Table 5 Summary of Objective-Based Findings	
Objectives	Major Findings
Entrepreneurship Training and Sustainable Youth Entrepreneurship Development	The majority of respondents (90%) believed that entrepreneurship training enhances business sustainability and entrepreneurial performance. About 73.33% respondents had attended entrepreneurship-related training programs.
Access to Finance and Sustainable Youth Entrepreneurship Development	Only 20% respondents had easy access to financial institutions, while 50% faced difficulties and 30% had no access to finance. Financial barriers significantly affected entrepreneurial sustainability.
Business Development Services and Sustainable Youth Entrepreneurship Development	About 70% respondents agreed that business development services enhance entrepreneurship sustainability. Consultancy services, mentorship, and market support were found important for entrepreneurial growth and business performance.

Business Development Services and Sustainable Youth Entrepreneurship Development About 70% respondents agreed that business development services enhance entrepreneurship sustainability. Consultancy services, mentorship, and market support were found important for entrepreneurial growth and business performance.

As presented in the [Table 5](#), it is found that the factors affecting the sustainable development of youth entrepreneurship in Nepal are great importance entrepreneurship training, access to finance and development of business services. Entrepreneurship trainings enhanced entrepreneurial knowledge and business management skills, and lack of financial resources continued to be a significant challenge to sustain the business. Likewise, entrepreneurial support from business development services like consultancy, mentorship and market facilitation had a positive impact on the entrepreneurial growth and sustainability.

DISCUSSION

The conclusion of the study reveals that the entrepreneurship training has a significant contribution towards sustainable youth entrepreneurship development in Nepal. Most of the respondents found that entrepreneurship related training contributes to the improvement in knowledge, managerial skills and sustainability of small businesses. This is in line with [Al Mamun et al. \(2010\)](#) who suggested that entrepreneurial education and training enhance entrepreneurial competences and uplift business start-up success rate. In the same vein, [Lamichhane \(2023\)](#) noted that entrepreneurship training instills financial management, leadership and business planning skills in the youths required for the sustainability of entrepreneurship. The results, therefore, indicate that entrepreneurial education has a positive effect on the improvement of entrepreneurial confidence and long-term business performance of the Nepalese youths. The study also found that lack of access to finance is one of the significant challenges faced by sustainable development of youth entrepreneurship. Many indicated they were struggling to access financial institutions and many did not have sufficient financial resources to grow and sustain their business. The findings corroborate the studies of [Panthi and Chalise \(2022\)](#) and [Mishra \(2024\)](#) that pointed out low levels of financial access, collateral requirement and intricate lending procedures as significant constraints for entrepreneurial development among youth. The results show that low availability of capital is a constraint for business growth, innovation and sustainability, especially for young entrepreneurs in rural areas. The results also show that a significant contribution to the sustainable development of entrepreneurship among young people is made by providing the business development services. The perceived important services for enhancing entrepreneurial performance and sustainability were: consultancy services, mentorship, marketing support, and business guidance. The results indicate that there is a need for institutional support services to boost youth entrepreneurship to make business competitive in Nepal.

CONCLUSION

The study finds that entrepreneur training, loan, and entrepreneur development services are the key factors for sustainable youth entrepreneurship development in Nepal. A positive relationship between entrepreneurship training and entrepreneurial knowledge, management skills, confidence and sustainability of business was established in the youth entrepreneurs. Likewise, business development services like mentorship, consultancy and marketing assistance played a positive role in entrepreneurial development and sustainable performance of businesses. Nevertheless, the access to finance, however, is a great hurdle for the sustainability of entrepreneurs. Obstacles to business growth and innovation for youth entrepreneurs such as difficult loan procedures, inadequate collateral, lack of institutional support and financial accessibility continue to act as a constraint on business expansion especially in rural areas. Thus, it is concluded that enhancing the entrepreneurship education and training, making youth-friendly financial services, and providing business development support mechanisms in Nepal is crucial for sustainable youth entrepreneurship development. Youth entrepreneurship can play a significant role in employment creation, poverty alleviation and sustainable economic development and these can be enhanced with policy interventions, institutional collaboration and entrepreneurial capacity building.

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