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## **Challenges and Prospects of Youth Entrepreneurship in Dhangadhi Sub-Metropolitan City, Nepal**

**Ghanshyam Bhatta<sup>1</sup>, Sanjay Baijal (PhD)<sup>2</sup>**

<sup>1</sup>Department of Management, Kailali Multiple Campus, Dhangadhi  
Far Western University, Nepal

<sup>2</sup>Professor, Department of Commerce, DDU Gorakhpur University Gorakhpur, India

**Corresponding Author:** *Ghanshyam Bhatta*; Email: [bhattagbkmc@gmail.com](mailto:bhattagbkmc@gmail.com)

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### **Abstract**

Youth entrepreneurs are the driving forces of business innovation enhancing the economic development and transformation of the society. This study investigates the challenges and prospects of youth entrepreneurship in Dhangadhi Sub-metropolitan city, Nepal. Employing a descriptive survey research design of quantitative method, the data were collected through structured questionnaire and analyzed using descriptive statistical tools. 56 respondents were selected using purposive sampling method among young entrepreneurs. The study found that the main reason to start business is being self-dependent followed by upgrading income level. Regarding the challenges of young entrepreneurship, it is found that competition is the main challenge followed by access to finance. However, the major prospects are opportunity of micro enterprises, innovation and creativity, development of entrepreneurial skills, building enterprising culture and economic participation. The government should build up business environment to use their ideas, methods, skills and abilities for entrepreneurship development through flexible rules and regulations and financial supports. This study could be a milestone for future researchers, policy makers, academician, owners and youth entrepreneurs.

**Keywords:** Youth, entrepreneurship, constraints, prospects, policy

### **Introduction**

Entrepreneurship plays a major role in the country's economic progress and transformation. It has the ability to establish a sustainable environment for economic development (Ahlstrom & Obloj, 2008). Further, Lamrani et al. (2016) presents



that it is a creative method of combining equitable development, poverty alleviation (Crudu, 2019) and economic growth in a way that is more environmentally friendly. Globally, there is growing concern about lowering the unemployment rate in order to protect the standard of living for both the present and the future (Tessema et al., 2015). Additionally, entrepreneurship provides inventive ways for young individuals to advance their entrepreneurial endeavors. As a result, the idea of encouraging entrepreneurship is increasingly being considered when formulating policies in developing nations to increase youth job options.

The issue of youth entrepreneurship is a current one in the world (Khamis & Yusof, 2021). This is due to the fact that young people are becoming more independent and well-off (Lofstrom, 2013) that invention, economic competitiveness, and provincial development are increasing (Dash & Kaur, 2012), that opening up new businesses can provide positive learning opportunities for others (Green, 2013), that entrepreneurial competence is growing (Eren & Sula, 2012), and that scarcity is decreasing (Ogamba, 2019). In addition, youth are likely to be enormous human resources, change agents, and future leaders who may transform essential company operations into profitable ventures with a significant positive social impact (Ogamba, 2019). Considering that they must expand more quickly and generate more employment chances, they typically have more business opportunities than older entrepreneurs.

The young entrepreneurs that emerge triumphant can serve as motivational role models for other young people, encouraging them to pursue entrepreneurship in the future. Young people lack money, but they do not lack enthusiasm or hard effort. The cost of operation, company licenses, taxes, and registration are only a few of the many financial difficulties they must bear. One of the biggest challenges facing young individuals wishing to start their own enterprises is access to sufficient funding. These difficulties may discourage young people from starting their own businesses (Madu & Okechick, 2017). In many countries, a large number of young individuals with qualifications and recent university graduates are unable to find employment and move abroad in search of opportunities. Brain drain, skilled migration, settlement in industrialized nations, etc. are some of the other problems Nepal faces.

Nowadays, every country recognizes the significance of youth entrepreneurship as a necessary condition for achieving stability, economic growth, effective governance, and resolving the unemployment issue (Ceptureanu & Ceptureanu, 2015). The unemployment problem has disproportionately affected youth populations in nations that are undergoing demographic transition. These factors include the fast expanding urban labor force, the fast growing population,

the mismatch in skills between employers and employees, the uneven growth of the economy, the outdated curricula in schools, and the lack of employable skills (Awogbenle & Iwuamadi, 2010, Madu & Okechi, 2017). They are prepared to provide a window of opportunity for investments in the youth who will make up the following generation of skilled laborers and business owners. This chance will accelerate social and economic development and lessen poverty (ILO, 2005). Young people's micro and small-scale companies (MSEs) are crucial economic players in the production of jobs and revenue (Mekonnen, 2006).

The young people of today have the potential to establish one of the middle-income nations by means of the active, diligent, and imaginative involvement of young Nepalese. Through their entrepreneurial endeavors, young people can increase employment and possibly even create jobs for themselves. As a result, young people are beginning to recognize entrepreneurship as a necessary strategy and a valuable choice for generating revenue (Ryan, 2003). Young entrepreneurship is therefore viewed as an extra way to integrate youth into the market, eradicate poverty, and recognize the social and economic effort of young entrepreneurs. A standard job career is too limited for a long life.

Youth in Nepal are defined by the government as those who are between the ages of 16 and 40, making up 40.35 percent of the country's overall population (PHCR, 2011). Youth, according to the Ministry of Agriculture and Livestock Development is defined as those under the age of fifty. Similarly, youth are defined as pertinent to their circumstances by political parties and business or social entities. Ages 16 to 40 are designated as youth according to the Council Act of 2015 and the Youth Policy. The Youth Vision 2015 separated young people between the ages of 16 and 40 into two groups: ages 25 to 40 and ages 16 to 24. Many studies have examined the issues, socioeconomic circumstances, and success factors associated with youth entrepreneurship.

As a result, this study explores the challenges and prospects of youth entrepreneurship in the context of Dhangadhi Sub-metropolitan city of Nepal.

The main objective of this study is to understand the challenges and prospects of youth entrepreneurship in Dhangadhi Sub-metropolitan city Far Western Province Nepal. More specifically, this research work intended to:

1. To highlight the socio-economic background of youth entrepreneurs in the study area.
2. To present the challenges that encountered by youth entrepreneurs in managing of their entrepreneurship.

3. To explore the prospects of youth entrepreneurship in the Dhangadhi Sub-Metropolitan city.

## Literature Review

### Youth Entrepreneurship

Youth is typically characterized as the time between childhood and maturity or as a group of recent graduates. However, when it comes to work and education level, this age range makes the greatest sense for classifying this group (Enendu, 2020). Edema and Etim (2017) define it as a group of young individuals who use their distinct identities and bureau to find, take advantage of, and assess opportunities that offer value in order to succeed as entrepreneurs. Additionally, they assess and make use of limited and underutilized resources (Enendu, 2020; Venter, 2014). Numerous studies show that young people are the first to lose their jobs when the economic crisis devastates the labor market and leaves them jobless.

Consequently, a large number of laid-off workers have relocated to rural areas where job opportunities are limited. Consequently, young people are compelled to work for themselves and launch their own firms rather than doing so voluntarily (Muthuraman & Haziazi, 2019). When given access to the right resources, youth can use their abilities to successfully meet development needs while simultaneously taking advantage of chances for growth in the job market (Enendu, 2020). Setting objectives, obtaining financial independence, and figuring out one's role in society all depend on the adolescent years, claim Kew et al. (2015). Many changes that can impact young people's needs, behaviors, and opportunities can take place at this time, including those that are physical, economical, emotional, cognitive, and social.

A study done by Gwija et al. (2014) presents a youth entrepreneur is any young person between the ages of 16 and 35 who has the ability to recognize an opportunity when one arises and seize it to launch and grow both new and existing businesses in a range of industries with the goal of generating capital and value. In the line of Oseifuah (2010) youth entrepreneur as any individual between the ages of 16 and 35 who has the capacity to spot opportunities when they present themselves and seize them in order to build wealth and value by starting a new business or growing an already-existing one in any industry. Further, Sakala (2017) has described to examine youth entrepreneurship as the strategic risk-taking and business venture launch undertaken by a group of young individuals with the goal of generating revenue. Additionally, Youth entrepreneurship is the process through which a group of young people take calculated chances and launch a business endeavor in an effort to improve their well-being and achieve financial advantages. Young people

need to be risk-takers with the ability to recognize opportunities, gather resources, and envision the expansion of their businesses in order to start and run successful businesses. Teenage entrepreneurship is the main topic of this research.

Additionally, young entrepreneurship is the process by which individuals come to realize venture ownership as a feasible choice, come up with business concepts, comprehend the procedures involved in becoming an entrepreneur, and take on the establishment and expansion of a company (Ghimire & Chaudhary, 2021). Venture attributes like innovation, creativity, and risk-taking must be used in conjunction with the available resources for a corporation to prosper (Chigunta, 2002). As per Youth Business International (2009), companies, governments, and other relevant stakeholders in society ought to show their appreciation to young entrepreneurs for their valuable contributions towards the growth of the economy and the reduction of youth unemployment. As a result, the number of young people launching their own enterprises is rising globally as a means of fostering regional development, enhancing economic competitiveness, and generating jobs.

### **Challenges of Youth Entrepreneurship**

Youth entrepreneurship presents a lot of opportunities for young people (Muthuraman & Haziazi, 2019) but the youth people of Dhangadhi are less probable to involve in business activities due to the lending environment. The businessmen are finding it hard to secure conventional banking loan for establishment of ventures and acquisition of existing businesses (Hopson & Hopson, 2014).

Moreover, Diraditsile and Maphula (2018) stated that a number of factors, including a lack of government support agencies, a lack of technical skills and knowledge, a lack of markets, a lack of advanced technology, a lack of proper information, and a lack of financial support, make it extremely difficult for young people to continue in entrepreneurship. However, it is likely that young people lack the leadership skills and entrepreneurial aptitude necessary to launch successful businesses. They focused businesses may also face prejudice in the marketplace from consumers who may have doubts about the quality of the goods and services they provide. In a similar vein, fewer young people are starting businesses due to a lack of resources (Ceptureanu & Ceptureanu, 2015).

Besides, Sitoula (2015) highlighted the difficulties faced by young business owners in Kathmandu. These include limited financial resources, a lack of backing from the government, strict business laws and regulations, a lack of managerial abilities, a lack of technology, a lack of business connections, a lack of a market, etc. Additionally, it was found that financial institutions were hesitant to grant long-term loans for the expansion of businesses.

The government of Nepal is currently focusing more on promoting entrepreneurship in the country since it believes that this is a crucial component of invention and creativity. Mostly, the government, through its ministries, may provide practical policies, guidelines, directives, and protocols that would facilitate the emergence of new enterprises, particularly among young people (Subrahmanian et al., 2017). According to the Ministry of Youth's records, 38 percent of young people are unemployed and 75 percent are underemployed at the moment (CBS, 2021). Young people's unemployment adds to socioeconomic expenses in addition to causing despair in general (Schoof, 2006). It is difficult for young people in Nepal to see their potential as lenders in business due to deeply ingrained social, cultural, and structural barriers. Opportunities for entrepreneurship will be crucial in helping young people into the formal economy, even though traditional employment will continue to play a significant role.

### **Prospects of Youth Entrepreneurship**

Youth entrepreneurship addresses unemployment and increases youths' financial independence (Diraditsile & Maphula, 2018). One of the major issues brought about by rapidly increasing urban labor, population growth, differences in skills between those acquired in school or college and those required for the workforce, outmoded curricula and pedagogy, and unequal economic expansion is youth unemployment (Ayinde, 2008, Awogbenle & Iwuamadi, 2010, Utomi, 2011). It encourages young people to work for themselves and become independent as a means of surviving (Olufemi, 2020). It also creates jobs and encourages the private sector among the general public as well as young people, which is crucial for the nation's economic development and success (Gobbi, 2014). It has also given new optimism to the country's burgeoning innovation projects (Khamis & Yusof, 2021).

In advance, Sitoula (2015) has emphasized the potential for developing youth entrepreneurship, citing examples such as the community's young people's love for entrepreneurship. According to the report, the government needs to do more to ensure the long-term viability of young entrepreneurship. This underscores the necessity of taking decisive action to improve the community's unwelcoming and unsupportive business climate for youth entrepreneurship.

In terms of previously untapped business opportunities, Dhangadhi offers a wealth of them. These include education, agriculture, healthcare, tourism, communication, transportation, manufacturing of pharmaceuticals and related commodities, and information technology. More truthful and creative people are needed in this city to propel the economy to the desired levels of prosperity. Young people appear to be becoming increasingly passionate about entrepreneurship as

seen by their increased enthusiasm (Enendu, 2020). It has also been noted that young people are now regularly organizing meetings, conducting management training, and presenting entrepreneurial seminars. These activities support the development of youth skills that enable them to effectively launch and operate a business and contribute to a better future for the younger generation. For entrepreneurial education to be effective, it must play a significant role in a graduate's experience and concentrate on encouraging an entrepreneurial mindset and supporting self-employment as a viable career path. In other words, it must instill confidence and innovation and guarantee that students are flexible, risk-averse, business-aware, and confident from the start (Enendu, 2020).

In order to contribute to the advancement of community projects like park construction, shopping complex construction, urban regeneration, and river cleanliness, young entrepreneurs must also be motivated (Enendu, 2020). The number of young entrepreneurs is increasing, and this will eventually influence how visible they are as leaders in the business community and as contributors to sustainable economic growth. Young entrepreneurs will play a crucial role in bringing about the nation's much-needed progress and change, particularly in the economic frontiers. This indicates a growing interest in youth entrepreneurship; all stakeholders should pay attention to maintaining and fostering this passion (Enendu, 2020). Because it leverages young people's ideas, inventiveness, and abilities for self-employment and economic growth, youth entrepreneurship is therefore stated to be a foundation of creativity and innovation (Olufemi, 2020, Maritz & Donovan, 2015). Numerous studies demonstrate that young people are a rich supply of fresh concepts that foster success via originality and inventiveness. Youth entrepreneurship is therefore a tactic that encourages a culture of entrepreneurship in the community.

A culture that is enterprising does not just promote innovation and self-initiative, but also a more businesslike mindset. In the line of Antonaras and Dekoulou (2016) social entrepreneurs are social agents who transform obstacles into possibilities. They not only boost the nation's economic competitiveness but also its entrepreneurial culture. All of the initiatives might raise youth income by fostering youth entrepreneurship and skill development, which would ultimately raise the proportion of young people participating in the mainstream economy (Enendu, 2020). After looking through the relevant literature, the researcher discovered that while there have been a few studies done on youth entrepreneurship in Nepal, Dhangadhi City has not seen a formal study. As such, this study is an attempt on the part of the researcher to close the current gap.

## **Youth Entrepreneurship in Dhangadhi Sub-metropolitan City**

Dhangadhi is a highly renowned city with respect to its diverse socio-cultural and religious offerings, as well as its diverse population and economic activity (Subedi & Subedi, 2021). It was a trading gateway of Far Western Provenance, which accounts for its lengthy history in business and trade (Shrestha, 2023). However, Dhangadhi implemented a collective strategy soon after the revolution in the 1970s, which discouraged people from engaging in entrepreneurial endeavors (Subedi & Subedi, 2021). Early in the 1990s, Nepal enacted a democratic constitution that liberalized the country (Shrestha, 2023). The World Bank and the International Monetary Fund (IMF) encouraged entrepreneurship throughout much of Nepal. The majority of Dhangadhi's entrepreneurs are involved in the informal sector, which includes a variety of small-scale, information-and communication-technology, agro-based, and service-oriented businesses (Subedi & Subedi, 2021). The government has assessed the following organizations: the Cottage and Small Industrial Development Board (CSIDB), the National Productivity and Economic Development Center (NPEDC), the Trade and Export Promotion Center (TEPC), IBDC, FNCCI, and the Micro Enterprise Development Programme (MEDP). Furthermore, the Nepalese government has developed an institutional development policy to help the unorganized business sector, namely in the private sector, and has created an atmosphere that is conducive to the creation of initiatives (Shrestha, 2023). Nonetheless, the Nepali private sector is continuously confronted with an array of challenges, including multiple taxes, terrible infrastructure, a workforce lacking in experience, restricted access to capital, costly raw materials, a lack of customers, challenging land access, corruption, and inadequate services (Rajeev & Mohamed, 2017).

Therefore, to achieve its goal, the Dhangadhi Sub-Metropolitan city needs to engage with the federal and local governments and strengthen its institutional and human capacity. All interested parties should be actively involved in developing inclusive and holistic methods, and concern groups engaged in entrepreneurial activities should receive effective assistance in the form of technical, financial, and infrastructure-related resources, among other things.

### **Methods and Procedures**

This study employed descriptive research design to gain insights into the challenges and prospects of youth entrepreneurship in Dhangahi City. In this study, the purposive sampling strategy is used for the convenience of the investigator. The respondents who are readily available in Dhanagdhi city were chosen. A survey comprising questionnaires was administered to 56 young entrepreneurs representing



various industries. Primary and secondary sources have both been used in this study. Using a questionnaire, primary data from a field survey were gathered. Three sections make up the structured questionnaire that is used: The socio-economic attributes of female entrepreneurs (b) the difficulties young entrepreneurs face in running their businesses, and (c) the future of youth entrepreneurship in Nepal's Dhangdhi Sub-Metropolitan City. The first section of the survey focused on achieving the primary goal, which was to create a profile of the socio-economic traits of young business owners in Dhangadhi City. Information regarding their age group, marital status, education, ethnicity, religion, types of businesses, amount of investment, and sources of startup funding is specifically held in this section. The next section of the survey aims to accomplish the study's second purpose, which is to draw attention to the difficulties faced by young entrepreneurs who want to start their own businesses. A five-point Likert scale was employed in the question to highlight the challenges that young entrepreneurs encounter. In a similar vein, the third aim of the research outlines the potential for young entrepreneurship in Dhangadi. A five-point Likert scale was included in the questions to indicate potential opportunities within the research topic. The respondents were asked to select the opportunity or challenge that they felt offered the most potential.

## **Results and Discussion**

The study's analysis discusses the socio-economic traits of the participants, factors influencing the difficulties young business owners encounter in running their enterprises, and the future of youth entrepreneurship in Dhangadhi. Descriptive analysis, factor analysis, and other data analysis were performed throughout the data preparation phase. The 56 respondents' fieldwork was over when the data preparation process began, and the data was entered into a computer using Excel and SPSS software. Descriptive and factor analysis for the qualitative data in this study were then carried out. After a thorough analysis of the data, themes were developed to determine their significance and relevance.

### **Descriptive Analysis**

**Table 1**

*Socio-economic Background of the Youth Entrepreneurs in Dhangadhi City*

<b>Information</b>		<b>Respondents</b>	<b>Percentage</b>
1 Age	Below 20	4	7
	21 -30 years	23	41
	31-40 years	29	52

<b>Total</b>		<b>56</b>	<b>100</b>
2. Sex	Male	39	69
	Female	17	31
<b>Total</b>		<b>56</b>	<b>100</b>
3. Marital Status	Married	37	66
	Unmarried	19	34
	Single	0	0
<b>Total</b>		<b>56</b>	<b>100</b>
4. Ethnicity	Adivasi/Janjati	16	28
	Dalit	4	7
	Madeshi	3	5
	Others	33	60
<b>Total</b>		<b>56</b>	<b>100</b>
5. Religion	Hindu	54	97
	Islam	2	3
	Buddhist	0	0
	Christian	0	0
<b>Total</b>		<b>56</b>	<b>100</b>
6. Education	Literate	8	14
	Intermediate	18	32
	Graduate	28	50
	Masters	2	4
<b>Total</b>		<b>56</b>	<b>100</b>
7. Forms of Business	Sole Trading	55	98
	Partnership	1	2
<b>Total</b>		<b>56</b>	<b>100</b>
8. Amount of Investment	1,00,000- 3,00,000	22	39
	300,001- 5,00,000	16	29
	500,001- 7,00,000	12	21
	Above 7,00,000	6	11
<b>Total</b>		<b>56</b>	<b>100</b>

9. Numbers of Employees	None	15	27
	below 5	20	36
	6- 10	17	30
	11- 15	4	7
	Above 16	0	0
<b>Total</b>		<b>56</b>	<b>100</b>

Source: Field survey, 2023

Table 1 lists the socio-economic traits of young business owners in Nepal's Dhangahi city. Among the group of interviewed youth entrepreneurs, 7 percent belong to the age group below 20 years, 41 percent belong to the age group 21-30 years, and 52 percent belong to the age group 31 to 40 years. This suggests that the majority of young adults who are mature are involved in business to further their careers. Further, among the group of respondents 69 percent are male and 31 percent are female. This percentage shows that maximum numbers of male are involved in business activities due to the family responsibility. The field survey shows that the educational qualifications of the youth entrepreneurs have satisfactory. 14 percent respondents are literate, 32 percent respondents have intermediate education and 50 percent respondents have graduate level which is sufficient for effective business. Similarly, 4 percent respondents have master's level education. For facing risks and uncertainty of business higher level education and training is significant and prerequisite. In the context of marital status 66 percent youth entrepreneurs are married and 34 percent are unmarried. From this, it can be said that, married youth are sincere with their business activities due to the family responsibility. Hence, even after taking care of the family, youth organizations are becoming more and more interested in carrying on with their business. The survey result shows that most of the other group youth entrepreneurs are involved in entrepreneurial activities. Among them 60 percent youth are involved from other group, 28 percent respondents are involved from *Aadibasi/Janajati*, 7 percent from *Dalit* community and 5 percent youth are involved from *Madeshi* community. It is said that most of the other group (*Brahamin* and *Kshitri*) youth people are involved in business activities for their self-dependency and income generation. Moreover, the survey result revealed that the 97 percent youth people are involved from Hindu religion and rest 3 percent are participated from Islam religion. It is clear that most of the Hindu young people are actively participated in different business activities rather than other religions. Further, the survey is found that maximum number of youth entrepreneurs only invested Rs.1,00,000-3,00,000 due to the scarcity of finance. The respondents said that lack of collateral, long documentation process of loan, critical loan payment

process, high interest rate are the major factors of less investment. They need to sources of capital from government and other support agencies. In the context of number of employees, 36 percent youth entrepreneurs have below 5 employees, 30 percent have 6-10 employees and 15 percent youth entrepreneurs are working without employees. Similarly, 7 percent have 11-15 employees. Based on the data it is clear that they have not recruited employees due to the lack of income and extra funds. They involved general activities like accountant, waiter, caretaker, receptionist, field work etc. As the form of business ownership 98 percent consist sole proprietorship. This suggests that Dhangadhi City's young entrepreneurs desire to act as independent contractors and control their businesses.

**Table 2**

*Types of Businesses Operating by youth Entrepreneurs in Dhangadhi City*

<b>Nature of Enterprises</b>	<b>Respondents</b>	<b>Percentage (%)</b>
1. Machinery and Electronics	4	7
2. Beauty Parlor and Cosmetic Shop	11	20
3. Grocery Shop	8	14
4. Medical and Surgical Store	4	7
5. Milk Dairy and Bakeries	5	9
6. Fancy Store	6	11
7. Hotel, Café and Restaurant	4	7
8. Books and Stationery	4	7
9. Agriculture and Livelihood	6	11
10. Automotive and Engineering	4	7
<b>Total</b>	<b>56</b>	<b>100</b>

Source: Survey, 2023

The diverse business ventures operated by young entrepreneurs are illustrated in Table 2. The results of the survey indicate that the majority of young entrepreneurs (11 percent) work in the beauty parlor and cosmetic shop industries, while the remaining 4 percent are employed in the machinery and electronics, hotel café and restaurant, medical and surgical, books and stationary, automotive, and engineering sectors, respectively. In a similar vein, 8 percent of youngsters work in grocery stores, 6 percent in fancy shops, and 6 percent in agricultural livelihood. Similarly, 5 percent of youth work in the dairy and bakery industries. The analysis presented that maximum youth entrepreneurs occupied traditional business activities due to the lack of education, training and technical skills. From this, it can be said

that, youth entrepreneurs are lagged behind from the Information Technology (IT) knowledge. However, the youth entrepreneurs are ready to learn technical skills and IT knowledge and want to cross the traditional boundary for the business career.

**Table 3**

*Sources of Capital*

<b>Capital Sources</b>	<b>No. of Respondents</b>	<b>Percentage</b>
1. Own saving	15	27
2. Loan from family and relatives	4	7
3. Loan from Commercial banks	6	11
4. Loan from financial institutions and cooperatives	5	9
5. Government support	0	0
6. More than one from the above	26	46
<b>Total</b>	<b>56</b>	<b>100</b>

Source: Survey, 2023

Table 3 presents the sources of capital of youth entrepreneurship. The survey shows that most of the youth entrepreneurs (26 percent) are collected their capital from different sources such as family, friends, banks, cooperatives etc. Based on the survey a major issue is that the government should not give any financial incentives and funds for the development of Youth entrepreneurship. Further, the survey presents that 15 percent youth entrepreneurs are used their own saving amount, 6 percent youth entrepreneurs has collected their capital from commercial banks, 5 percent youth entrepreneurs collected their capital from financial institutions and cooperatives. Likewise, 4 percent has collected fund from their family and friends. This analysis highlights that the youth entrepreneurs want to financial support from governmental and non-governmental institutions with minimum interest rate for development of their business.

**Table 4**

*Reason of Starting Business*

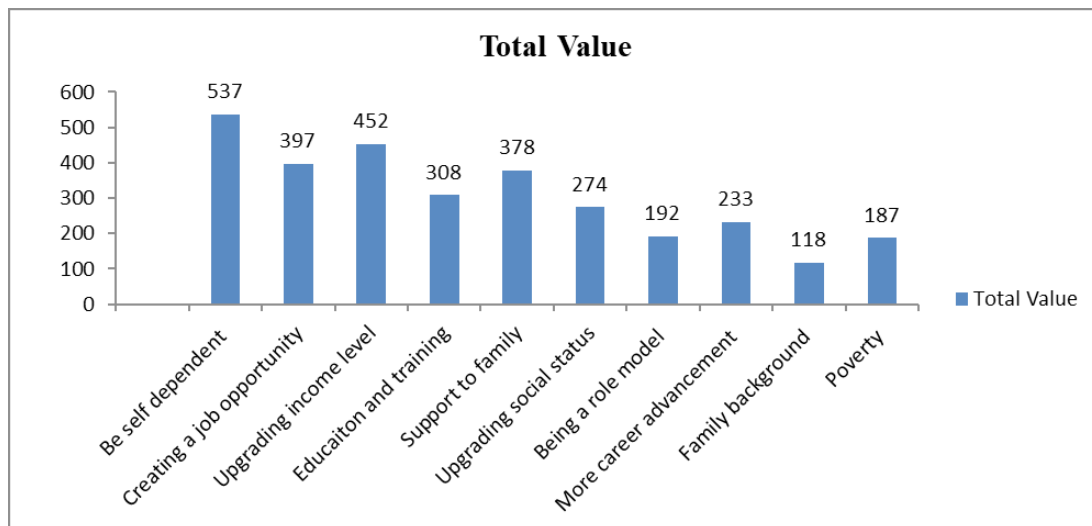
<b>Variables</b>	<b>Respondents</b>										<b>Total Value</b>
1. Being self-dependent	0	0	0	0	0	0	0	4	15	37	537

2. Creating a job opportunity	0	0	2	2	6	8	12	14	11	1	397
3. Upgrading income level	0	1	0	0	0	3	11	19	17	5	452
4. Education and training	2	3	4	14	10	5	3	5	9	1	308
5. Support to family	0	1	1	2	6	13	16	11	3	3	378
6. Upgrading social status	1	2	5	11	18	13	6	0	0	0	274
7. Being a role model	12	5	13	10	5	7	2	0	0	1	192
8. More career advancement	2	2	18	16	10	2	3	2	0	1	233
9. Family background	23	18	9	2	1	2	1	0	0	0	118
10. Poverty	15	21	6	1	1	2	3	0	0	7	187

Source: Survey, 2023

**Figure 1**

*Reason of Starting Business*



Among the ten reasons of starting business (being self-dependent, creating a job opportunity, upgrading income level, education and training, support to family, upgrading social status, being a role model, more career advancement, family background and poverty) being self-dependent is found one of the significant factor.

More than 90 percent youth entrepreneurs are inspired by this reason because it has highest (537) ranked value. It is followed by upgrading income level, creating job opportunity and support to family. The reasons behind that youth entrepreneur are wants to self-dependent in their life. Furthermore, they are risk avoiding and focused on traditional business. Thus, it has been discovered that recommendations from friends and family are essential to their business’s launch. Analogously, it has been determined that the utilization of skill and ability, together with family support, are satisfactory aspects that impact juvenile entrepreneurship. Self-reliance, on the other hand, has less of an impact on young entrepreneurs than income advancement and financial independence. Young entrepreneurs prefer to be with their families rather than be apart from them, which is the explanation for this. Thus, this component does not always affect young entrepreneurs.

**Table 5**

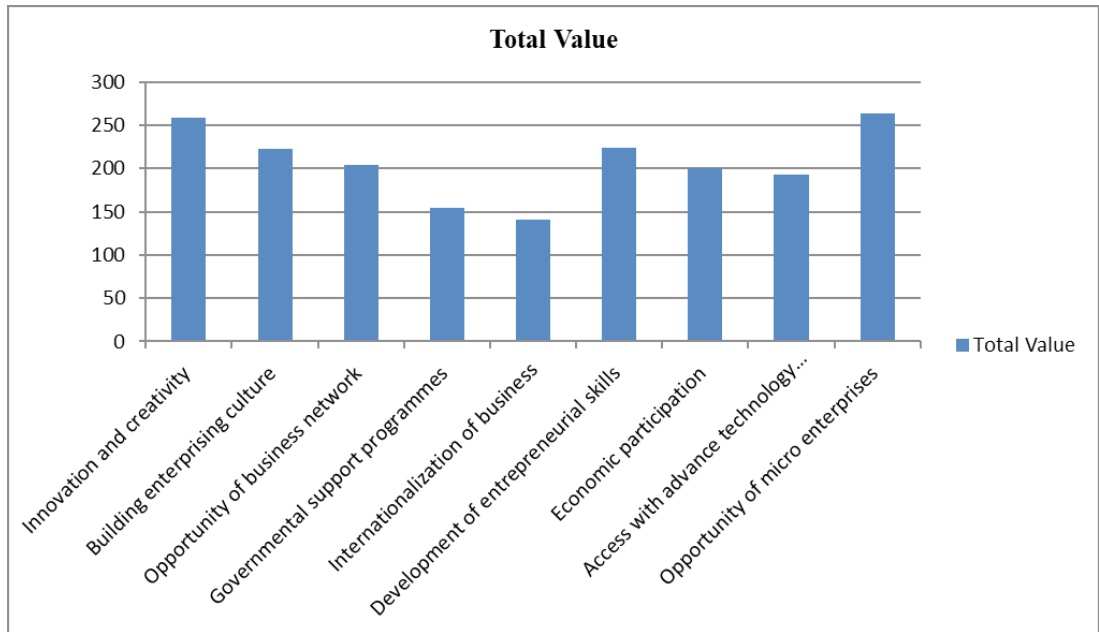
*Challenges of Youth Entrepreneurship*

<b>Variables</b>	<b>Total Value</b>	<b>Summated mean value</b>
1. Access to finance	266	4.75
2. Governmental rules and regulations	218	3.89
3. Inadequate entrepreneurial skills and abilities	229	4.09
4. Social and Cultural constraints	160	2.86
5. Availability of resources	215	3.84
6. Access to market	208	3.71
7. Administrative and regulatory burden	170	3.04
8. Competition	276	4.93
9. Access to modern technology	224	4.00

Source: Survey, 2023

**Figure 2**

*Challenges of Youth Entrepreneurship*



It is discovered that the total mean value of rivalry toward various firm types is 4.9. This suggests that one of the biggest obstacles to teenage entrepreneurship is competition. This implies that the competition is major challenge to youth entrepreneurship. Due to the straight skills, abilities, knowledge and lack of entrepreneurial expertise youth entrepreneurs started traditional business such as grocery, fancy shops, fast food, beauty parlor and tailoring the result is huge competition. Similarly, access to finance is also found problematic factor followed by inadequate entrepreneurial skills and abilities and access to modern technology for youth entrepreneurship. Furthermore, governmental rules and regulations, availability of resources, access to market and administrative and regulatory are significant challenges.

**Table 6**

*Prospects of Youth Entrepreneurship in Dhanadhi City*

Variables	Total Value	Summited mean value
1. Innovation and creativity	259	4.625
2. Building enterprising culture	222	3.964
3. Opportunity of business network	204	3.643

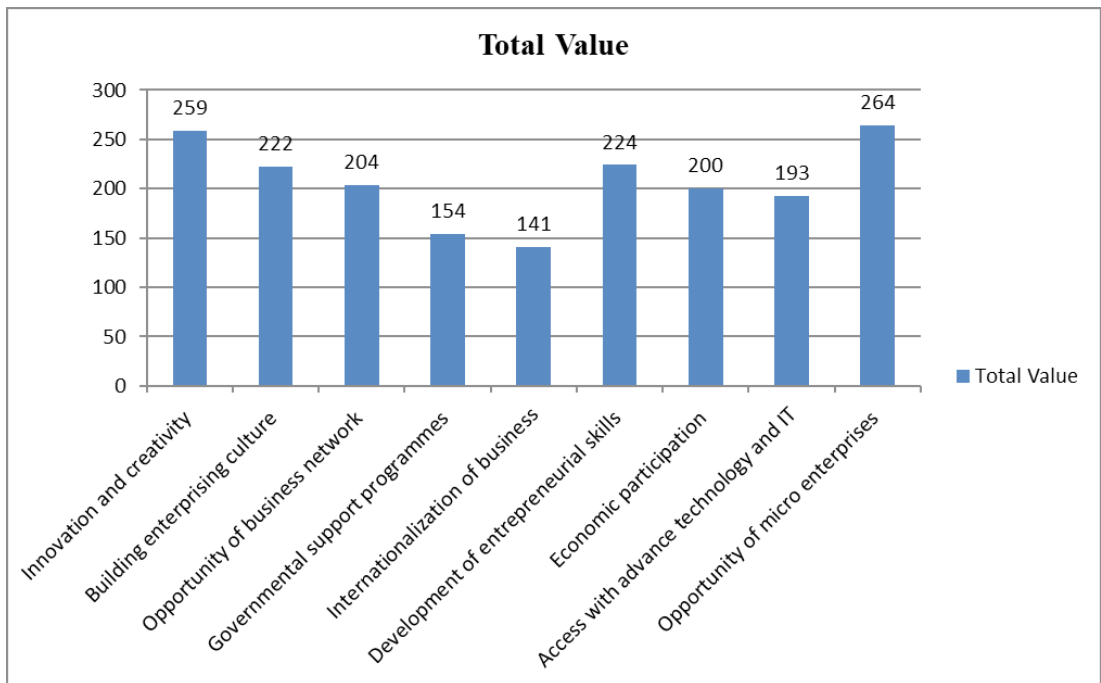


4. Governmental support programmes	154	2.750
5. Internationalization of business	141	2.518
6. Development of entrepreneurial skills	224	4.000
7. Economic participation	200	3.571
8. Access with advance technology and IT	193	3.446
9. Opportunity of micro enterprises	264	4.714

Source: Survey, 2023

**Figure 3**

*Prospects of Youth Entrepreneurship*



The summated mean value of opportunity of micro enterprises is found 4.7. This implies that the small-scale businesses are major prospects for youth entrepreneurship. Availability of local resources, skills and ability the youth are inspired with micro enterprises which make them independent. Similarly, Innovation and creativity is also found an additional opportunity that is followed by the development of entrepreneurial skills. Due to the formal education, training and development programmes the youth entrepreneurs are growing creativity

and innovation which is builds entrepreneurial skills, ability and knowledge. Furthermore, building of enterprising culture, opportunity of business network, economic participation and access with advance technology and IT are significant prospects. Among the various factors, opportunity of micro enterprises is most significant opportunity to the youth entrepreneurship.

### **Conclusion**

On the basis of overall study findings of the present study concluded the obstacles and opportunities associated with young entrepreneurship in Dhangadhi City. This study is simply based on field surveys and data are collected from 56 youth entrepreneurs who are involved in different areas of business. Firstly, this study presents socio-economic characteristics of youth entrepreneurs and reasons of starting business. According to the analysis, among the various reasons to start a business, being self-reliant is the primary one. In the future, scholars must examine young, educated entrepreneurs in diverse nations and ascertain how well their businesses are performing.

The current study also presented the major challenges of youth entrepreneurship in Dhangadhi City. Among the several challenges the study found that competition is a key challenge. Similarly, access to finance is also found problematic factor followed by inadequate entrepreneurial skills and abilities and access to modern technology for youth entrepreneurship.

Moreover, among the several prospects, the study found that opportunity of micro enterprises is main prospects for youth entrepreneurship. Similarly, innovation and creativity is also found an additional opportunity that is followed by the development of entrepreneurial skills.

The results of this study have consequences for the creation of trustworthy guidelines, directives, and plans for enhancing young entrepreneurship. Regarding the policy implications, the findings highlight youth entrepreneurship must need a higher level of financial support from government, expertise and self-employment behavior. As such mutual efforts from the central and provincial government, public, researchers, INGOs, NGOs, private sectors, and other related groups who have a stake in youth entrepreneurs are necessary to solve the challenges. Therefore, policymakers should be considered action holds entrepreneurial knowledge and qualities from the early days.

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