

**FINANCIAL CHALLENGES OF YOUTH ENTREPRENEURSHIP
IN KATHMANDU**

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Degree

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "Financial Challenges of Youth Entrepreneur in Kathmandu". The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation

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ABBREVIATIONS

CBS	:	Central Bureau of Statistics
CIPE	:	Center for International Private Enterprise
CSIDB	:	Cottage and Small Industry Development Board
DCIS	:	Department of Cottage and Small Industries
FNCCI	:	Federation of Nepalese Chamber of Commerce and Industry
GDP	:	Gross Domestic Products
GEM	:	Global Entrepreneurship Monitor
HDI	:	Human Development Index
ILO	:	International Labour Organization
MICS	:	Ministry of Industry, Commerce and Supplies
NYEF	:	Nepalese Young Entrepreneurs' Forum
NGO	:	Non Governmental Organization
SME's	:	Small and Medium Enterprises
SPSS	:	Statistical Package for Social Science
VDC	:	Village Development Committee
VAT	:	Value Added Tax
YSESEF	:	Youth and Small Enterprise Self-Employment Fund

ABSTRACT

A major issue facing the world today is youth unemployment, which is especially bad in Nepal, where 38% of young people are unemployed and 75% are underemployed. This worrying circumstance raises the possibility that a large number of the nation's youth are impoverished.

Due to the high rates of young unemployment and as a way to fight social exclusion and provide job possibilities, interest in youth entrepreneurship has increased. As a tactic to increase economic competitiveness and promote local and regional development, it has grown in importance on a worldwide scale. Youth who engage in entrepreneurship benefit from increased self-assurance, financial independence, and a reduction in poverty. Additionally, it stimulates economic growth and opens up job prospects.

Even though entrepreneurship is known to have many advantages, young people in Kathmandu are reluctant to pursue jobs in business. The research is to evaluate the opportunities for youth entrepreneurship development in the community and identify the barriers that young entrepreneurs face while starting and growing their firms.

With the use of self-administered questionnaires and a quantitative approach, the study used a descriptive research design. Among the 800 young entrepreneurs registered with FNCCI in different Small and Medium Enterprises (SMEs) sectors in Kathmandu, a random sample of 215 subjects was chosen. MS-Excel and the Statistical Package for Social Science (SPSS) were used to analyze participant data. With 215 of the 250 issued surveys being returned and 35 respondents unable to make a response, the response rate was 87%. The Google questionnaire forms were used to ask 150 questions in total. Only 130 of the respondents responded to it, while 20 did not react at all. Likewise, 100 surveys were distributed by going door to door with Young Entrepreneurs. Only 85 of them responded to the questionnaire, and 15 of them were unable to do so.

The study's conclusions, which are displayed in tables, bars, and pie charts, show that young people in Kathmandu want to pursue entrepreneurship even in the face of current barriers. Lack of support networks, inefficient government initiatives, financial limitations, ambiguous registration procedures, a lack of necessary skills, and a lack of resources are some of these challenges. Youth have an inspiring zeal for entrepreneurial activity in spite of these obstacles. The study emphasizes the need for focused

interventions and suggestions to improve the development of young entrepreneurship in Kathmandu. These findings have broad ramifications for those involved in promoting opportunity and economic growth in the community.

Keywords: Youth, Entrepreneurship, Obstacles, Current Challenges, Prospects, Financial Challenges, Youth entrepreneurship Development.

CHAPTER 1: INTRODUCTION

1.1 Introduction and background of the study

The study's main objective is to investigate the financial obstacles that young business owners in Kathmandu, Nepal encounter. It explores the first difficulties that entrepreneurs face while starting a firm and the later roadblocks that impede their endeavors' expansion. The primary goal is to pinpoint the precise monetary obstacles preventing young people in the Kathmandu valley from pursuing business.

Being an entrepreneur means having the guts to take calculated risks, engage in financial endeavors, and conduct business by turning all of your creative ideas into profitable ventures (Aces & Armington, 2014). They also make important decisions on the location of their businesses, formats, and the use of institutions and resources that are accessible. In summary, entrepreneurship is about an individual's behavioral traits; it is not the same as being a clearly defined professional (Lloyd-Ellis & Bemhardt, 2017).

Young people in Nepal confront significant economic issues due to high rates of underemployment and unemployment. According to official figures, 38% of young people, or those between the ages of 15 and 29, are unemployed, and 8% of this age group is underemployed. In Nepal, the term "youth" generally designates those between the ages of 16 and 40, who make up around 41% of the population.

The value of youth empowerment has gained more attention in recent years, especially when it comes to the job market. Though it has received more attention, youth unemployment is still a major issue, with 38% of young people unemployed and a startling 75% underemployed.

In addition to creating a general sense of hopelessness, unemployment has serious negative effects on the economy and society. The obstacles that young people encounter are made worse by institutional and cultural impediments, especially when it comes to achieving their entrepreneurial dreams.

Although conventional jobs will always be valuable, encouraging young entrepreneurship is thought to be crucial to their assimilation into the official sector. Young people in Nepal have a tremendous desire for chances for self-employment, yet many feel impeded by many barriers when it comes to following their entrepreneurial aspirations. Unlocking youth's economic potential and advancing Nepal's overall socioeconomic development depend on addressing these obstacles.

"Any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business," is how the Global Entrepreneurship Monitor (GEM) defines entrepreneurship (Kelley & Singer, 2012). A concerted attempt to track, evaluate, and publish data on entrepreneurial activity in forty-three industrialized and developing nations is represented by GEM. Annually, GEM computes and publishes the start-up participation rate, new company involvement rate, and overall entrepreneurial activity index. These figures are considered to be very trustworthy for cross-national comparisons.

One tactic used to encourage economic activity among young people is entrepreneurship. According to the European Commission (2003), there has been a global increase in the dedication of scholars, professionals, and decision-makers to encourage an entrepreneurial mentality in society. Research indicates that young people in particular are more likely to be unemployed when there are fewer employment available. With the labor market severely damaged by the economic crisis, young people are being laid off first. As a result, thousands of laid-off individuals have returned to rural regions where job opportunities are scarce. Today's kids have over three times the unemployment rate of adults, and one in five working adolescents worldwide still live in severe poverty on \$1 per day (ILO, October 2018). As a result, rather than being "entrepreneurs by choice," many young people are forced to work for themselves and become "entrepreneurs by necessity." Government and international organizations are thus paying more attention to the promotion of more successful youth entrepreneurship policies and strategies, and it is becoming increasingly clear that responsible youth entrepreneurship needs to be a primary research area for addressing regional and global economic and employment challenges. According to research conducted by the International Labour Organization (ILO), young people are three times more likely

than adults to be jobless. The shifting demographics of many nations, political upheaval, and the local and global economic downturn all point to the growing significance of youth and entrepreneurship. A 2012 GEM research projects that 660 million young people would be jobless by 2015. It seems improbable that the formal sector, which is growing in many countries at a very modest pace, would be able to provide employment possibilities to the growing number of young people seeking work (Schoof, 2006). Even if the overall situation appears dismal, youth entrepreneurship may be considered a further means of enabling young people to enter the workforce and encourage the development of jobs. According to GEM 2012, 121 million youths become 16 years old annually, and 89% of them may look for employment in developing nations (Kelley & Singer, 2012). These figures unequivocally demonstrate that, in the current environment, entrepreneurship and job creation are the only practical solutions to the impending shortage of jobs.

In recent decades, the necessity of youth entrepreneurship has come to be recognized as a precondition for national economic growth, the empowerment of youth, and the reduction of poverty at the home level. Relatively little data has been collected about the difficulties young people in Nepal have while launching their own enterprises. The purpose of this study paper is to provide an overview of the present circumstances encountered by young entrepreneurs in Nepal, namely in Kathmandu, where a growing number of them are using their own efforts to promote economic progress. This study delves further into the shared difficulties they encounter as well as potential solutions. To comprehend the challenges that young people encounter, it is crucial to have an overall understanding of Nepal's development status by consulting the Human Development Report. These demonstrate how underdeveloped the nation is overall. Nepal is ranked 149th out of 189 nations by the Human Development Index (HDI) of 0.574 and 99th out of 135 developing countries by the Human Poverty Index (HPI) of 38.1 (HDI, 2017).

The data emphasizes how common poverty and unemployment are among Nepal's youth, which leads many of them to look for work outside. The Nepalese government has made the promotion of small and medium-sized enterprises (SMEs) a top priority because it recognizes the potential of industrial growth to address these issues. Nonetheless, historical patterns show a fall in self-employment in Nepal, mostly due to the country's transition from

agriculture to industry and the attraction of working for larger companies, which are seen to provide greater possibilities and pay.

Globalization and possibilities outside have contributed to brain drain and migration by increasing the number of people who are unwilling to take on the risks involved in starting their own business. This tendency highlights the difficulties in promoting entrepreneurial endeavors in the face of the allure of job opportunities abroad and the perceived security of working for well-established companies.

As a result, since the government introduced the young self-employment program, youth entrepreneurship has drawn a lot of attention (CBS, 2010). Numerous support systems were implemented with the goal of fostering entrepreneurship and the Small and Micro Enterprise (SME) sector; the young gained from these initiatives as well. Nevertheless, the initiative has fallen short of its goal because of the protracted political unrest and the government's reluctance to carry it out. Furthermore, because entrepreneurship has not yet been included in their curricula, a number of universities and colleges have been unable to recognize the significance of the function that it plays. However, despite the fact that certain vocational training institutions promote entrepreneurship to encourage and recognize the accomplishments of young entrepreneurs and to sell it imaginatively to young people, the outcomes they produce are unsatisfactory. Youth in Nepal have to deal with an unsatisfactory and depressing high failure rate for small and micro firms, which often happens in the early stages of their existence. In a similar vein, Youth Business International (2013) notes that over 60% of these enterprises in Nepal fail during their first three years of operation, with a significant portion of them collapsing well before they reach the implementation stage. This might not be the case for young people starting their own businesses in this nation, especially in Kathmandu (CBS, 2010).

This study explores the background of young economic issues in Nepal's capital city of Kathmandu. Its main goal is to pinpoint and investigate the financial barriers that young people in the area face when they try to start their own businesses. The goal of the study is to look at the early roadblocks that arise when starting a firm and the ongoing issues that prevent new or expanding entrepreneurial endeavors. It also aims to evaluate the possible

opportunities for young people in the Kathmandu community to enhance their entrepreneurial skills.

1.2 Problem Statements

The competitive nature of modern society demands certain skills and experiences, which makes it difficult for young people in Nepal to get them, creating a labor shortage. The industrial sector employs roughly 2% of the economically active population and contributes approximately 8% of the GDP, although the nation suffers from severe underemployment and high unemployment.

A case study conducted by Nepal Rastra Bank found that 3.1% of the labor force was unemployed overall, with underemployment rates as high as 33.6% in urban regions and 46.4% in rural areas. Since they can create jobs, raise income levels, and end the cycle of poverty, entrepreneurs are viewed as essential to the advancement of industry and the economy.

Since the early 1990s liberalization and privatization policies, the Nepalese government has implemented a number of business development plans, focusing mostly on youth, in recognition of the potential of entrepreneurship to reduce unemployment and the socio-economic difficulties that accompany it. But in the last ten years, young migration has surged dramatically as a result of globalization creating new pathways for migration, especially to the Gulf States.

The advantages and downsides of the remittance economy have been widely discussed, but Nepal's overall entrepreneurial development has suffered. Young people make up a sizable share of migrants, who are frequently motivated by a lack of prospects at home. This pattern of migration reduces not just the number of young people starting their own businesses but also the possibility for economic growth in the nation as a whole.

Neglecting to encourage young people to pursue entrepreneurship might result in lost chances for business growth and all of its advantages, including higher living standards and revenue generating. If these issues are not resolved, Nepal's young unemployment rate is probably going to keep going up.

1.3 Research questions

The research aims to investigate the challenges and prospects of youth entrepreneurship in Kathmandu through the following research questions:

1. What are the specific education and training factors that correlate with successful youth entrepreneurship development in Kathmandu?
2. How do individual differences (e.g., personality traits) influence the relationship between entrepreneurial skill and youth entrepreneurial development in Kathmandu?
3. How does access to finance influence the initiation and sustainability of youth entrepreneurship ventures in Kathmandu?
4. How do regulatory frameworks and policies influence the propensity of youth to engage in entrepreneurship development in Kathmandu?

These questions provide a framework for understanding the barriers faced by young entrepreneurs, assessing the potential for entrepreneurial growth in Kathmandu, and identifying the specific financial obstacles hindering entrepreneurship in the region.

1.4 Objective of the Study

The research objectives for this study are:

1. To identify key factors that contributes to successful youth entrepreneurship development in Kathmandu.
2. To amens the relationship between different entrepreneurial skills and youth entrepreneurship development in Kathmandu.
3. To investigate the effect of different variables on various indicators of youth entrepreneurship development of youth entrepreneurship development in Kathmandu, such as venture creation, rates, employment generation, and revenue growth.

These objectives aim to provide a comprehensive understanding of the obstacles faced by young entrepreneurs in Kathmandu and explore avenues for promoting and supporting youth entrepreneurship in the region.

1.5 Research Hypotheses

The following hypotheses are formulated on basis of objectives of the study.

1. **H1:** There is significant relationship between Education & Training and Youth Entrepreneurship Development.
2. **H2:** There is significant relationship between Entrepreneurial Skill and Youth Entrepreneurship Development.
3. **H3:** There is significant relationship between Access to Finance and Youth Entrepreneurship Development.
4. **H4:** There is significant relationship between Rules & Regulation and Youth Entrepreneurship Development.

1.6 Operational Definition

This study focuses on various aspects related to entrepreneurship, particularly youth entrepreneurship, particularly youth entrepreneurship, in Kathmandu. Here are the key points summarized:

- 1.6.1 **Entrepreneurship:** It involves setting up businesses, taking financial risks, and aiming for profits by identifying market opportunities and implementing innovative ideas or processes.
- 1.6.2 **Youth Entrepreneurship:** This pertains to the application of enterprising qualities like initiative, motivation, creativity, and risk-taking by young individuals in the work environment, whether through self-employment or employment in small start-up firms.
- 1.6.3 **Prospects:** Refers to the positive attitudes, perceptions, intentions, and developments towards youth entrepreneurship development in Kathmandu. It encompasses the favorable aspects of the business environment common to similar types of businesses.
- 1.6.4 **Financial Challenges:** These are common constraints or problems encountered during the initiation and operation of business activities.

- 1.6.5 Education and Training:** Formal education gained from colleges or universities, along with additional knowledge or skills acquired through on-the-job or external activities, collectively contribute to the educational background of individuals.
- 1.6.6 Access to Finance:** This refers to the availability of loans from financial institutions in Kathmandu and the ease of understanding the loan application procedures.
- 1.6.7 Rules and Regulations:** All laws and guidelines established by the Government of Nepal related to business and entrepreneurial activities fall under this category.
- 1.6.8 Entrepreneurial Skill:** These are the fundamental skills necessary for youth to start, develop, finance, and succeed in their enterprises.

Overall, the study aims to explore these aspects to gain insights into the challenges and opportunities for youth entrepreneurship in Kathmandu.

The assumptions made in this study are:

- I. Definition of Youth: Youth is defined as individuals aged between 21 to 45 years in Kathmandu.
- II. Data Collection Method: The study primarily relies on primary data collected through both physical visits and the distribution of questionnaires via Google Forms to youth entrepreneurs in Kathmandu.
- III. Potential Bias of Respondents: It is acknowledged that the respondents may exhibit bias or lack comprehensive knowledge about entrepreneurial activities.
- IV. Level of Significance: The significance level for statistical tests is assumed to be 5%.

These assumptions provide the framework within which the study operates, guiding the interpretation and analysis of the collected data regarding youth entrepreneurship in Kathmandu.

1.7 Rationale of the Study

In every nation, entrepreneurship is acknowledged as a key factor in social welfare advancement, economic growth, competitiveness, and job creation. It is impossible to exaggerate the significance of young entrepreneurial growth in Kathmandu considering its

difficult economic situation. Important concerns include the development of job possibilities and the use of microenterprises as a major means of subsistence and revenue generating for young people.

Although it is still relatively new in Nepal, young entrepreneurship is becoming more and more popular among the populace. Studies on the economic contributions and difficulties experienced by young entrepreneurs in Nepal are noticeably lacking, nevertheless. This study's conclusions seek to close this gap by illuminating the financial challenges and opportunities facing young people pursuing business in Kathmandu.

All of the parties involved in encouraging youth entrepreneurship in Kathmandu—researchers, legislators, donors, educators, and practitioners of youth development—will gain from the study's findings. Furthermore, the government, the general public, and the entrepreneurs' families all gain from entrepreneurship in addition to the business owners.

1.8 Limitation of the study

The limitations of this study are as follows:

1. **Sample Restriction:** The study only surveyed youth entrepreneurs registered with FNCCI and NYEF in Kathmandu, Nepal, which may limit the generalizability of findings to the broader Nepalese society. Contextual differences in youth entrepreneurship development in other regions of Nepal were not explored.
2. **Scope Limitation:** The research focused exclusively on profit-making private youth entrepreneurial ventures involved in product and service production and sales, excluding other types such as social, tourism, and adventure entrepreneurship. This may overlook the contributions of these excluded entrepreneurs to their communities and the economy.
3. **Data Availability and Literature Scarcity:** Accessing data related to young entrepreneurs was challenging, and there is a scarcity of studies on youth entrepreneurship in Nepal, making literature review difficult and limiting the depth of analysis.

4. Time and Resource Constraints: The study was conducted within a limited timeframe and with constrained resources, potentially affecting the comprehensiveness and robustness of the results. Additionally, the research was conducted in closed premises, potentially limiting the representativeness of findings to real-world conditions.

Despite these limitations, the study provides valuable insights into the financial challenges and prospects of youth entrepreneurship in Kathmandu. However, caution should be exercised in applying the findings to other contexts and populations in Nepal.

CHAPTER 2: LITERATURE REVIEW

2.1 Literature Review

This study's chapter on the literature review explores a variety of entrepreneurship-related topics that are pertinent to answering the research objectives. It seeks to clarify certain barriers that prevent young people in Kathmandu from pursuing entrepreneurship, look at issues impeding the growth of youth-led businesses, and research the opportunities for youth entrepreneurship in the area.

The definition of entrepreneurship and a discussion of its theoretical underpinnings open the chapter. After then, it concentrates on young entrepreneurship in Nepal, looking at its special traits, difficulties, and prospects. It specifically explores the financial obstacles and opportunities that young entrepreneurs in Kathmandu confront.

For the purpose of the literature review, a variety of secondary data sources were reviewed, including government documents, books, journals, articles, magazines, dissertations—both published and unpublished—and dissertations. In order to prepare readers for the analysis and debate that follows, the review attempts to provide readers an understanding of the major ideas, theories, and facts pertinent to the study's subject.

2.2 Empirical Review

2.2.1 Review of International Articles

Numerous studies on the financial difficulties faced by young entrepreneurs nationwide and abroad have been conducted. The majority of research on banks, industries, and microeconomic variables is to identify the financial obstacles and opportunities facing young entrepreneurs across various nations. Regarding papers and scholarly theses, the researcher examines the financial difficulties associated with young entrepreneurship in this part.

Bhatta and Baijal (2024) conducted research in the Nepalese sub-metropolitan city of Dhangadhi on the opportunities and difficulties facing young entrepreneurs. Using a quantitative descriptive survey research approach, the data for this paper were gathered using a structured questionnaire, and descriptive statistical methods were used for analysis. A purposive sample strategy was used to identify 56 young entrepreneurs as respondents.

According to the report, becoming independent is the primary motivation for starting a business, followed by raising one's income. It is discovered that the biggest obstacle to youthful entrepreneurship is competition, which is followed by funding availability. The possibility of microbusinesses, inventiveness and originality, the growth of entrepreneurial abilities, the establishment of an entrepreneurial culture, and economic engagement, however, are the main opportunities. By providing financial assistance and a set of flexible laws and regulations, the government should create an atmosphere that encourages businesses to apply their ideas, techniques, skills, and capacities to foster entrepreneurship. For upcoming scholars, policymakers, academicians, owners, and young entrepreneurs, this study may mark a significant turning point.

The essay "Youth entrepreneurship in Germany: Empirical evidence on the how, the why, the how many, the who, and the when" was written by Sternberge and Breitenbach in 2023. Although there is surprisingly little pertinent research-based empirical information, youth entrepreneurship is becoming a more and more significant part of policy supporting entrepreneurship. This study gap is especially apparent when considering the environmental and personal elements that influence young people's decision to launch a company. The data were gathered through surveys, and statistical methods were employed to perform logit regressions, which show how 10 independent factors affected the chance of launching a firm. It separates those who are 18–24 years old from those who are 25–64 years old, and it also separates founders from non-founders. The most affecting variables for the person-related elements are self-efficacy in entrepreneurial abilities, fear of failure, and gender; for the contextual factors, the top influencing variables are knowledge of other founders. Our findings imply that, rather than adopting a "one size fits all" approach for new firms, regardless of the age of the founders, start-up promotion policies should specifically address the empirically proven factors of youth entrepreneurship. For younger people, these factors include the formal level of education and the perception of local entrepreneurial opportunities.

Research on "Youth entrepreneurship dynamics in Benin: Was access to finance the missing piece of opportunistic self-employment" was carried out by Melain and Kolotioloman in

2022. Young people are looking for work possibilities in socially engaged and demanding contexts in developing nations, particularly in Sub-Saharan African nations. Thus, it would seem that entrepreneurship is essential to lowering poverty, reducing unemployment, and securing long-term employment. The projected likelihood of entrepreneurial intention and the availability of funding were simultaneously calculated using an SURE Probit technique using data from the International Labor Organization (ILO). The results indicate that the dynamics of youth entrepreneurship in Benin are greatly influenced by effective financial inclusion. However, because youth entrepreneurship in Benin is primarily motivated by necessity, policies pertaining to education, particularly entrepreneurship education, are necessary to ensure the effectiveness of youth financial prosperity.

Kavita (2021) examines the prospects and problems associated with young empowerment for India's economic growth, with particular attention to the district of Meerut. The study concentrated on young people since they represent a country's future and present; what they sow now will be reaped later. The youth have the energy, vision, and ability to effect change, and they must contribute to the economic growth that is currently required. The study has made it abundantly evident that young people have worked hard to develop creatively in order to raise awareness and sensitize the community about environmental issues. In the hopes that the world would improve in the future, the current study has investigated how empowerment and training offered by NGOs yields fruit.

Nkun (2020) assesses the difficulties that young entrepreneurs have while looking for funding to launch a firm, using Ghana as a case study. This entrepreneurship research examines the demand for and motivation for small enterprises, particularly among graduates, using Ghana as a case study. It looks into the difficulties in obtaining finance that young company owners encounter. Twenty small firms with no more than five years of operation were chosen at random to make up the sample size. Conclusion: Personal, demographic, and contextual factors influence one's interest in and aptitude for entrepreneurship. Second, more policy attention has to be paid to the startup process. Thirdly, young entrepreneurs continue to have difficulties in obtaining company loans, obtaining credit, and acquiring cash.

The paper "Youth entrepreneurship as a basis for sustainable urban development: social and legal aspect" is examined by Viktoria et al. (2019). The state's economy benefits from the

younger generation's contributions to the fast growth of small and medium-sized enterprises, the emergence of a middle class that is sustainable, the creation of new jobs, and the decline in unemployment. The study's significance has been decided by the current decline in young people's enthusiasm in engaging in entrepreneurial activities. The study's goal is to examine the issues surrounding young people's involvement in entrepreneurship in the Khanty-Mansi Autonomous Area of Ugra. In order for youth entrepreneurship to flourish in Russia, a single, thorough study of this institution must be carried out by a variety of scientific disciplines, including sociology, economics, law, and others. This study must take into account the national and geographical characteristics of the various territories, as well as their budgets and financial conditions.

Gwija (2018) investigated the obstacles and opportunities associated with the growth of youth entrepreneurship in a Western Cape community in South Africa. The purpose of the study is to clarify the significance of young entrepreneurship for South Africa's community development. The research evaluates how young people's entrepreneurial development contributes to the nation's ability to generate income and launch new businesses. Using a two-pronged approach, this study aims to identify the particular problems impeding the growth of youth entrepreneurship in Khayekustha, the Western Cape, South Africa, as well as the chances for such development. Self-administered questionnaires were distributed to 132 respondents, who were chosen at random from a population of 200 young entrepreneurs registered on the database of a local organization that fosters and develops entrepreneurship in the Western Cape. The research used the qualitative analysis technique to collect the data. This study, which is an applied research project, is relevant because it offers a unique perspective on the situation of adolescent entrepreneurship in a sizable but little-studied Western Cape township community. Therefore, the conclusions and suggestions have broad implications for all parties involved in fostering young entrepreneurship in this community.

The papers on the prospects and difficulties of encouraging young entrepreneurship in Montenegro are conducted by Karadzic et al. (2017). This research only uses six case studies from accomplished young adults in their 20s and 30s who are involved in business. Information collected from oral and written sources. The study examined the opportunities and difficulties that young entrepreneurs have while trying to contribute to Montenegro's

growth in all spheres. The University of Montenegro's school of economics' entrepreneurship program primarily targets young people. Just six instances were chosen at random from various organizations for this article's sample size selection.

According to Dhaliwal's (2016) research, entrepreneurs play a crucial role in the growth of a nation's industrial sector as well as its agricultural and service sectors. They operate as catalysts for economic activity by making bold decisions. Similar to gamblers, entrepreneurs may boost their odds of winning by holding the appropriate cards. The contribution of entrepreneurship to economic growth differs between economies based on factors such as industrial environment, availability of capital, and political system's receptiveness to the role of entrepreneurship. Innovative products and services offered by business owners create jobs and have the potential to have a positive ripple impact on the economy. The economy and society will undoubtedly benefit from a balanced approach to fostering entrepreneurship if entrepreneurs are aware of its advantages and disadvantages.

The impact of youth entrepreneurship on nation building was examined by Fadeyi et al. (2015). The study set out to look at how young entrepreneurs contribute to the development of a country. Forty up-and-coming entrepreneurial companies were chosen at random from a population of businesses spread throughout the Yaba Local Government Area (LGA) in the state of Lagos. Simple random sampling was used to choose the sample. The owners and managers of entrepreneurial businesses completed questionnaires to get primary data through interviews. Pie and bar charts are used to display the data, which were evaluated using basic percentages. According to this study, competitiveness, growth, and development of entrepreneurial enterprises in Nigeria are significantly correlated. Additionally, it discovers that young entrepreneurs, with appropriate backing, significantly contribute to the expansion of Nigeria's national economy.

2.2.2 Meta Analysis

Summary of articles, journals and academic thesis are as follows:

Author	Titles	Years	Methodology	Major Findings
Ghanshyam Bhatta & Sanjay Baijal	Challenges and Prospects of Youth Entrepreneurship in Dhangadhi Sub-Metropolitan City, Nepal	2024	Data were collected through structured questionnaire and analysed using descriptive statistical tools. This study employed descriptive research. In this study the purposive sampling strategy is used for the convenience of the investigation.	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.
Rolf Sternberg & David Breitenbach	Youth Entrepreneurship in Germany: Empirical Evidence on the How, the Why, the How Many, the Who, the When	2023	Under this study binary logistic regression models were used to analyse the data. Random sampling technique were used to select the sample size. Data were collected from primary source. ANOVA, hypothesis, correlation and regression model were used to evaluate the data. Intraclass correlation coefficients (ICC) model was used to process the data.	Young people differ considerably from older people in terms of the likelihood of starting a business and while the lower likelihood of younger people compared to older people. Young founders also differ considerably from young non-founder in terms of important demographic characteristics and the assessment of the entrepreneurial context.
Melain Modeste SENOU & Kolotiolomn SORO	Youth Entrepreneurship Dynamics in Benin: Was Access to Finance the Missing Piece for Opportunistic Self-	2022	Under this study descriptive research design were used. Data were collected through both primary and secondary source. For calculation of data simultaneous latent equation model and	Young people in developing countries and more especially in Sub-Saharan African countries are seeking employment opportunities in challenging and social environments.

	Employment.		descriptive statistic used to analyse the data	Finding show that due to the nature of the youth entrepreneurship in Benin, driven essentially by necessity purpose, there is a need for policies measures towards education and particularly entrepreneurship education that are key in the effectiveness of youth financial prosperity
Kavita	Challenges and Opportunities for Empowering Youth for Economic Development of India (with Special Reference to Meerut District)	2021	<p>The study is combination of descriptive and exploratory method used to describe the data.</p> <p>Purposive and random sampling were used to select the sample size. Primary and secondary data were used to collect the data. SPSS, statistical tools were used to calculate the data such as measures of central tendency, cross tabulations, correlation and inferential statistics such as Chi-square, ANOVA were used to understand relationships between the study variables. Appropriate tables and graphs and other data displays were used.</p>	<p>It is crystal clear that the entire human race will have to move towards nature as it was decades ago. Nature has enough to accomplish the needs of the human beings but to satisfy greed entire glob will move towards economic development. This kind of development can lead human beings towards disastrous development. The study has explored the training and empowerment provided at NGOs bears fruits and hoping for the world to be better tomorrow.</p>
Usha Imran Nkun	Challenges young entrepreneurs	2020	Descriptive research design used to conduct this case study.	It investigates credit access challenges that young entrepreneurs

	face when seeking funding to establish business: Ghana as a case study		Random sampling technique used to select the sample. Table, graph and histogram were used to present the data and statistical tools were used to analyse the data.	face when starting a business. Secondly, the process to starting a new business needs stronger policy attention. Thirdly, raising capital, credit access or business loan acquisition is still a challenge for young entrepreneurs
Viktorina Lez'er, Nina Semerianova, Anna Kopytova & Yuri Truntsevsky	Youth entrepreneurship as a basis for sustainable urban development: social and legal aspect.	2019	Scientific methods were used in the work: dialectics, analysis, synthesis, formal legal and comparative legal method. Comparative legal method made it possible to correlate federal legislation with the legislation of the region and the municipality, to reveal discrepancy and shortcomings of regulation in the field of development of small and medium-sized businesses.	There is a decrease in the interest of young people to participate in entrepreneurial activities, this fact has determined the relevance of the study. Successful development of youth entrepreneurship in Russia, it is necessary to conduct a single comprehensive study of this institution by the efforts of various branches of science- sociology, economics, law etc.
Saphetah Appie Gwija, Chuks Eresia-Eke & Chux Gervase Iwu	Challenges and prospects of youth entrepreneurship development in a designated community in the Western Cape, South Africa.	2018	Primary data collected through self-administered questionnaires by using random sample techniques with entrepreneurs registered on the database of local organisation. This study uses descriptive research design.	There is a continued growth in the population of youth entrepreneurs in Khayelitsha. This is supported by the findings which hint that the youth are becoming more and more enthusiastic about entrepreneurship in this community.

Vesna Karadzic, Radivoje Drobnjak & Manijeh Reyhani	Opportunities and challenges in promoting youth entrepreneurship in Montenegro.	2017	Graph, table and statistical tool were used to annals the data. Persuasive sampling technique were used to select the sample size. Qualitative data were collected through interview, observation and archival sources are used. Process for the development of theory used as a guide to the study.	This study is focused on investigation of the analysis of the opportunities and challenges that youth entrepreneurs face in contributing to all areas of the development in Montenegro.
Amrita Dhaliwal	Issues on Performance of Young Entrepreneurs in Small and Medium Enterprises in Sabah.	2016	Primary data used in this study. This paper is predominantly undertaken via systematic review on 23 related studies on the issue hindering the performance of young entrepreneurs in Small and Medium Enterprises (SMEs) around the globe.	The internal and external issues that have been investigated in this paper have emerged as the main hindrance to venture successfully into running a business via Small and Medium Enterprises (SMEs).
Olatunji Fadeyi, Adunola Oluremi Oke, Abimbola Adegbuyi, Musibau Akintunde Ajegbe & David T. Isiauwe	Impact of youth entrepreneurship in Nation Building.	2015	The study adopts descriptive survey. Simple random sampling technique were used to select the sample size. Primary and secondary data were used to collected data. Pie and bar charts were used to present the analysed data.	This study finds that there is a significant relationship between competition, growth and development of entrepreneurial firms in Nigeria.

2.3 Prospects of Youth Entrepreneurship in Nepal

In the context of this study, prospects are defined by attitudes, perceptions, intentions, development, and constructive actions aimed at fostering young entrepreneurship in Kathmandu. As previously said, young people in Nepal have a variety of difficulties while

launching and growing their own businesses, yet they are also highly motivated to engage in entrepreneurship. Despite the severe youth migration problem due to employment abroad, a sizable proportion of young people are launching their own enterprises. I hope that the Kathmandu region also benefits from this mindset. With a 46 percent unemployment rate and a severe lack of appealing job prospects, Nepal is seeing a significant outflow of people. Every year, almost 400,000 individuals—the majority of whom are young—apply for labor permits to work abroad (World Bank, 2013). Future economic growth, social stability, and 16 near-term development goals in Nepal will thus increasingly rely on giving young people alternative work opportunities. In this sense, the Nepalese government is starting to see the many advantages of encouraging entrepreneurship as a component of its post-conflict and national economic development plans, with a particular emphasis on youth. This endeavor may be a helpful step for the nation's, particularly Kathmandu's, young entrepreneurial growth. According to a 2013 World Bank study, following the signing of the Comprehensive Peace Accord (2006), the following policies and initiatives aimed at promoting youth entrepreneurship were developed:

- The inclusion of adolescents as a priority category in the 2010/11–2012/13 and 2007/08–2009/10 Three-Year Plans
- The Ministry of Youth and Sports (MoYS) was founded in 2008.
- The Youth and Small Enterprise Self-Employment Fund was established in 2009.
- The National Youth Policy was enacted in 2010.
- Creating a policy on student loans with the academic credential serving as collateral.

Recent government initiatives have opened up new opportunities for young employment and entrepreneurship while also starting to provide the groundwork for increased national involvement with youth. The 2010 National Youth Policy specifically targets young people who, via engaging in entrepreneurial endeavors, may boost the nation's economy as a whole. There are now more opportunities for young entrepreneurship in Nepal thanks to the establishment of the youth employment and promotion center and the youth information and research center. Hopefully, this strategy will encourage entrepreneurial endeavors in Kathmandu as well. Along with teaching diverse skills including business and management, the Ministries of Labor and Employment and Industry also provide entrepreneurship training

(CBS, 2010). In an additional effort to lower unemployment in the nation, the government established the Youth and Small Enterprise Self-Employment Fund (YSESEF) in 2009. It is primarily aimed at young individuals without jobs and small company owners, who can apply for low-interest, collateral-free loans up to NPR 200,000 to use as startup money. As a concrete result of these assistance 17 policies and programs, young people's economic involvement and skill development have grown.

Nepal has a wealth of untapped business potential in a number of industries, including IT, small and medium-sized businesses, tourism, pharmaceuticals, and herbs and their products. The nation needs responsible and creative businesspeople to take advantage of these possibilities and reach the appropriate levels of prosperity. In Nepal, micro enterprise training and development is acknowledged as a feasible approach to provide youngsters with economic prospects, in conjunction with small-scale firm growth.

Youth entrepreneurship must be promoted through initiatives including revenue creation activities in conjunction with local NGOs, local government, and external agencies (such as national agencies, foreign funders, and community-based groups). These initiatives include creating credit and savings plans, making emergency credit and credit for housing and microenterprises more accessible, and enhancing infrastructure. Through increasing knowledge of people's abilities and resources, these programs seek to provide opportunities for financial empowerment.

In general, encouraging youth entrepreneurship and skill development may greatly raise young income and involvement in the mainstream economy, which would support Nepal's economic growth and prosperity.

2.4 Challenges of Youth Entrepreneurship in Nepal

Without a doubt, there are some limitations and difficulties that entrepreneurs encounter everywhere. Furthermore, there is ample evidence that both adult-run businesses and youth-run businesses deal with issues that are similar to one another in many ways, including a lack of funding, access to profitable markets, a lack of managerial expertise, poor planning, a lack of new product development, etc (Chigunta, 2002). In light of Nepal's high incidence of young unemployment and the unwillingness of many traditional businesses to hire recent

graduates, encouraging youth entrepreneurship may be a more effective way to combat the nation's unemployment problem (James, 2017). According to a 2010 Central Bureau of Statistics report, everyone in the nation—the government, the ministry of youth, the private sector, civil society, non-governmental organizations, and other interested parties—has a responsibility to promote youth development in the nation. Youth unemployment among young people cannot be solely addressed by youth policies. Thus, the following list of general issues is likely to prevent young people in Nepal from starting their own businesses.

2.4.1 Access to finance

One of the biggest obstacles to the growth of young entrepreneurship in the nation is access to financing. This may force aspiring young business owners to borrow money from their relatives or spend their own funds (Nieman & Nieuwenhuizen, 2009). Research demonstrates that smaller businesses face greater obstacles than bigger corporations due to their restricted access to startup funding. The following barriers to obtaining start-up finance have been outlined by Schoof (2006), who also notes that obtaining start-up finance is frequently highlighted as being particularly difficult for young people due to their relatively lower securities, such as adequate credit history, collateral, or guarantees, as well as lack of credibility due to their limited experience compared to older counterparts.

- Lack of personal savings and resources.
- Lack of securities and credibility (for debt financing).
- Lack of business experience and skills (for debt financing).
- Complex documentation procedures
- Long waiting periods (time needed to decide on an application for funding).
- Lack of knowledge, information, and awareness of start-up financing possibilities.
- Legal status/form of enterprises
- Lack of micro funding and seed funding.

2.4.2 Administrative and regulatory burden

Young entrepreneurs today deal with a multitude of administrative challenges, such as filing taxes, registering their businesses, getting investment approvals and licenses, managing copyright and patent laws, competition law, finding workspace and long-term leases,

obtaining building permits, construction and building permits, customs clearances, utility hook-ups, etc. (Porta & Silanes, 1999). These problems are seen to be especially difficult for young individuals who wish to launch new businesses since they frequently lack experience in these areas. It revealed that businesses are burdened by bureaucratic red tape mostly related to:

- Excessive red tapes
- Bureaucratic delays
- Corruption
- Unpredictable, inconsistent, unclear and poorly implemented government policies
- Poor layoff procedure of permanent labors

A wide range of supporting and encouraging policies are needed to create a business climate that encourages young entrepreneurship and enterprise formation. These comprise monetary and fiscal policies, both of which are necessary to establish the framework for a macroeconomic climate that is stable (Schoof, 2006).

2.4.3 Lack of Interest in Entrepreneurship

Young people in Nepal do not view entrepreneurship as a better career option; instead, they would rather accept paid job as migrant workers in the Middle East and Malaysia. Instead of searching for a paid employment, young university graduates and migrant worker returnees should be encouraged to prepare for a future in entrepreneurship (Richards, 2006). Studies have indicated that the youth's lack of economic engagement is correlated with their lack of enthusiasm in launching their own companies. It is important to note that young people in Nepal are significantly less interested in entrepreneurship than young people throughout the world. In the next five years, 28% of Europeans would prefer that self-employment be extremely viable or quite feasible, according to the European Commission's Euro barometer.

2.4.4 Business Assistant and Support

The level of support a young entrepreneur receives at the startup and early stages of their firm determines their prospects of building a profitable and long-lasting enterprise. The secret to turning start-ups into profitable small and medium-sized enterprises may lie in providing support services like incubators, business clubs, support networks, and mentors

(Schoof, 2006). There are twenty different support systems designed to address this problem. The following are the main obstacles young people have been having while starting and operating a business, according to Schoof (2006), who also noted that it appears as though they are not marketing their services to the appropriate individuals at the appropriate times.

- Lack of business development services.
- No availability of exchange services.
- Devoid of trained counselors, development workers and adequate support agencies.
- Lack of mentoring capacities.
- Lack of knowledge of available business support services.
- Lack of tailor-made business training and advice for youth start-ups.

In the case of Nepal, young entrepreneurs also struggle with networking and market access in addition to the issues mentioned above. The majority of young people often only run businesses with people they know. Products are marketed to their friends, family, and other intimate acquaintances, and suppliers are typically individuals they know personally. Strategic marketing ignorance is becoming a problem.

2.4.5 Inadequate Entrepreneurial Skills

The SME sector in Nepal lacks a significant number of entrepreneurial skills, especially among young people. This might lead to a decline in product and service originality and innovation (Gwija, 2014). Thus, a lack of business acumen and a lack of access to business information have been associated with Nepal's discouragement of young entrepreneurship (Adhikari, 2008). The ability to see possibilities, be innovative, creative, determined, have a risk-taking mindset, and possess entrepreneurial traits are some of these business talents. Young people need to have access to knowledge on the stages involved in starting a business in order to do so. For young people to successfully execute start-ups, it is necessary that information be given in a youth-friendly way in one location, according to several stakeholders, especially in the government and international development sectors (Schoof, 2006). Moreover, inadequate entrepreneurship abilities among Nepali young are also associated with a lack of education and training. Actually, in order for students to effectively

launch and run their own businesses, the educational system, which spans from high school to university level, should emphasize the development of an entrepreneurial attitude in addition to knowledge and abilities (Mahadea & Ramroop, 2011).

2.4.6 Access to Market

One of the things that might cause a firm to fail is the absence of sustainable customers for the goods and services that entrepreneurs offer (Nieman & Nieuwenhuizen, 2009). The majority of young people-led businesses neglect marketing, which eventually results in unhappy customers and may even cause the firm to fail in the long term (Gwija, 2014). In Nepal, the majority of youth-owned small and medium-sized businesses often exclusively deal with people they know; goods are sold to friends and family, and suppliers are typically those they know via other close relationships or family (Timmons, 1985). The majority of young people lack the necessary skills to participate in marketplaces or find new ones (Bushell, 2008). It is the responsibility of entrepreneurs to provide goods and services to the market and profit from their sales. To assist young entrepreneurs in understanding their target market and market segmentation, a thorough market research should be carried out beforehand (Nieman & Nieuwenhuizen, 2009). Since Nepal's economy is still in its infancy, it may be particularly difficult for young people in particular to identify market niches and launch and run successful businesses.

2.4.7 Access to Appropriate Technology

According to Nieman and Nieuwenhuizen (2009), technological advancement has been crucial to the success and competitive advantage of any youth-led businesses and entrepreneurial endeavors. Technology is essential to the success of youth-owned businesses because it can lead to new product development, cost savings, high-quality goods and services, efficient production, competitiveness, and economies of scale (Nieman & Nieuwenhuizen, 2009). The world of business has seen a significant transformation because to information technology, which has facilitated the acquisition and sharing of information. Consequently, young entrepreneurs' access to contemporary technology may be essential to the smooth running of the company as it might maintain the company's competitiveness in the marketplace (Gwija, 2014).

2.4.8 Social Cultural Constraints

A child's rearing environment had an impact on their career decision, with majority finding that going for a paid employment was a better alternative, according to the 2006 GEM study (Minniti & Bygrave, 2006). On the other hand, according to (Fatoki & Chindoga, 2011), these results point to the presence of societal and cultural barriers that are probably going to have a detrimental impact on young women's engagement in entrepreneurship. Social and cultural contexts have a significant impact on how each person approaches life. They have a comparable effect on corporate culture and entrepreneurial activities. Culture is defined as a group of attitudes, values, and beliefs within a certain community or setting that eventually influence people's perceptions and aspirations toward self-employment as well as their innovative conduct. Therefore, a population, a nation, a region, or an ethnic group's entrepreneurial activities are influenced by social and cultural attitudes. Not only do we have our own attitudes, but our upbringing and surroundings also shape who we are. Because of their social surroundings, many young entrepreneurs develop a risk aversion (Kazela, 2017). Traditional cultural beliefs and lifestyles have been identified as one of the main factors slowing entrepreneurial activity in Nepal, particularly among young women (Bushell, 2008). The percentage of young women who are entrepreneurs has grown, but it has only slightly increased. Being a young entrepreneur in a developing nation like Nepal is especially difficult because women are typically seen as the family's primary caregivers and have the lowest levels of education and wealth (Bushell, 2008). Furthermore, women are stereotyped as being homebodies due to traditional sex roles (Parasuraman & Simmers, 2001).

2.5 Youth entrepreneurship in Nepal

The phrase "youth entrepreneurship" lacks a well accepted meaning (Schoof, 2006). Thus, any young person between the ages of 16 and 40 is considered a youth entrepreneur in the purpose of this research CBS (2011). Youth have gotten the right attention and position in the development scenario since the United Nations declared 1985 to be "International Youth Year: Participation and Peace Development" with the goal of raising public awareness of young people (Shrestha, 2009). The first attempt to give youth in Nepal priority was made during the Nine Plan, when youth were given their own subsection. However, the Tenth Plan Commission (2007) was unable to carry out this plan. But under the interim plan, when adolescents were focused on jobs and holistic development, it reclaimed its position.

The National Youth Policy states that all inhabitants of Nepal between the ages of 16 and 40 are considered to be young. The young people have been divided up into a number of groups, including priority groups, special priority groups, vulnerable youth, kids with disabilities, and youth from disadvantaged minority groups. According to data from the national youth policy, youth make up 41% of Nepal's overall population. With the exception of India, where there are even more migrant Nepalese youth employed, there are over 3 million young people working as migrant laborers CBS (2010). The National Planning Commission (2007) estimates that 400,000 young people enter the workforce annually. Many young people are incredibly ignorant about the options that are open to them. Furthermore, according to Shrestha (2009), they even lack fundamental knowledge about the abilities required to compete successfully in the economy of the twenty-first century.

To comprehend the challenges that youth encounter, it is crucial to have an overall understanding of Nepal's development status by consulting the Human Development Report. These demonstrate how underdeveloped the nation is overall. Nepal is ranked 142nd out of 177 nations by the Human Development Index (HDI) of 0.534 and 84th out of 108 developing countries by the Human Poverty Index (HPI) of 38.1 (2008).

Nearly half of new small firms in Asia are reportedly founded by young people, and these companies frequently generate employment at a rate quicker than the national average for the region (Thapa, 2004). As one of the least developed nations, Nepal has a population of around 38% living in poverty with an annual per capita income of little more than \$400 US CBS (2010). The industrial sector employs around 2% of the population that is actively seeking work and adds approximately 8% to the GDP. As a result, Nepal, 36 has been dealing with a severe underemployment issue as well as unemployment NRB (1988). Consequently, entrepreneurs are crucial to both industrial and economic growth processes. They might help break the cycle of poverty, increase income, and generate employment possibilities. The lack of current information makes it extremely difficult to determine the current number of youth entrepreneurs in Nepal.

To quicken the industrial development's speed, the Nepali government has placed great emphasis on SMEs' promotion. The historical record indicates a downward trend in self-employment in Nepal. Better prospects were presented in many cultures during the different

stages of development by the move from agricultural to industry and economies of scale in production by large firms. Additionally, as real wages rise, the opportunity cost of working for yourself is multiplied in relation to the potential return, which leads marginal entrepreneurs to take jobs. The tendency toward migration and brain drain has intensified as a result of globalization and the possibilities that exist in industrialized countries. Fewer people are willing to take the risk of starting their own business in this situation.

Because of this, young entrepreneurship has drawn a lot of attention since the government launched the CBS program (2010). Numerous support systems were implemented with the goal of fostering entrepreneurship and the small- and micro-enterprise (SMME) sector; the young gained from these initiatives as well. Nevertheless, the initiative has fallen short of its goal because of the protracted political unrest and the government's reluctance to carry it out. Furthermore, because entrepreneurship has not yet been included in their curricula, a number of universities and colleges have been unable to recognize the significance of the function that it plays. While some vocational training institutions promote entrepreneurship to encourage and recognize the accomplishments of young entrepreneurs and to sell entrepreneurship in a novel way to the younger generation, the outcomes they produce are unsatisfactory. Younger people in Nepal have to deal with an unsatisfactory and depressing high failure rate for small and micro firms, which often happens in the early years of operation. In a similar vein, Youth Business International (2013) notes that over 60% of these enterprises in Nepal fail during their first three years of operation, with a significant portion of them collapsing well before they reach the implementation stage. For young people starting their own businesses in this nation, and specifically in Kathmandu, this might not be an exception CBS (2010). Over the last 10 years, despite efforts to better the lot of young people in a politically turbulent and high unemployment environment, an increasing number of Nepalese youth have left the country to find jobs abroad. The government implemented youth involvement policies following the Beijing Declaration of 1995 in an effort to improve the nation's economic standing. It also developed a number of youth-empowering policies and initiatives, all of which were made legal by the Tenth Five-Year Plan Commission (2002). However, the tools to enact the legislation were lacking due to a decade-long armed insurgency and general governmental instability, and youngsters did not benefit much from the legislation. Youth-focused entrepreneurship is often not associated with job creation in

Nepal; instead, the focus of current laws and initiatives is on migrant workers who are leaving the country, not on those who are returning. Consequently, there's no public or commercial organization helping young people who are returning to the workforce find work.

Young people throughout the world face high unemployment, which might pose a threat for decades if adequate steps are not taken to solve it (Schoof, 2006). For instance, the World Bank estimates that there will be almost 25 billion young people under 25 worldwide by 2015. Nonetheless, data indicates a sharp drop in employment prospects globally (Gwija, 2014). Similar to Nepal, where young people make up the bulk of the population as was previously mentioned, the rate of unemployment among them is estimated by CBS (2011) to be about 41%. This suggests that 38% of Nepal's youth are below the poverty line, which may have a detrimental impact on their quality of life and that of their families. This possibility is likely to encourage crime and low self-esteem among young people. Because established companies are hesitant to hire recent graduates and high unemployment rates are prevalent globally, (James, 2012) suggests that encouraging youth entrepreneurship may be a preferable course of action. Any nation may benefit from entrepreneurship in terms of social welfare, job creation, and economic progress (Atherton, 2007). Thus, it is crucial that young people, their families, and society as a whole embrace entrepreneurship. However, because of a lack of clear government regulations and ten years of political turmoil, young people in Nepal trail far behind when it comes to starting their own businesses.

One important tactic for reducing poverty, creating jobs, and boosting the economy is entrepreneurship (Bushell, 2008). Because of this, entrepreneurship is essential for Nepal, particularly in light of the current unemployment rate and the economic difficulties the nation faces as a link between China and India, two of the world's largest rising economies. One of the main issues with the nation's economic development process has been the slow rate of economic growth. Since youth development is the only thing that can ensure a nation's future growth, it is an unwavering stance for nation building. Any nation's future is always projected based on its current youth labor force. A civilization on the verge of catastrophic, irreversible destruction is one that harbors an ineffective and jobless young force. Bygrave & Reynolds, 2004.

The Government of Nepal (GoN) is dedicated to accomplishing the Millennium Development Goals (MDGs) by lowering the rate of poverty nationwide and raising the standard of living for its people, particularly the youth. However, there is little chance that the targets for entrepreneurship and job creation by 2015 will be met (Graner, 2001; Commission, 2007). According to the Labor Force Survey 2012, around 4.5 million men and women, or one-fifth of the population, are between the ages of 15 and 24. Of these, 38% of youth do not currently have a job, according to Ministry of Youth (2012). Additionally, just 10% of the 400,000 or so young people who join the workforce each year are employed in Nepal, according to YES Nepal (2012). Therefore, in this situation, it is essential to provide employment chances through the creation of employment, and the only way to do this is through entrepreneurial activities that particularly target young.

According to the ILO, almost 25% of Nepal's youth are unemployed (October, 2008). Similarly, the Nepal Labor Force Survey (2008) states that over one million youngsters are unemployed, with roughly two thirds of them being from rural areas and the remainder from urban areas. Nowadays, moving abroad is an uncommon trend in the nation. Every day, about 650 young people from Nepal depart the nation in pursuit of work in overseas labor markets. It was during the insurgency phase that the statistics began to climb. The ten-year insurgency, which was followed by extreme political unrest, contributed to the rise in migrant laborers during a period when the nation's economy was struggling and employment opportunities were few. Even after the conflict, there is still a demand for foreign employment, and the number of Nepali migrant workers has been increasing at an average pace of 20% a month CBS (2011). According to the Employment Promotion Boards report (NEPAL), there are an estimated three million Nepalese migrant workers, primarily in Malaysia and the Middle East. Nepal's industrialization has continued to proceed at a relatively modest rate. The industrial sector employs around 2% of the population that is actively seeking work and adds approximately 8% to the GDP. According to earlier studies on the labor market, Nepal has been severely underemployed and has high unemployment (Sharma, 2006).

There might be significant ramifications for this tendency in practically every economic area. In light of this, growing the sector of small and medium-sized businesses may be seen as an

efficient means of advancing the growth of larger corporations and, thus, strengthening the country's whole economy (Jahanshahi & Nawaser, 2011). Consequently, entrepreneurs are crucial to both industrial and economic growth processes. They might help break the cycle of poverty by helping to create jobs, increase young income, and create chances for them to work. Ignoring Nepal's youth unemployment problem and the trend of young people leaving the nation to work abroad not only causes social unrest and general dissatisfaction among the youth, but it also has significant negative social and economic effects. According to Coenjaerts and Ernst (2009), youth unemployment is a massive waste of human resources that could advance social and economic growth. Additionally, young individuals involved in small and medium-sized commercial companies, both locally and nationally, may be able to make it happen through entrepreneurial efforts. Stated differently, young people's economic potential can be unlocked through entrepreneurship.

Much of the people in Nepal is impoverished and does not have access to essential services like energy, water, food security, healthcare, banking, or education. The nation confronts several difficulties, such as insufficient transportation networks, restricted access to healthcare and education, and inadequate infrastructure development. These difficulties make it more difficult for the public and private sectors to successfully meet social requirements. It's challenging to locate and make use of the restricted energy resources due to the inadequate transportation infrastructure.

Because there are fewer industries and employment chances due to the low economic growth rate, educated and competent people are being forced to look overseas for better opportunities. Serving low-income communities has the potential to create economic possibilities, but the private sector is reluctant to engage in rural regions because of large sunk costs, a shortage of qualified labor, and a variety of political and local concerns.

The answer to these issues is youth entrepreneurship, which provides a way to solve social issues while generating jobs and bolstering the national economy. Promoting innovation and community development via investment among young entrepreneurs can have a substantial impact on Nepal's socioeconomic advancement.

2.6 Theoretical / Conceptual Framework

The link between the independent and dependent variables is explained by the conceptual framework. According to Kothari (2003), the former is thought to be the source of the alterations, whereas the latter is influenced by the former. The impact of independent factors on the effective implementation of youth entrepreneurship development is demonstrated by the framework that follows. The research topic and pertinent literature will serve as the foundation for developing the conceptual framework for this study.

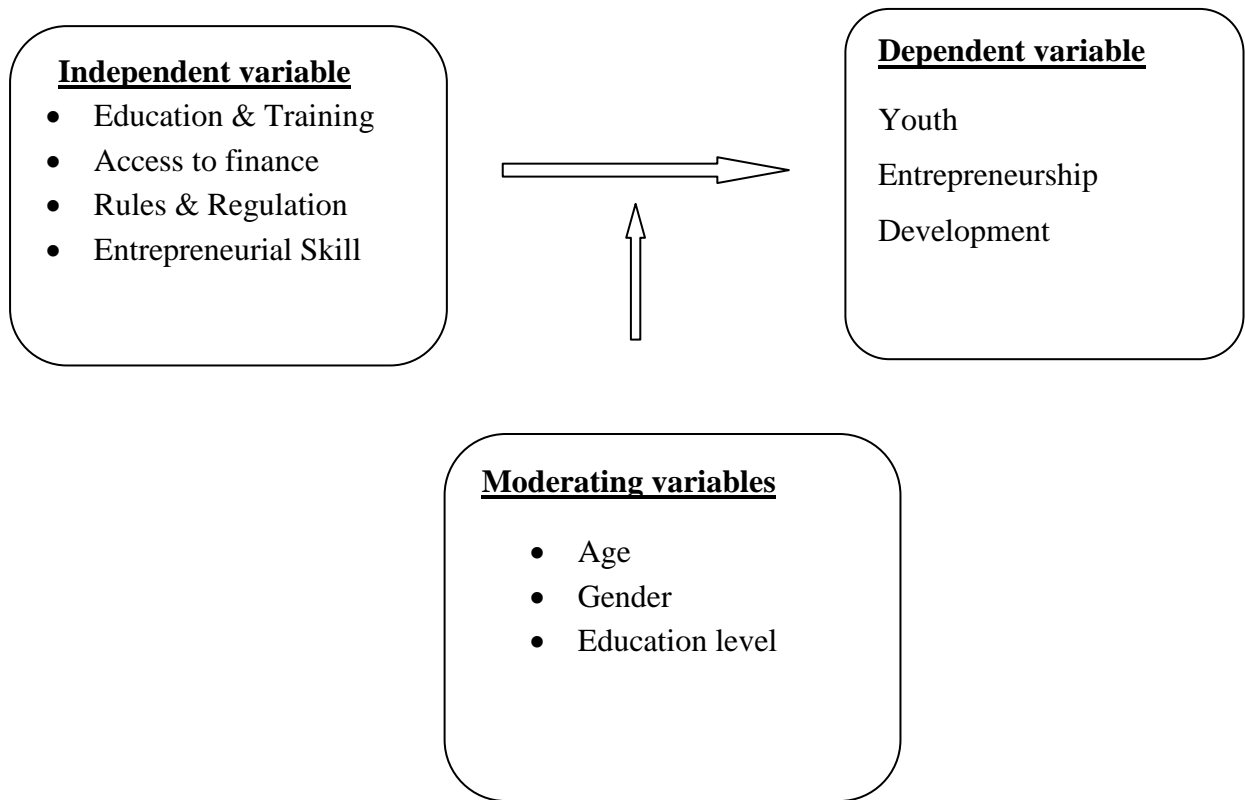


Figure 1: Conceptual Framework for the study (Kothari, 2003)

2.7 Research Gap

On the basis of the various research study reviewed the NGOs did a commendable job in uplifting youth entrepreneurs' folk in the country. The NGOs have not only engaged themselves in youth empowerment but also engaged in empowering themselves in youth empowerment but also engaged in empowering the underprivileged and youth in the society. So many researches are done at international level. However, in Nepal research work done on the youth empowerment is not really impressive.

The extensive literature review reveals that the current study is unique in its nature as it seeks to establish relationship between various NGOs youth empowerment programs and the level of youth empowerment in the district of Kathmandu. No research work on financial challenges of youth entrepreneurs in Nepal has done in Kathmandu district. So there is a need to conduct a detailed study on financial challenges of youth entrepreneurship in Kathmandu. This study is an effort to fill this gap.

So many researches are done at international level. However, in Nepal research work done on the youth empowerment is not really impressive. So, there is need to conduct a comprehensive study on challenges and opportunities for empowering youth for economic development of Nepal with special reference to Kathmandu district.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Research Plan and Design

This study uses both quantitative and qualitative approach of research. So, the research design for the study is descriptive and analytical.

3.2 Description of the Sample

Population: The study area is based on the opinion of the youth entrepreneurs in Kathmandu metropolitan city. And hence the populations of the study were the registered entrepreneurs in Federation of Nepal Chamber of Commerce & Industry (FNCCI). The following figure shows the population, sampling frame and the Sample

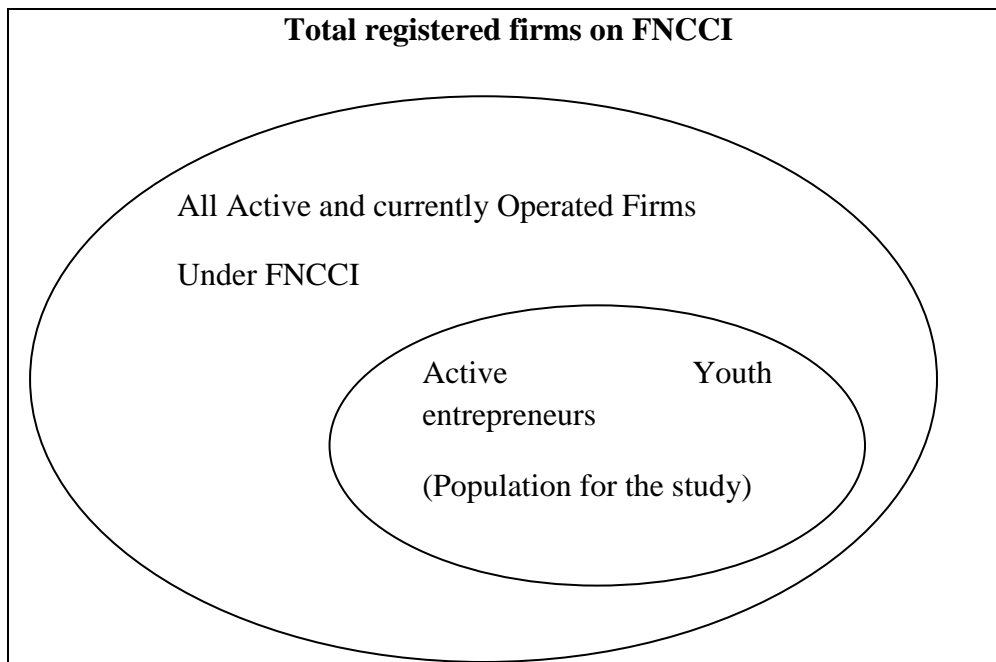


Figure 2: Population and Sampling Frame (Mishra, 2019)

Sample Size: According to the record of Federation of Nepal Chamber of Commerce & Industry (FNCCI). At present, it has more than 1,600 ordinary members and more than 8,000 firms are registered in Kathmandu. According to them out of 8,000, around 30 % firms are not active i.e., 2,400. According to the President of Nepalese Youth Entrepreneurship Forum, Ms. Rajendra Malla and analysis of current scenario in Kathmandu, the Nepalese Youth entrepreneurs in Kathmandu are near about 800. So, the population for the research was 800. The sampling technique was random sampling. Sample was taken from Nepal Chamber of

Commerce. Hence the sample size for the research was 250 youth entrepreneurs which are selected from random sampling techniques. However, the response rate was 87% i.e., 215 respondents return the questionnaire and 35 respondents unable to provide the respondents due to some reason. The 150 questionnaires were asked through by making the goggle questionnaire forms. Out of them only 130 respondents were replied and 20 respondents failed to answer it. And in the same way 100 questionnaires were asked through by visiting the Youth Entrepreneurs door to door. Out of them only 85 respondents were replied and 15 were unable to respondents the questionnaire

3.3 Instrumentation

Questionnaires were used as the main instrument for the data collection, and respondents were distributed questionnaire according to convenient and random sampling. This study target was to find out the financial challenges of youth entrepreneurs in Kathmandu valley. For the reliability and validity of the questionnaire Cronbach's Alpha was used. The questionnaire is included in the Appendix 1, below in the appendices section of this report.

3.4 Data Collection Procedure

Primary data are collected by questionnaire method for collecting quantitative data and Semi-structured interview method was selected to gather qualitative data for this study.

3.6 Analysis Plan

The collected data were processed and analyzed by SPSS version 20 and MS-EXCEL. The statistical techniques, which were used for the data to achieve the research objectives, include Descriptive Statistics (Mean, Standard Deviation, and Variance). Cronbach's Alpha was used for the reliability test. And was found to be reliable since the value of Cronbach's Alpha is greater than 0.60 i.e., .712.

And the inferential analysis includes the calculation of multiple regression analysis is done for testing hypothesis; and to explore the association between the dependent and independent variables. Lastly Pearson correlation coefficient is analyzed to support the result of multiple regression analysis.

Mathematically, the multiple regression model of this study is shown below:

$Y = b_0 + b_1 \text{ Education \& Training} + b_2 \text{ Access to Finance} + b_3 \text{ Entrepreneurial skill} + b_4 \text{ Rules \& Regulation} + \epsilon$

Where,

Y = Youth entrepreneurship development

b₀ = Beta Coefficient of Intercept

b₁ = Beta Coefficient of Education & Training

b₂ = Beta Coefficient of Access to Finance

b₃ = Beta Coefficient of Entrepreneurial skill

b₄ = Beta Coefficient Rules & Regulation

ε = Errors (under least square estimation method it is assumed to be zero)

CHAPTER 4: RESULT AND DISCUSSION

This section of the report contains of various description, analysis and interpretation of the data collected through primary source. Under this chapter it contains the analysis of descriptive statistics, results and interpretation of multiple regression analysis. The primary data so collected are presented and analyzed with the help of Statistical Package for Social Sciences (SPSS 20) and MS-EXCEL.

4.1 Presentation of Result

The presentation of the study is mainly focused on the primary data collected through structured questionnaire, informal discussion, and observation. The presentation and analysis of the primary data collected are explained below.

4.2 Descriptive Analysis of Data

4.2.1 Demographic Profile of the Respondents

This section deals with the results of demographic variables, their analysis and interpretation which were collected through questionnaires distributed to different youth entrepreneurs within the Kathmandu.

The different demographic variables consider under the study are age, gender, marital status and qualification of the youth entrepreneurs in Kathmandu.

This helps to understand the demographic characteristics of the respondents under this study. The demographic profile of the respondents can be explained below table 2.

Table 1: Demographic profile of the respondents

		Age group	Gender	Level of education	Marital status
N	Valid	215	215	215	215
	Missing	0	0	0	0

(Source: Survey Data, 2024)

4.2.1.1 Data presentation based on the age group of respondents:

The following table explains different ages group of youth entrepreneurs from Kathmandu, between age group 21 to 45 ages from the participated in this study.

Table 2: Age group of youth entrepreneurs

Age group	Frequency	Percent	Cumulative Percent
21-25	16	7.4	7.4
26-30	50	23.3	30.7
31-35	59	27.4	58.1
36-40	46	21.4	79.5
41-45	44	20.5	100.0
Total	215	100.0	

(Source: survey data, 2024)

As shown above in the table 2 the majority of the respondents lie in the age group of 31 to 35 years and the minority of the respondents lie in the age group of 21 to 25 years. It clearly shows that 7.4% of the respondents are 21 to 25 years in age group. 23.3% of respondents belong to 26-30 age group and 27.4% of the respondents were of 31- 35 age group. Similarly, 21.4% and 20.5% of the respondents are belongs to 36-40 age group and 41-45 age group respectively.

4.2.1.2 Data presentation based on the Gender of respondents:

The given table entails that gender of youth entrepreneurs from Kathmandu, participated in this study.

Table 3: Gender of youth entrepreneurs

Gender	Frequency	Percent	Cumulative Percent
Male	143	66.5	66.5
Female	72	33.5	100.0
Total	215	100.0	

(Source: survey data, 2024)

According to the table 3 there are 66.5% respondents who are male and 33.5% respondents are female. Thus, this study reveals that majority of the respondents are male youth entrepreneurs in Kathmandu.

4.2.1.3 Data presentation based on the Marital Status of respondents:

The given table details about marital status of youth entrepreneurs in Kathmandu.

Table 4: Marital Status of youth entrepreneurs

Marital status	Frequency	Percent	Cumulative Percent
Single	75	34.9	34.9
Valid Married	140	65.1	100.0
Total	215	100.0	

(Source: survey data, 2024)

From the above table 4 shows the marital status of the respondents for this survey. The figure clearly shows that 65.1% of respondents are married and remaining 34.9% are single. Hence, we can infer that majority of the respondents are married and minority of the respondents are single. Also, this figure shows that most of the respondents are married and involved in business activities than those who are single.

4.2.1.4 Data presentation based on the Level of Education of respondents:

The table below represents the educational background of youth entrepreneurs in Kathmandu.

Table 5: Level of Education of youth entrepreneurs

Level of Education	Frequency	Percent	Cumulative Percent
No formal education	19	8.8	8.8
Literate	29	13.5	22.3
Valid High school	44	20.5	42.8
Pre graduation	64	29.8	72.6
Post-graduation	59	27.4	100.0
Total	215	100.0	

(Source: survey data, 2024)

The table 5 clearly shows that all youth entrepreneurs have little bit level of education, so there are 8.8% respondents who have no formal education. Here 13.5% of youth entrepreneurs are literate, 20.5 % have high school education, 29.8% are pre-graduated and 27.4% youth entrepreneurs are post –graduated. Hence, we can infer that majority of the respondents have passed bachelor degree. It is clearly shown that there are about 77.7% of the respondents who have qualification greater than SLC, in this study. Perhaps this highlights the need for education for those young people who start their career in entrepreneurial ventures. It is more likely that women do not go school after marriage and this might be one of the reasons for low school attainment.

4.2.2 Business Related Information of Respondents

4.2.2.1 Data Presentation Based on Duration of Business Operation of Respondents

The summary of the duration of business operation of youth entrepreneurs in Kathmandu, the survey is given below in the following table as well chart.

Table 6: Duration of Business Operation

Duration of business	Frequency	Percent	Cumulative Percent
less than one year	90	41.9	41.9
Valid more than one year	125	58.1	100.0
Total	215	100.0	

(Source: survey data, 2024)

These findings related to duration of business operation can be clearly explained with the help of the following diagram.

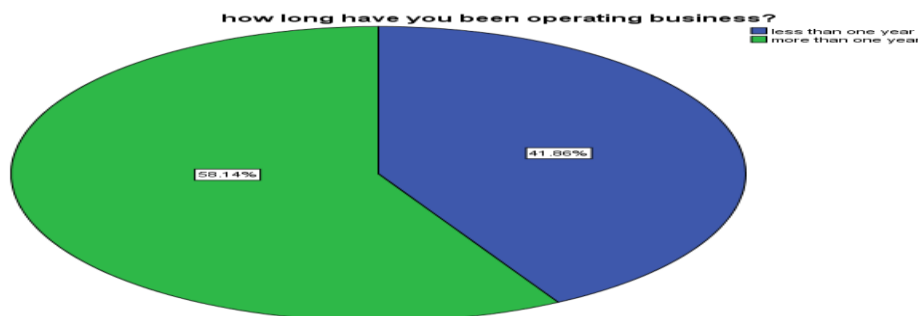


Figure 3: Duration of Business Operation (Source: survey data, 2024)

As shown above in the figure, it is clearly shown that 41.86%, and 58.14% of the respondents have operated business from less than one year, and more than 10 years respectively. On the basis of the results of the survey we can infer that around 59% of youth entrepreneurs in Kathmandu start-up business before more than years. Moreover, the majority of the youth owned business started venturing recently, more than 1 year, because of conducive business environment, as decade long violence and insurgency has come to ceasefire and the country is on the process of making constitution.

4.2.2.2 Data Presentation Based on No. of Employees of Respondent’s Venture

The following table and figure show the current number of employees that the respondents have in their respective businesses.

Table 7: No. of Employee of Respondent's Business

No. of Employee	Frequency	Percent	Cumulative Percent
1-10	103	47.9	47.9
Valid above 10	112	52.1	100.0
Total	215	100.0	

(Source: survey data, 2024)

These findings related to duration of business operation can be clearly explained with the help of the following diagram.



Figure 4: No. of Employees of Respondent’s Venture (Source: Survey Data, 2024)

Figure 4 shows that majority of youth owned businesses (i.e., 52.09 percent) had created employment for above 10 employees in their respective business. Those youth enterprises that had about 1-10 employees represented 47.91 percent. There was business venture that had been able to offer employment opportunity for more than 10 employees. This research explains that overwhelmingly majority of the business had created employment for above 10 employees. And the minority of the business had created employment for 1-10 employees. In their respective business, while very insignificant number of youth businesses had employed more than 10 employees. This could be an indication that majority of youth owned business is going to large in size and capital.

4.2.2.3 Data presentation based on family business

The following table and chart details about the whether your business is family business or no.

Table 8: Family Business

Is family business	Frequency	Percent	Cumulative Percent
Valid Yes	70	32.6	32.6
No	145	67.4	100.0
Total	215	100.0	

(Source: survey data, 2024)

According to the table 8 only 32.6% business is family business rest of the business 67.4% are not a family business.

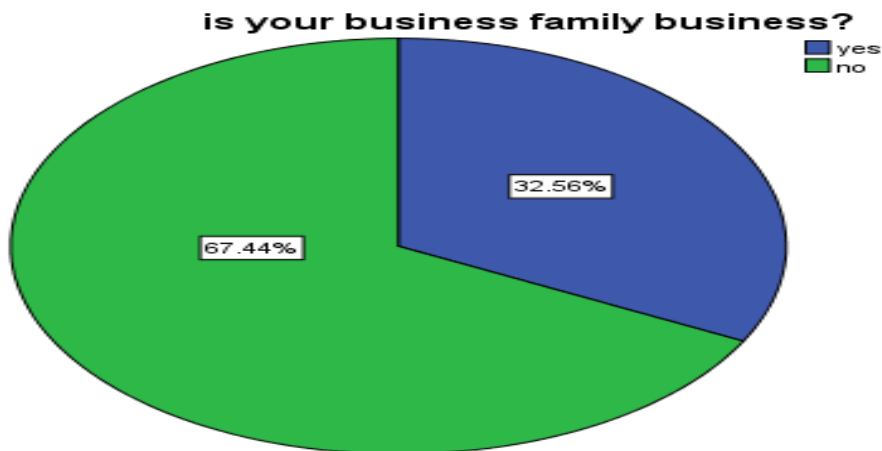


Figure 5: Family Businesses (Source survey data, 2024)

The figure 5 clearly describes that majority of business are not family business (ie.67.44%) and only 32.56% business are family business.

4.2.2.4 Motivation Factors to Start a Business:

The following table as well as diagram highlights various factors that inspired participants of this study to start their own business. These findings related to Motivation Factors to start a business can be clearly explained with the help of the following diagram.

Table 9: Motivation Factors to Start a Business

Motivation factor	Frequency	Percent	Cumulative Percent
previous job experience	70	32.6	32.6
family business culture	65	30.2	62.8
personal growth	80	37.2	100.0
Total	215	100.0	

(Source: survey data, 2024)

The table 9 shows a total of 70 out of 215 (32.6%), a total of 65 out of 215 (30.2%) and a total of 80 out of 215 (37.2%) youth respondents are comes on business from previous job experience, family business culture and personal growth. The majority of youth start a business due to the belief that being an entrepreneur they can grow their personal life as well economic soundness of family. 32.6% respondents said that previous job experiences motivate them to start new business in Kathmandu. Similarly, 30.2% and 37.2% of youth motivated from family business culture and academic degree respectively

The following bar diagram can be also well explained in this way:

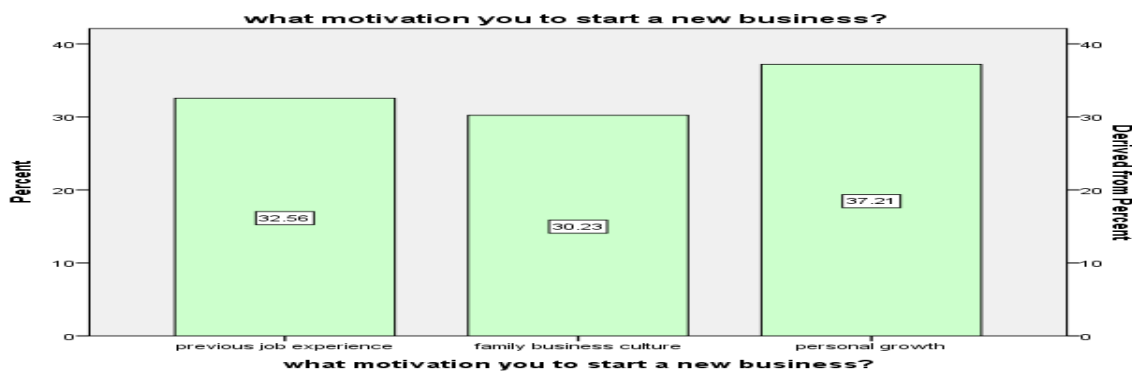


Figure 6: Motivation Factors to Start a Business (Source: survey data, 2024)

The figure 6 clearly shows that 32.5% of youth start business from the previous job experience, 30.23% of youth start business from family business culture and 37.21% of youth starts business from personal growth. It can be concluded that majority of youth entrepreneur starts business from the personal growth in the Kathmandu.

4.2.2.5 Types of Business

The following table and diagram highlight different types of business operated by youth entrepreneur in Kathmandu under this study.

Table 10: Type of Business

Type of business	Frequency	Percent	Cumulative Percent
Agriculture	21	9.8	9.8
Manufacturing	35	16.3	26.0
Hotel and Restaurant	75	34.9	60.9
Trading	62	28.8	89.8
Travel and Tourism	22	10.2	100.0
Total	215	100.0	

(Source: survey data, 2024)

These findings related to types of business operated by youth entrepreneur in Kathmandu under this study can be clearly explained with the help of the following diagram.

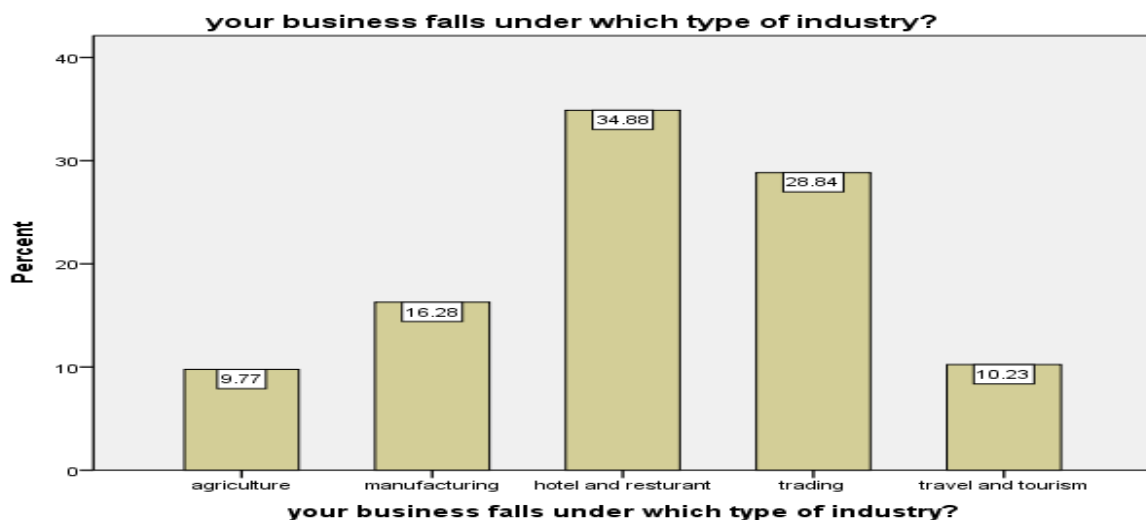


Figure 7: Type of Business (Source survey date, 2024)

The Figure 7 clearly shown that 9.77%, 16.28%, 34.88%, 28.84%, and 10.23% of the youth entrepreneurs are involve in agriculture, manufacturing business, hotel & restaurant, trading business and travel & tourism respectively. According to this study majority of youth in Kathmandu are involved in hotel and restaurant business which are followed from their job experience in the field of hotel and restaurant business. Similarly, currently there is high number of youths involved in hotel & restaurant and few numbers of youth are involved in Agriculture sectors.

4.2.2.6 Sources of Fund

The summary of the survey related to Sources of fund used by entrepreneurs can be explained with the following table 11 and figure 8.

Table 11: Sources of business

Sources of fund	Frequency	Percent	Cumulative Percent
Own investment	89	41.4	41.4
Valid Support bank loan	126	58.6	100.0
Total	215	100.0	

(Source: survey data, 2024)

These findings related to Sources of fund used by entrepreneurs can be clearly explained with the help of the following diagram.

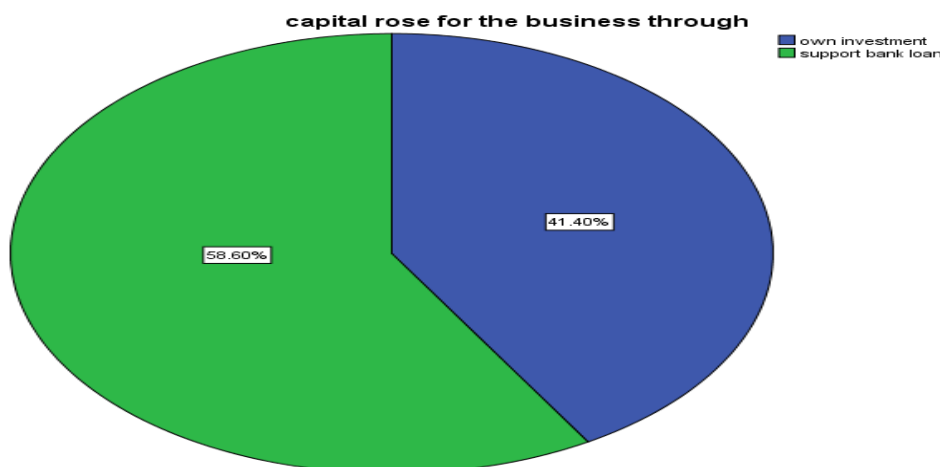


Figure 8: Sources of business (Sources of survey data, 2024)

As shown the figure 8, it is clearly shown that 58.6% of the youth entrepreneur starts up business from bank loan and 41.4% of the youth entrepreneur's starts up business from own investment. During the data collection I found that maximum no of youth entrepreneurs who start business in agriculture sectors was from own investment during start up business.

4.2.2.7 Crosstab between Types of Business and Sources of Fund used by Respondents

Cress tab tabulation shows the relation between two variables. The summary of cross tab between source of fund and types of business can describe with the help of following table.

Table 12: Crosstab between Types of Business and Sources of Fund used by Respondents

Type of business	Capital rose for the business through		Total
	Own investment	Support bank loan	
Agriculture	13	8	21
Manufacturing	18	17	35
Hotel and Restaurant	26	49	75
Trading	29	33	62
Travel and tourism	3	19	22
Total	89	126	215

(Source: survey data, 2024)

From the above table 12, we can see that out of 215 respondents 89 respondents' starts business from own investment and 126 respondents from support from bank loan. In the same way; out of 215 respondents' 21, 35, 75, 62 and 22 respondents are from Agriculture, Manufacturing, Hotel & restaurants, Trading and Travel & tourism respectively. By observing the table maximum of number of respondents are startup their business from the support from bank loan and maximum number of respondents are startup their business on hotel & restaurant sectors. There for we found that maximum business entrepreneur in Kathmandu starts up their business on hotel & restaurant from the bank loan on the contrarily we found that minimum number of respondents starts up business on Travel & tourism from own investment. Bank loan was used by all of the entrepreneurs but entrepreneurs who

involved in Agriculture business entrepreneur in Kathmandu used less bank loan. Only out of 215 respondents in Kathmandu Travel & tourism entrepreneur uses less of own investment.

4.2.2.8 Data presentation based on availability of raw material for your business

The following table and chart details about the availability of raw materials for your business in Kathmandu.

Table 13: Availability of raw materials

	Frequency	Percent	Cumulative Percent
Always available	92	42.8	42.8
Valid Not available	123	57.2	100.0
Total	215	100.0	

(Source: survey data, 2024)

From the table 13, it is clearly shows that there is 42.8% of the respondent makes sure of always available of raw materials and rest of 57.2% of the respondents makes sure of not available of raw materials. It shows that maximum number of youth entrepreneur respondents said in the Kathmandu there is not available of raw materials.

This can be explained by following figure

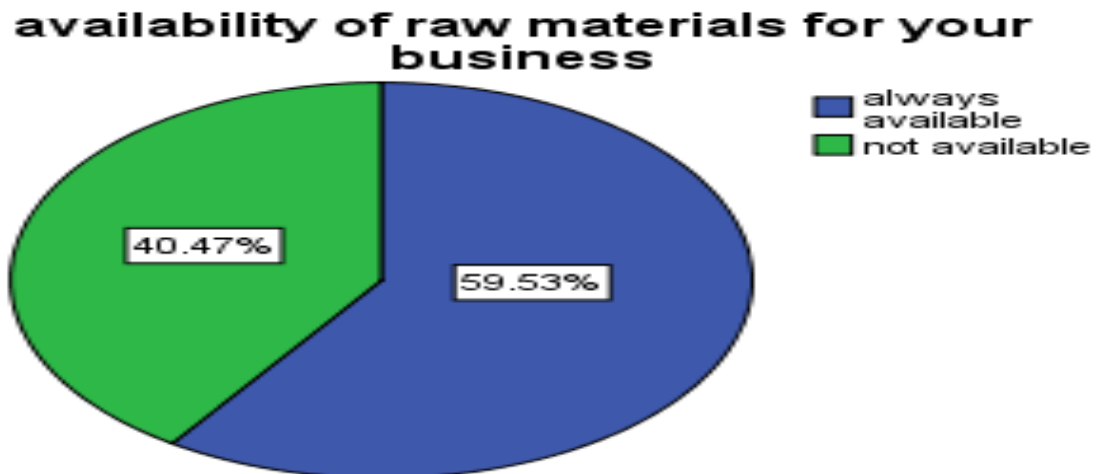


Figure 9: Availability of raw materials for your business (Source: survey data, 2024)

In the above figure 9, there is maximum number of youth entrepreneur in Kathmandu makes sure that there is not available of raw materials.

4.2.2.9 Data presentation based on Technology adopted by business

The following table and bar chart entails about the technology adopted by business of youth entrepreneurship in Kathmandu.

Table 14: Technology adopted by business

	Frequency	Percent	Cumulative Percent
Latest	134	62.3	62.3
Valid Traditional	81	37.7	100.0
Total	215	100.0	

(Source: survey data, 2024)

In the above table 14, most of the respondents they are using latest technology ie.62.3% and 37.7% responders are using traditional technology.

This can be well explained with the help of following figure

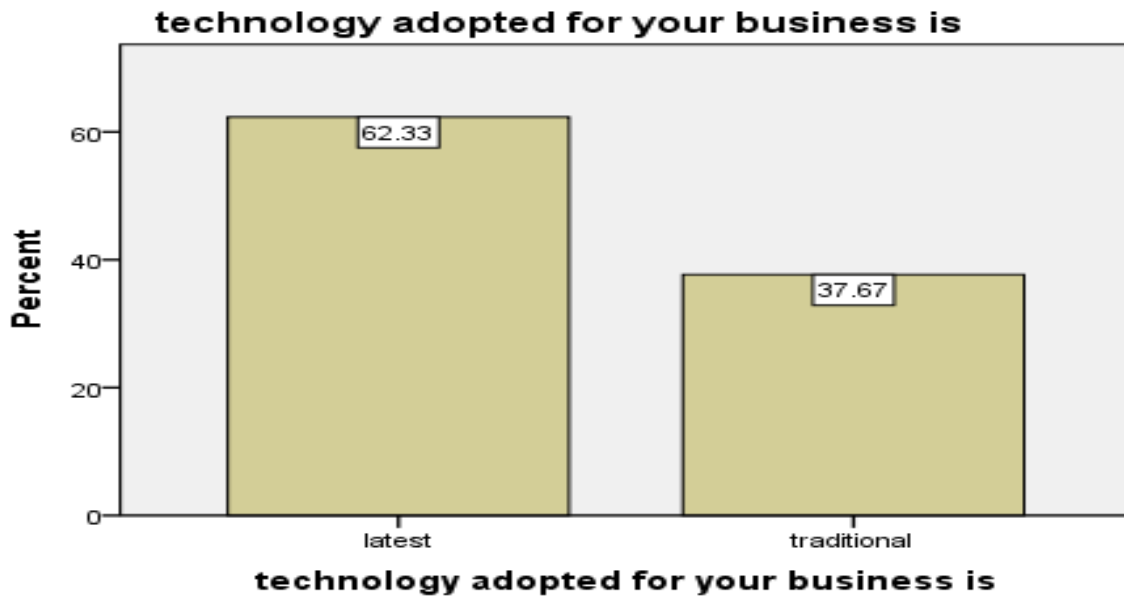


Figure 10: Technology adopted by business (Source data, 2024)

In the figure 10, 62.33% youth respondents' uses latest technology and 37.67% of respondents use traditional technology. Majority of youth entrepreneurs uses the latest technology than traditional.

4.2.2.10: Data Presentation for Labor Turnover

The following table shows that labor turnover in an organization.

Table 15: Labor turnover

	Frequency	Percent	Cumulative Percent
Very high	27	12.6	12.6
High	91	42.3	54.9
Moderate	34	15.8	70.7
Low	33	15.3	86.0
Very low	30	14.0	100.0
Total	215	100.0	

(Source: survey data, 2024)

It is clearly shown above in the table 15, that the 12.6% youth entrepreneur's employees in the Kathmandu is very high labor turnover, 42.3% is high labor turnover, 15.8% is moderate labor turnover, 15.3% is low turnover and 14% is the very low turnover in the Kathmandu metropolitan city. From the table around half (i.e.,42.3%) of the entrepreneur's employee's turnover is high and only 14% entrepreneur's employee's turnover is very low. From the above table majority of youth entrepreneur employees in Kathmandu they are not satisfied with their job so there is high labor turnover.

4.2.2.11: Data Presentation based on marketing supported by the government agencies

The following tables suggests that marketing strategies that support the government agencies by organization in Kathmandu.

Table 16: Marketing supported by the government agencies

	Frequency	Percent	Valid Percent	Cumulative Percent
Good	63	29.3	29.3	29.3
Fair	47	21.9	21.9	51.2
Not supported	105	48.8	48.8	100.0
Total	215	100.0	100.0	

(Source: survey data, 2024)

Table 16 shows that, while 29.3% of respondents thought positively about this idea and only about 21.9% of respondents thought negatively about it, the majority of survey participants (48.8%) believed that Nepalese government agencies do not encourage young

entrepreneurship in Kathmandu. The findings demonstrated that government organizations in Kathmandu did not encourage young people to start their own businesses. There isn't currently a system in place in Kathmandu for gathering, analyzing, and disseminating data about microbusinesses.

The government does not have a comprehensive policy framework outlining its goals for the advancement of young people's entrepreneurship. The promotion of young entrepreneurship is not given top priority in the national development plans and programs. Policies and initiatives have been developed in the absence of a thorough data set about the young labor market in Nepal. Without a doubt, a few programs have been launched by the government to support young entrepreneurs, but they are a drop in the ocean. Furthermore, the bulk of these projects get funding from outside sources, which has an impact on the programs' overall chances of sustainability. The majority of development planners and policy makers believe their responsibility is fulfilled by creating separate policy statements on youth, and thus do not incorporate kids into the development process. However, the proper programs and strategies are not being implemented in accordance with these policy pronouncements. Youth in Kathmandu's circumstances are not taken into account by the sectoral strategies and programs of National Development Plans; this obligation is not being met. In actuality, they are not contributing to the growth of young business in Kathmandu.

4.2.2.12: Data Presentation based on large scale industries affect your business activity

The following table represents the large-scale industries affect your business activity in Kathmandu.

Table 17: Large scale industries affect your business activity

	Frequency	Percent	Cumulative Percent
Affected	152	70.7	70.7
Valid Not Affected	63	29.3	100.0
Total	215	100.0	

(Source: survey data, 2024)

In the above table17, majority of youth entrepreneurs' respondents are affected by large scale industries affects their business activity i.e., 70.7% respondents affected by large scale

industries affects their business activity and only 29.3% respondents are not affected by large scale industries not affects their business activity.

4.2.2.13 Different Types of Risk Faced by Organization and Their Ranking

The summary of overall ranking of risk rank given by the respondents which they faced in an organization is given below.

Table 18: Overall Risks of Different Types of Risk

Types of risk	Frequency	Percent	Cumulative Percent	Rank
Financial risk (209)	51	23.7	23.7	2
Personal risk (191)	35	16.3	40.0	4
Technology Risk (199)	46	21.4	61.4	3
Competitors (213)	69	32.1	93.5	1
Less target customer (187)	14	6.5	100.0	5
Total	215	100.0		

(Source: survey data, 2024)

These findings related to risk and their rank given by respondent can be clearly explained with the help of the following diagram.

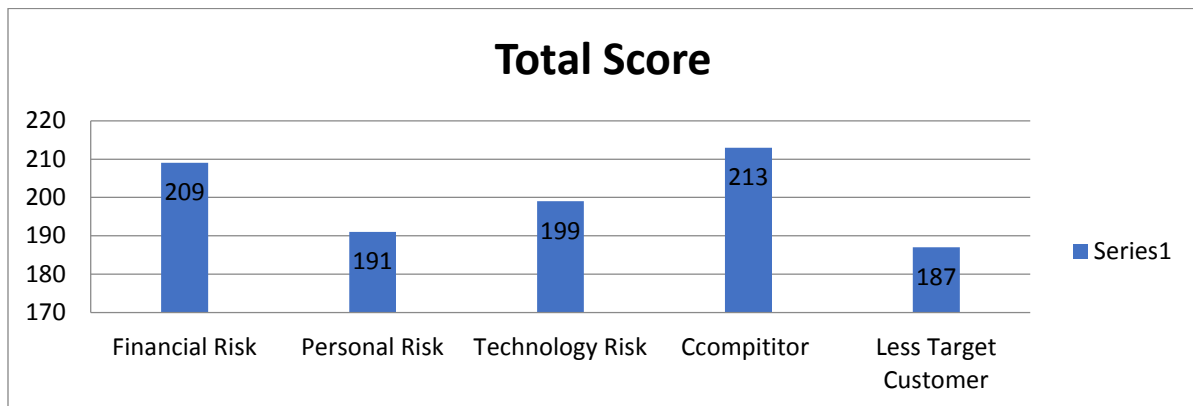


Figure 11: Overall Ranking of Different Types of Risk

The above figure 11, shows overall ranking of the risk given by respondent to the different types of risk that might be faced by the organization. As shown in figure entrepreneurs in Kathmandu ranked risk from competitors is in 1st rank and followed by financial risk, technology related risk, personnel related risk and risk related to target customer in 2nd, 3rd, 4th and 5th respectively. Hence entrepreneurs in Kathmandu were faced risk mostly from competitors and least from personnel of the organization

4.2.2.14 Different Types of Risk Faced by Organization and Their Ranking

The summary of overall ranking of risk given by the respondents which they faced in an organization is given below.

Table 19: Overall ranking of problems faced by entrepreneur

	Total	Frequency	Percent	Cumulative Percent	Rank
Financial issues	215	82	38.1	38.1	1
Space availability	207	66	30.7	68.8	2
Work force issues	196	27	12.6	81.4	3
Marketing issues	191	21	9.8	91.2	4
Other (inventory, technology, controlling etc.)	187	19	8.8	100.0	5
Total		215	100.0		

(Source: survey data, 2024)

These findings related to problems and their rank given by respondent can be clearly explained with the help of the following diagram.

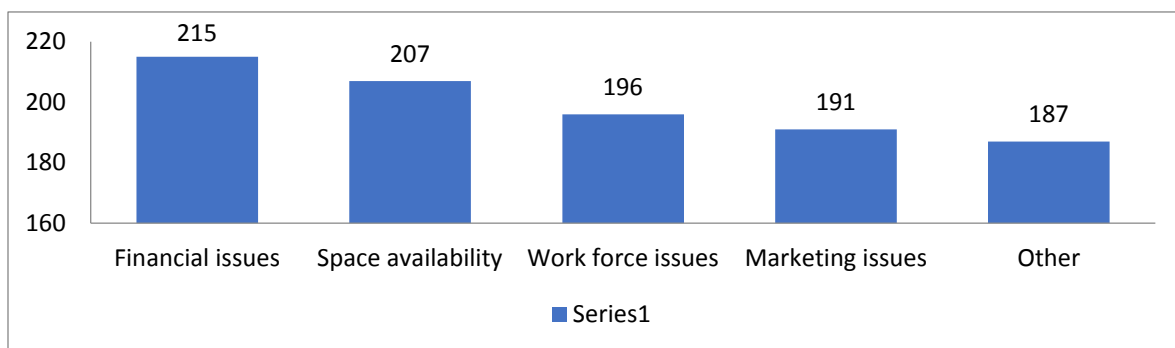


Figure 12: Overall Ranking of Problems Faced by Entrepreneurs

The above figure 12, shows overall ranking given by respondent to the different types of problem faced by entrepreneurs. As shown in figure entrepreneurs in Kathmandu given 1st rank to the financial issues and followed by problem related to space, problem related to workforce, problem related to marketing activities and others (technology, inventory, controlling, etc.) in 2nd, 3rd, 4th and 5th respectively. Hence entrepreneurs in Kathmandu were mostly faced financial problem and lastly problems related to inventory, technology, controlling etc.

4.3 Current obstacles for youth entrepreneurs in Kathmandu

The following table shows the main obstacles that are being encountered by young entrepreneurs in their business operation in Kathmandu.

Table 20: Obstacles for business operation

Factors	Frequency	Percent	Cumulative Percent
Limited Access to capital	32	14.9	14.9
Low return from investment	35	16.3	31.2
Lack of education and training	27	12.6	43.7
Political instability	68	31.6	75.3
Lack of favorable policy	53	24.7	100.0
Total	215	100.0	

(Source: survey data, 2024)

According to 32 out of 215 respondents (14.9%) in the survey, insufficient access to money was the problem preventing these young entrepreneurs from growing their businesses, as seen in table 20 above. Many young entrepreneurs have been unable to grow their businesses due to a lack of financing. The topic of how to provide teenage entrepreneurs with the money they need when they lack collateral is never fully answered. Only when children and adults are granted the same property rights will the issue be resolved. Because of this, the young people in this research felt that their ability to grow and develop was constrained. Of the 215 respondents to this research, 35 (16.3%) said that the lack of return on investment was the reason for the underdevelopment of young entrepreneurs in Kathmandu. Only 27 respondents, or 12.6%, out of 215 expressed concern about the lack of education and training available to foster young entrepreneurship. Similar to the table, the majority of respondents

(68 out of 215; or 31.6% of the sample) identify political instability as a problem, while a total of 53 out of 215; or 24.7% of the sample identify a lack of supportive policies from the Nepali government as a problem.

4.4 Entrepreneurial zeal among young people in Kathmandu.

The degree to which young entrepreneurs in Kathmandu who took part in this survey agreed or disagreed with the statement that young people in Kathmandu are growing increasingly excited about entrepreneurship is shown in the following table.

Table 21: Entrepreneurial zeal among young people in Kathmandu

Respondents Categories	Frequency	Percent	Cumulative Percent
Yes	165	76.7	76.7
No	50	23.3	100.0
Total	215	100.0	

(Source: survey data, 2024)

Table 21 reveals that 165 out of 215 respondents, or 76.7% of the sample, stated that young people in Kathmandu are growing more and more passionate about starting their own business, whereas just 50 respondents, or 23.3% of the sample, were enthusiastic about entrepreneurship in Kathmandu for various reasons. A handful of these business owners mentioned that young individuals are still registering with FNCCI, CSIDB, and DCSM. A few of them also mentioned that these young business owners routinely attended meetings, participated in entrepreneurship programs, and received training in business management. Furthermore, several business owners believed that it is crucial to provide young people with the kind of skills necessary to effectively operate their own businesses through entrepreneurship education. Despite this, a few young business owners voiced their worries about the pressing need to support young entrepreneurs in the Kathmandu region. Additionally, it was said that young entrepreneurs in Kathmandu are committed to working on community development initiatives including urban regeneration, urban river cleanliness, constructing parks and commercial centers, and so forth. Thus, the prominence of young entrepreneurs in the business sector and their contribution to long-term economic growth will progressively change as their numbers increase.

4.5 Correlation Analysis

The value of r represents the Pearson correlation coefficient, which quantifies the degree of a linear relationship between two variables. The range of values for the Pearson correlation coefficient, or r , is $+1$ to -1 . There is no correlation between the two variables when the value is 0 . A positive correlation is shown by a number larger than 0 , meaning that as one variable rises in value, the other variable rises as well. On the other hand, a number less than 0 denotes a negative relationship, meaning that as one variable rises, the other variable falls in value. The Pearson correlation coefficient, or r , will be closer to $+1$ or -1 , depending on whether the connection is positive or negative, based on how strongly the two variables are associated.

Table 22: Correlation Matrix

	Youth Entrepreneurship Development	Entrepreneurship Skill	Rules & Regulation	Access to Finance	Education & Training
Youth Entrepreneurship Development	1				
Entrepreneurship Skill	.600**	1			
Rules & Regulation	.521**	.514**	1		
Access to Finance	.487**	.500**	.356**	1	
Education & Training	.567**	.578**	.483**	.412**	1

** . Correlation is significant at the 0.01 level (2-tailed).

(Source: survey data, 2024)

Table 22, Summarizes the Pearson correlation statistics, It shows the relationship between Youth Entrepreneurship Development and Entrepreneurial Skill, Rules & Regulation, Access to Finance and Education & Training.

The correlations coefficient (r) value between Youth Entrepreneurial Development and Entrepreneurial Skill is .600 which shows a high positive association between both the variables. The p value is <0.01 which means the relationship is statistically significant. So, we can say that increase in the level of Entrepreneur Skill can also increase the Youth Entrepreneur Development; hence, alternate hypothesis H2 is supported.

The results also show the positive relationship between Youth Entrepreneurship Development and Rules and Regulation with Pearson correlation score of 0.521 and this shows the moderate relationship between them. The p value is <1.01 which means the relationship is statistically significant with tailed at 0.05 level of significance. So, the result says that increase in the level of Rules and Regulation can moderately change in Youth Entrepreneurship Development. Hence the alternate hypothesis H3 is supported

Similarly, Youth Entrepreneurship Development and Access to Finance also have positive correlation with Pearson correlation score of 0.487 which shows a positive association between both the variables. The p value is 0.01 which means the relationship is statistically significant with 2-tailed at 0.01 level of significance. Hence the alternate hypothesis H4 is supported.

In the same way, Education & Training and Youth Entrepreneurship Development also have positive correlation with Pearson correlation score of 0.567. This relationship is also found significant with 2-tailed at 0.01 level of significance. Hence the alternate hypothesis H1 is supported.

4.6 Multiple Regression Analysis

Regression analysis is a way of mathematically finding out which of the independent variables does indeed have an impact on dependent variable. It answers the questions: Which factors matter most? Which can we ignore? How do those factors interact with each other? And, most importantly, how certain are we about all of these factors?

Fist, the regression might be used to identify the strength of the effect that the independent variables(s) have on a dependent variable.

Second, it can be used to forecast effects or impact of changes. That is, the regression analysis helps us to understand how much the dependent variable changes with a change in one or more independent variables.

Third, regression analysis predicts trends and future values. The regression analysis can be used to get point estimates.

Here in this study the regression analysis is performed to test the overall significance of the model based on which the study is conducted.

In this study, the pre stated hypotheses are being tested in order to test the statistical significance of independent variables i.e., Education & Training, Entrepreneurial Skill, Regulations, & Access to Finance on the dependent variable i.e., Youth Entrepreneurship Development in Kathmandu.

Table 23: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.700 ^a	.490	.481	.315

(Source: survey data, 2024)

In the table 23, model summary of table model is presented where adjusted R-square is 49% also known as coefficient of determination which can help in explaining variance. The value of R-square value as evident from Table 22 is 0.490 which means 49% variation in youth entrepreneurship development in Kathmandu explained by education & training, entrepreneurial skill, access to finance and rules & regulation. However, the remaining 51% (100%-49%) is still unexplained in this research. In other words, there are other additional variables that explained the youth entrepreneurship development on Kathmandu. Hence R-square 49% indicates that only 49% of the variation of the data is explained by the regression model.

Similarly, adjusted R-square compares the explanatory power of regression models that contain different number of predictors. It is the modified version of R-square that has been adjusted for the number of predictors in the model. It increases only if the new term improves the model more than would be expected by chance. It decreases when a predictor improves

the model by less than expected by chance. Here the adjusted R-square is 0.481 which means 48.1% in youth entrepreneurship development in Kathmandu by education & training, entrepreneurial skill, access to finance and rules & regulation after adjusted degree of freedom (df). Model summary also indicates the standard error of the estimate of 0.315 which shows the variability of the observed value of youth entrepreneurship development in Kathmandu 49% indicates that only 49% of the variation of the data is explained by the regression model.

Table 24: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	20.071	4	5.018	50.517	.000 ^b
Residual	20.859	210	.099		
Total	40.930	214			

(Source: survey data, 2024)

Table 24, shows the mean square is 5.018, which represents the average variance explained by each predictor. The F-value of 50.517 indicates the ratio of explained variance to unexplained variance in the model, and associated significance level (Sig.) of .000^b suggests that the regression model is statistically significant at the 0.05 significance level. This indicates that at least one of the independent variables significantly contributes to explaining the variation in youth entrepreneurship development in Kathmandu. As a result, the independent variables (education & training, entrepreneurial skill, access to finance and rules & regulation) are significant in explaining the variance in youth entrepreneurship development in Kathmandu. Hence, the P-value of the model is 0.00 which is less than level of significance 0.05. So, it shows that that overall regression model is significant.

Table 25: Regression Model/ Parameter Estimation

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
1 (Constant)	.128	.083	1.541	.125
Entrepreneurship Skill	.273	.069	3.953	.000
Rules & Regulation	.196	.058	3.402	.001
Access to Finance	.183	.058	3.151	.002
Education & Training	.253	.067	3.784	.000

(Source: survey data, 2024)

Table 25, shows the summary that assists for calculation Youth Entrepreneurship Development in Kathmandu. Regression coefficient represents the mean change in the dependent variable (youth entrepreneurship development in Kathmandu) for one unit of change in the one independent variable (education & training, entrepreneurial skill, access to finance and rules & regulation) while holding other independent variables considered in the model constant. The constant term (intercept) has a coefficient of .128 with a standard error of .069. This means that when all independent variables are zero, the expected value of youth entrepreneurship development in Kathmandu is .128. The associated t-value of 1.541 and a significance level (Sig.) of .125 indicate that this intercept term is statistically significance.

The coefficient for entrepreneurship skill is 0.278 with a standard error of .069. This suggests that a one-unit increase in entrepreneurship skill is associates with a 0.278 unit increase in the youth entrepreneurship development in Kathmandu, holding all other variables constant. The t-value of 3.953 and a significance level of .000 indicate this relationship is statistically significant at the 0.05 significant level.

Rules & regulation exhibits a coefficient of 0.196 and Beta of 0.204. While the coefficient suggests a positive relationship between rules & regulation and youth entrepreneurship development in Kathmandu, the high t-vauve of 3.402 and a significance level of 0.001 indicate that this relationship is statistically significant at the conventional 0.05 threshold, highlighting the detrimental effect of rules & regulation on youth entrepreneurship development in Kathmandu.

The access to finance shows a substantial coefficient of 0.183 and a Beta of 0.183. This suggests that a one-unit increase in access to finance results in a 0.183 unit increase in youth entrepreneurship development in Kathmandu, after controlling for other variables. The t-value of 3.151 and a significant level of .002 indicate that this relationship is statistically significant.

Lastly, the education & training displays a coefficient of 0.253 and a Beta of 0.24. This indicates that a one-unit increase in the education & training leads to a 0.253 unit increase in youth entrepreneurship development in Kathmandu. With a high t-value of 3.784 and a significance level of .000, this relationship is statistically significant, suggesting that higher level of associated with higher effect on youth entrepreneurship development in Kathmandu, though the effect may not be as pronounced as other variables.

Multiple linear regression analysis is used to predict the impact of independent variables on dependent variables. In this study the regression model used for impact of independent variables is expressed as follows:

$$ED = \beta_0 + \beta_1 ES + \beta_2 RR + \beta_3 AF + \beta_4 ET \dots\dots\dots i$$

Where,

β_0 = Regression Constant

ED = Youth Entrepreneurs Development

ES = Entrepreneurial Skill

RR = Rules & Regulation

AF = Access to Finance

ET = Education & Training

The entire variables are significant except Rules and Regulation we discard this variable.

We can develop a model using the value resulted from regression analysis as follows:

$$ED = \beta_0 + \beta_1 ES + \beta_2 RR + \beta_3 AF + \beta_4 ET$$

$$ED= 0.128+0.273ES+0.196RR+ 0.183AF+0.253ET$$

It can be interpreted as one unit change in Entrepreneurial Skill cause 0.273 unit changes in Youth Entrepreneurship Development keeping other variables constant. Similarly, one unit change in Rules & Regulation cause 0.196 unit changes in Youth Entrepreneurship Development keeping other variables constant. In the same way, one unit change in Access to Finance cause 0.183 unit changes in Youth Entrepreneurship Development keeping other variables constant. And one unit change in Education & Training cause 0.253 unit change in Youth Entrepreneurship Development keeping other variables constant.

4.7 Testing of Hypothesis

This section discusses about the best of hypotheses mentioned above using regression analysis results.

Hypothesis 1

Going through the regression analysis result shown in table 25, it is observed that the p-value at 0.05 level of education & training and youth entrepreneurship developments is 0.00 which is lower than 0.05. Hence, alternate hypothesis is accepted that means there is significant relationship between Education & Training and Youth Entrepreneurship Development.

Hypothesis 2

Going through the regression analysis result shown in table 25, it is observed that the p-value at 0.05 level of Entrepreneurial Skill and Youth Entrepreneurship Development is 0.000 which is lower than 0.05. Hence, alternate hypothesis is accepted that means there is significant relationship between Entrepreneurial Skill and Youth Entrepreneurship Development.

Hypothesis 3

Going through the regression analysis result shown in table 25, it is observed that the p-value at 0.05 level of Access to Finance and Youth Entrepreneurship Development is 0.002 which is lower than 0.05. Hence, the alternate hypothesis is accepted that means there is significant relationship between Access to Finance and Youth Entrepreneurship Development.

Hypothesis 4

Going through the regression analysis result shown in table 25, it is observed that the p-value at 0.05 level of Rules & Regulation and Youth Entrepreneurship Development is 0.001

which is lower than 0.05. Hence, alternate hypothesis is accepted that means there is significant relationship between Rules & Regulation and Youth Entrepreneurship Development.

4.8 Qualitative Analysis

Qualitative Analysis is the use of no-quantifiable methods to evaluate and analyze business opportunities and challenges faced by Investors or Entrepreneurs. This method is used to identify the insight of the respondents. In this study the information provided by respondent during data collection besides questionnaire are presented. The semi-structured interview was undertaken with entrepreneurs and they provided some relevant information which they were faced during start-up business.

During the data collection period found that most of the trading business entrepreneurs faced the problem of unfair practice of competition between the trading house and it was also found that increase number of people and change in habit for marketing activities provide opportunities for the future business.

The entrepreneurs who involved in Agro-business are not satisfied with the actual margin (profit) they received. The high margin received by mediators rather than actual business man is one of the major problems in Agro-business entrepreneurs. The loan and financial support policy from government and financial institution is available but process of access to such support or loan is very complex and time consuming.

In the name of inspection and supervision by government sectors creates unnecessary disturbance to the operation of business is one of the problems faced by the entrepreneurs in Kathmandu. The process of business registration is long and difficult to understand also the problem for business registration.

Kathmandu is the tourist area which provides huge opportunities for hotel and restaurant and tourism related business. In currently it was found that maximum numbers of the youth entrepreneurs are interested in tourism related business. The changing habit of youth of visiting different local area also increase the domestic tourism in Kathmandu this also the great opportunities for hotel and restaurant business.

By analyzing the different views and saying of entrepreneurs during interview some of the common prospects and challenges faced by entrepreneurs in Kathmandu are follows:

Prospects:

- Development of road and communication technology makes easy access to market.
- Specific policies and programs targeting youth entrepreneurship were formulated like: Establishment of Ministry of Youth and Sports (MoYS) in 2008, Creation of the Youth and Small Enterprise Self-Employment Fund in 2009, Adoption of the National Youth Policy in 2010 and provision of Loan with minimum interest rate to the student for business development by keeping academic certificate as collateral which support youth entrepreneurship development.
- Increasing number of tourists in Kathmandu provides market opportunities for hotel and tourism related business.
- Availability of space for Agro- business in country side with needed raw material is very high.
- Changing habit of people for purchasing goods from market rather produce at own house increase the market opportunities for the agro product.

Challenges:

- Lack of awareness and inaccessibility of entrepreneurship support structures and initiatives.
- Most financial institutions had been reluctant to approve loans for business development, and required a performance history of at least five years before they would even consider it
- Ineffective programs of Nepalese government to support entrepreneurial development.
- Lack of business funding and start-up capital.
- Unclear business registration process.
- Lack of micro funding and seed funding
- Unfair competition between the business houses.
- Unpredictable, inconsistent, unclear and poorly implemented government policies
- Lack of business experience and skills for debt financing.
- Lack of tailor-made business training and advice for youth start-ups.
- Lack of knowledge of available business support services.

- Quick availability of required updated technology is difficult maximum of the required technology are brought from India and third countries.
- Most of the family wants their children should involve in government rather start their own business even child want start new business.

4.9 Summary

The outcomes that were the basis for the research study findings were covered in this chapter. The research questions, which were presented and, where necessary, examined with the use of SPSS software, guided the majority of the discussion of the findings. Frequency tables, bar and pie charts, correlation, regression, and other visual aids were used to display the data. The findings revealed that young entrepreneurs in Kathmandu confront a variety of challenges in running their firms, the majority of which are the same as those they faced when they first started out. These included restricted access to money, insufficient funds for growth, insufficient resources for the firm, a lack of government support systems, insufficient expertise in business administration, insufficient aptitude for entrepreneurship, insufficient experience in business management, strict business regulations, and so forth. On the other hand, the increased entrepreneurial energy of the youngsters in this neighborhood is encouraging for the future of youth entrepreneurship development in the Kathmandu area. These findings imply that more has to be done by the national government to guarantee the long-term growth of young entrepreneurship in the Kathmandu area. This emphasizes the necessity of taking decisive action to improve the unfriendly and unsupportive business climate for young entrepreneurship in this neighborhood. The study's conclusions and suggestions are covered in the next chapter.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The objective of this study was to investigate the problems faced by young people while setting-up their businesses; the current obstacles of youth entrepreneurs is to expansion of their entrepreneurial venture; as well as the prospects for youth entrepreneurship development in the Kathmandu. The chapter presents the research findings and draws conclusions based on them. Recommendations are also provided for youth entrepreneurship development in the community.

5.2 Summary of Finding

The research questions, which were presented and, where necessary, examined with the use of SPSS software, guided the majority of the discussion of the findings. Pie charts, bar charts, and frequency tables were used to display the results. The findings revealed that young entrepreneurs in Kathmandu confront a variety of challenges in running their firms, the majority of which are the same as those they faced when they first started out. These included restricted access to money, insufficient funds for growth, insufficient resources for the firm, a lack of government support systems, insufficient expertise in business administration, insufficient aptitude for entrepreneurship, insufficient experience in business management, strict business regulations, and so forth. On the other hand, the increased entrepreneurial energy of the young in this neighborhood is encouraging for the future of youth entrepreneurship development in the Kathmandu area. These findings imply that more has to be done by the national government to guarantee the long-term viability of Kathmandu's youth entrepreneurial growth. This emphasizes the necessity of taking decisive action to improve the unfriendly and unsupportive business climate for young entrepreneurship in this neighborhood.

Descriptive research design has been applied in this study. Youth Entrepreneurs who actively participate and involve in business activities were taken as population under the study. These Youth Entrepreneurs were randomly selected from different sectors in Kathmandu registered Federation of Nepal Chamber of Commerce and Nepalese Youth Entrepreneurship Forum. From all youth entrepreneurs in Kathmandu randomly choose sample size 215. So total of 250 questionnaires were distributed and 35 were returned. The respondents were selected by

using purposive sampling technique. Since it is based on primary data, the data were collected through structured questionnaire. Mean, standard deviation, variance, pie-chart histogram, rank, correlation, correlation coefficient, multiple regression, one-way ANOVA and hypothesis were used for data analysis.

The data were analyzed and presented through SPSS 20 & MS-EXCEL. Four different hypotheses were purposed to identify whether the four different factors influence the Youth Entrepreneurship Development. Multiple regression analysis was done to test the hypotheses. The findings of this study show that all Entrepreneurial Education & Training, Access to Finance, Rules & Regulation and Entrepreneur Skill has statistically significant influence on Youth Entrepreneurship Development in Kathmandu valley.

- The overall influence of the independent variable on youth entrepreneurship development is ($R^2 = 0.490$) i.e., 49%. It refers that 49% variation on youth entrepreneurship development of explained by the variables like Education & Training, Access to Finance, Rules & Regulation and Entrepreneurial Skill and remaining 51% variation is explained by other factors. And by analysis of variance the ANOVA that $F = 50.517$, $p\text{-value} = .000 < 0.05$, and hence the model is statistically significant. That means H_0 is rejected. This implies that the independent variables (Education & Training, Access to Finance, Rules & Regulation and Entrepreneurial Skill) have statistically significant relation to on youth entrepreneurship development in Kathmandu valley.
- Most of the ventures have more than 10 employees.
- 67.4% of the youth entrepreneurs they are doing not a family business but only 32.6% they are performing their family business.
- 37.2% youth entrepreneurs start a business for personal growth.
- 30% of youth face the problem of financial while startup venture.
- 34.9% of youth entrepreneur business falls under Hotel and Restaurant in Kathmandu.
- 58.6% of youth entrepreneurs raise their capital from the bank loan and only 41.4% youth entrepreneurs start their business by investing their own investment.

- The availability of raw material for businesses is only 42.8% and 62.3% entrepreneurs adopted the latest technology in Kathmandu.
- In Kathmandu there is high level of labor turnover i.e., 42.3%. and 48.8% of youth entrepreneurs marketing have not supported by government agencies
- The mean score of technology adopted by youth entrepreneurs is 2.4; it infers technology adopted is adequate for business operation.
- 93% of youth said that they had faced the problem during start-up business as same as 70.7% business activities are affected by large scale industries.
- Financial issues have given first rank in the problems which they are faced and in 2nd,3rd, 4th and 5th are space availability, work force issues, marketing issues and other (technology, Inventory, controlling etc.) respectively.

5.3 Conclusions

The goals of the study, which were previously stated in the introduction, have been met, marking the completion of the investigation. This indicates that the study's objectives are all attempted to be met and that the hypotheses are put to the test. This study's primary goal is to determine the opportunities and financial difficulties faced by young business owners in Kathmandu. The data gathered from the structured questionnaire is analyzed using descriptive analysis (mean, minimum, maximum, range, and standard deviation), pie charts, histograms, correlation coefficients, hypothesis testing, and multiple regression analysis.

According to the results of the multiple regression analysis, the development of youth entrepreneurship in Kathmandu is statistically significantly correlated with entrepreneurial talent, rules and regulations, access to financing, and education and training. and are positively correlated with the growth of young entrepreneurship in Kathmandu. This study revealed a deficiency in youth entrepreneurship development programs in the Kathmandu valley. Likewise, the city lacked supports for the growth of young entrepreneurship. There are no business development resources available to young entrepreneurs in Kathmandu, including incubators, funding, mentorship, and business consulting. Another obstacle young entrepreneurs face in this field is the lack of youth support systems. Thus, it can be concluded that the Kathmandu Valley's immature young entrepreneurship growth is a result of a lack of knowledge and accessibility to initiatives and support systems for entrepreneurship.

Before considering a loan for business expansion, the majority of financial institutions demanded a minimum of five years' worth of performance history. As a result, the majority of their firms were founded using money from bank loans. In a similar vein, Table 11 indicates that the primary deterrent for these young entrepreneurs' business venture growth was a lack of cash for expansion. Many young entrepreneurs in Kathmandu have been unable to grow their firms because they lack this funding. Thus, expansion capital is essential for every company that wants to explore growth and take advantage of prospects. Inexperienced management in the early stages of a business's operation can have disastrous effects on the survival and expansion of the enterprise. Young business owners should thus figure out how to get beyond this obstacle.

Additionally, this study discovered that the majority of Kathmandu's entrepreneurial endeavors employed more than ten people (Table 7). This may suggest that most businesses run by young people are modestly sized and have little funding. Thus, a company's capacity to develop and be profitable may be adversely affected, which would limit the potential to add additional jobs, as would a lack of access to the market and the capital needed to buy the resources needed for the firm.

Thus, the main challenges faced by young entrepreneurs in Kathmandu during the establishment and subsequent operation of their businesses are as follows: a lack of support networks; ineffective government initiatives to encourage entrepreneurship in the area; a lack of funding and start-up capital; high costs associated with and ambiguous business registration procedures; a lack of business management expertise; a lack of resources; and so on.

An further discovery of this study is that, as opposed to employment, entrepreneurship was thought to be the greatest means of engaging in the economy. According to this report, the majority of young people in Kathmandu are interested in starting their own business. Moreover, the highest number of young people working in the hotel and tourist industries is discovered (Table 10). It is also discovered that Kathmandu's hotel and tourism-related industries have enormous prospects due to the growing number of both domestic and foreign tourists.

By answering the research questions, the study effectively accomplished its goals and demonstrated that young people's desire to pursue careers in entrepreneurship was impeded by the Kathmandu community's lack of youth entrepreneurship development, not by a lack of interest on their part.

5.4 Recommendations

Summary of Recommendations for Addressing Obstacles Faced by Youth Entrepreneurs in Kathmandu:

- The study suggests that the primary challenge faced by youth entrepreneurs in Nepal, particularly in Kathmandu, is limited access to credit. To address this issue, the government should simplify banking procedures and ensure that loans are approved within a maximum of two visits by clients. Additionally, the government should provide support throughout all stages of business development, including assistance with expansion capital.
- The majority of youth-owned business in Kathmandu have fewer than 10 employees, indicating slow growth and small size. To foster youth entrepreneurship, there needs to be a focus on facilitating easy access to credit, providing collateral-free loans, and offering expansion capital. This will help aspiring entrepreneurs with promising business plans but lacking start-up capital to materialize their ventures.
- The Nepalese government should prioritize initiatives aimed at fostering youth entrepreneurship. These initiatives should provide tailored business development services such as advice, counselling, training, financial support, mentoring, and access to incubators. These measures are crucial for nurturing and supporting the growth of youth-led ventures in Nepal.
- The government of the country should revise legal procedures to make business registration more affordable and efficient for youth entrepreneurs. This involves reducing the cost and speeding up the registration process. Effective and transparent coordination of information and procedures among relevant authorities is essential. Furthermore, government agency staff should be approachable and helpful to facilitate smoother registration experiences for youth entrepreneurs.

- In terms of business regulation, clear definitions and streamlined processes for registration requirements and permits are necessary. Additionally, consideration should be given to providing tax exemptions for ventures less than one year old. This tax amnesty can significantly contribute to nurturing and supporting the growth of these fledgling businesses.
- To foster entrepreneurial skills among youth, curriculum revisions should prioritize teaching entrepreneurship from an early age, supported by adequately trained teachers. Furthermore, universities should integrate business incubators and mentors into their academic environment to support aspiring entrepreneurs. Offering entrepreneurship courses within university curricula will further promote entrepreneurship among students.
- The government should establish a favourable environment for business development, ensuring accessible support services for youth entrepreneurs. This will bolster enthusiasm among both current and aspiring entrepreneurs. Implementing various entrepreneurial strategies in collaboration with stakeholders is crucial for fostering a thriving entrepreneurial ecosystem.
- Private institutions, including banks and microfinance institutions, should incorporate youth entrepreneurship funding into their services without imposing high capital costs. Introducing a special credit program tailored for youth entrepreneurship in urban areas, such as Kathmandu, where significant market opportunities exist, could unleash the potential for new ventures led by youth. This proactive approach can stimulate youth entrepreneurship and economic growth in urban centres.
- While many youth entrepreneurs in Kathmandu perceive current demand for their goods and services as satisfactory, they face challenges due to the rapidly changing business environment. To stay competitive, they must cultivate entrepreneurial skills such as creativity, innovation, new product development, and effective marketing strategies. Collaborative marketing initiatives among youth entrepreneurs are recommended to counter unfair practices prevalent in the Kathmandu market. This collaborative approach will enhance their competitiveness and sustainability in the face of dynamic market conditions.

- Promoting youth entrepreneurship is essential for fostering micro and small industry development. It should be closely integrated with the requirements and policies of small industry development, as well as government programs. This linkage ensures that youth entrepreneurship receives adequate support and alignment with broader economic development objectives.
- Engaging with experienced entrepreneurs, both youth and adults, within the same industry and utilizing other entrepreneurship support structures are highly recommended for acquiring valuable business knowledge. This interaction enhances the entrepreneurial capabilities of youth entrepreneurs and strengthens their understanding of industry dynamics, contributing to their overall success in business ventures.
- Given Nepal's status as an agricultural country with abundant untapped resources, the government should offer support for agro-business ventures to facilitate the efficient utilization of these resources. This support will not only enhance agricultural productivity but also contribute to overall economic development by harnessing the potential of the agricultural sector.

5.4 Limitation of the study and the area of recommendations for future researcher

Summary of Study Limitations and Recommendations for Future Research:

1. Study Limitation: The research was confined to youth entrepreneurs registered with FNCCI and NYEF in Kathmandu, Nepal. Therefore, generalizing the findings to the broader Nepalese society may not be appropriate, as the context of youth entrepreneurship development could vary in other regions.
2. Future Research: There is a recommendation for future studies to explore youth entrepreneurship in other cities or towns with similar characteristics to Kathmandu in Nepal. This would provide a better understanding of the unique needs and challenges faced by youth entrepreneurs in different regions.

3. Customized Government Plans: Future research can inform the development of customized plans, policies, strategies, and intervention mechanisms by the government based on the unique characteristics of each city or town, catering to the specific needs of youth entrepreneurs in different regions.
4. Investigating Attributes: Further research can delve into different attributes of youth-owned businesses, providing insights into their operations, challenges, and prospects, which can inform targeted support and interventions.

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APPENDIX 1: RESEARCH QUESTIONNAIRES

Dear Respondent,

I am an MBS student of Tribhuvan University of Shankar Dev Campus, Kathmandu (capital city of Nepal) Metropolitan city, Putalisadak. I am undergoing my Masters Dissertation entitled on “Financial Challenges of Youth Entrepreneurship in Kathmandu” for the partial fulfillment of MBS degree. And I have chosen you as a respondent. The knowledge and experiences you have in this area is vital in providing the necessary information to make this study a success. This study is carried out purely for academic purpose and the information given will be kept confidential.

Demographic information

1. Age group:

- a) 21- 25 b) 26-30 c) 31-35 d) 36-40 e) 41-45

2. Gender:

- a) Male b) Female

3. Level of education:

- a) No formal education b) Literate c) High School
d) Pre-graduation e) Post-Graduation

4. Marital Status:

- a) Single b) Married

Information with regard to Business

5. How long have you been operating business?

- a) Less than one year b) More than 1 year

6. How many employees do you currently employ?

a) 1-10 b) above 10

7. Is your business family business?

a) Yes b) No

8. What motivate you to start a new business?

a) Previous job experiences b) Family business culture c) Personal growth

9. Your business falls under which type of industry?

a) Agricultural b) Manufacturing c) Hotel and Restaurant

d) Trading e) Travel and Tourism

10. Capital rose for the business through

a) Own investment b) Support Bank loan

11. Availability of raw materials for your business

a) Always available b) Not available

12. Technology adopted for your business is

a) Latest b) Traditional

13. Labor turnover in your business is

a) Very high b) High c) Moderate

d) Low e) Very low

14. Marketing support extended by the government agencies are

a) Good b) Fair c) Not supported

15. To what extent the large scale industries affect your business activity?

a) Affected b) Not affected

16. Rank the risk that your business faces in the market or industry

Attributes	Rank (1- 5)
Financial related risk	
Personnel related risk	
Technology related risk	
Competitors	
Less target customer	

17. Rank the problem you face when you go for Expansion of the business.

Attributes	Rank (1- 5)
Financial Issues	
Space availability	
Work force Issues	
Marketing Issues	
Others (inventory, technology, controlling etc.)	

18. Please indicate the extent on a scale 1-5 to which you agree or disagree with the following statements. Please tick or circle your answer as per your degree of preference with the following statement.

a)=Agree (A) b)=Disagree (DA)

Statements	A	DA
1. Participation in a family business early in life provides a good entrepreneurial foundation for those who want to start a business.		
2. Entrepreneurship education and training encourage me to start-up my business.		
3. Entrepreneurial skills encouraged me to involve into setting up a business venture.		

4. Obtaining funding from financial institutions that support youth entrepreneurship is easy		
5. The process of registering business in Kathmandu is quick		
6. The process of registration of a business like mine is easy to understand.		
7. The cost of registration of a business like mine is not expensive.		
8. An entrepreneur with managerial skills could run a business better than those who do not have such a skill.		
9. The regulation of a business like mine in Kathmandu is simple to understand		
10. Demand for my products and services in the market will be increasing in the days to come.		
11. Getting good employees for the business like mine is easy in the labor market		
12. Business like mine makes use of modern technology		
13. Entrepreneurs like me in Kathmandu are aware of existing support structures for youth entrepreneurs other than FNCCI.		
14. The number of youth entrepreneurs in Kathmandu is increasing		
15. Entrepreneurship is the best option for economic participation rather than being employed		
16. Nepalese government support programs for youth entrepreneurship development are supportive in Kathmandu		

20. Did you face any obstacles in the course of starting-up your business venture?

a) Yes b) No

21. If yes what types of obstacles did you face?

a) Limited Access to capital b) low return from investment

c) Lack of education and training d) political instability e) lack of favorable policy

22. Are youth in Kathmandu being more enthusiastic and vigorous about entrepreneurship?

a) Yes b) No

Financial challenges of youth entrepreneurship ...

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paper text:

ABSTRACT A major issue facing the world today is youth unemployment, which is especially bad in Nepal, where 38% of young people are unemployed and 75% are underemployed. This worrying circumstance raises the possibility that a large number of the nation's youth are impoverished. Due to the high rates of young unemployment and as a way to fight social exclusion and provide job possibilities, interest in youth entrepreneurship has increased. As a tactic to increase economic competitiveness and promote local and regional development, it has grown in importance on a worldwide scale. Youth who engage in entrepreneurship benefit from increased self-assurance, financial independence, and a reduction in poverty. Additionally, it stimulates economic growth and opens up job prospects. Even though entrepreneurship is known to have many advantages, young people in Kathmandu are reluctant to pursue jobs in business. The research is to evaluate the opportunities for youth entrepreneurship development in the community and identify the barriers that young entrepreneurs face while starting and growing their firms. With the use of self-administered questionnaires and a quantitative approach, the study used a descriptive research design. Among the 800 young entrepreneurs registered with FNCCI in different Small and Medium Enterprises (SMEs) sectors in Kathmandu, a random sample of 215 subjects was chosen. MS-Excel and the Statistical Package for Social Science (SPSS) were used to analyze participant data. With 215 of the 250 issued surveys being returned and 35 respondents unable to make a response, the response rate was 87%. The Google questionnaire forms were used to ask 150 questions in total. Only 130 of the respondents responded to it, while 20 did not react at all. Likewise, 100 surveys were distributed by going door to door with Young Entrepreneurs. Only 85 of them responded to the questionnaire, and 15 of them were unable to do so. The study's conclusions, which are displayed in tables, bars, and pie charts, show that young people in Kathmandu want to pursue entrepreneurship even in the face of current barriers. Lack of support networks, inefficient government initiatives, financial limitations, ambiguous registration procedures, a lack of necessary skills, and a lack of resources are some of these challenges. Youth have an inspiring zeal for entrepreneurial activity in spite of these obstacles. The study emphasizes the need for focused interventions and suggestions to improve the development of young entrepreneurship in Kathmandu. These findings have broad ramifications for those involved in promoting opportunity and economic growth in the