

Barriers to Youth Entrepreneurship in Bangladesh: Structural, Social, and Psychological Challenges

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Abstract

Youth entrepreneurship plays an important role in economic development, innovation, and employment generation in developing countries such as Bangladesh. Despite growing interest among young people in entrepreneurship, many youths still face significant structural, social, and psychological barriers that discourage them from pursuing entrepreneurial careers. This research aims to identify the major challenges affecting youth entrepreneurship in Bangladesh and to explore possible support systems that may encourage young individuals to engage in business activities.

A quantitative survey method was used to collect primary data from young individuals between the ages of 16 and 30. Data were collected through an anonymous online questionnaire consisting of fourteen questions related to entrepreneurial interest, financial barriers, social influences, confidence, and support systems. According to the survey findings, a significant **75.1%** of respondents identified the lack of financial support as a major obstacle to youth entrepreneurship in Bangladesh. Among them, 43.8% expressed a 'Strongly Agree' sentiment, underscoring the severity of this structural challenge. **A total of sixteen responses were collected and analyzed using descriptive methods.**

The findings indicate that most participants are interested in entrepreneurship but face several obstacles, including lack of financial support, fear of failure, social pressure, and insufficient access to training and mentorship. The research also found that many participants believe entrepreneurship education should be included in academic curricula to better prepare youth for business opportunities.

This study highlights the importance of youth-focused entrepreneurial support systems in Bangladesh. The findings may contribute to future educational reforms, policy development, and youth empowerment initiatives designed to encourage entrepreneurship among young people.

Introduction

Bangladesh is a developing country with a large youth population. Young people represent a significant part of the country's workforce and future economic potential. In recent years, entrepreneurship has gained increasing attention as an alternative career path for youths, especially due to unemployment, limited job opportunities, and the growth of digital platforms.

Youth entrepreneurship is often considered an important driver of innovation, economic growth, and self-employment. Many young individuals are interested in starting businesses because of financial independence, creativity, and flexible career opportunities. However, despite this growing interest, a large number of Bangladeshi youths face multiple challenges that prevent them from successfully becoming entrepreneurs.

Several barriers affect youth entrepreneurship in Bangladesh. Financial limitations, lack of access to training, social expectations for secure jobs, fear of failure, and lack of confidence often discourage young people from pursuing entrepreneurial careers. Family pressure and societal attitudes also influence career decisions among youths.

This research aims to explore the structural, social, and psychological barriers faced by young entrepreneurs in Bangladesh. The study focuses on youth perceptions regarding entrepreneurship and identifies possible support systems that may encourage entrepreneurial participation.

Research Objectives

1. To identify the major structural barriers affecting youth entrepreneurship in Bangladesh.
2. To examine the influence of social and family expectations on entrepreneurial interest.
3. To analyze psychological factors such as fear of failure and self-confidence.
4. To identify support systems that can encourage youth entrepreneurship.

Research Questions

1. What are the major structural barriers faced by youth entrepreneurs in Bangladesh?
2. How do social and family expectations influence youth entrepreneurship?
3. What psychological factors discourage young people from starting businesses?
4. What types of support systems are most needed to encourage entrepreneurship among youths?

Literature Review

(References used in this section include UNDP, World Bank, UNICEF, and previous entrepreneurship studies related to Bangladesh.)

Previous studies have shown that entrepreneurship is an important tool for reducing unemployment and promoting economic growth among youths (UNDP, 2022; World Bank, 2021). According to the United Nations Development Programme (UNDP), youth entrepreneurship can contribute significantly to employment generation and innovation in developing countries.

Research conducted on Bangladeshi youth entrepreneurship suggests that financial barriers are among the most common challenges faced by young entrepreneurs (Ahmed, 2021). Limited access to loans, investment opportunities, and startup capital often discourages young people from starting businesses.

Several studies also highlight the importance of social and family influences (Islam & Rahman, 2020). In South Asian societies, stable jobs are often preferred over entrepreneurship due to financial security and social acceptance. As a result, many young people experience pressure from family members to choose conventional career paths instead of business.

Psychological barriers are another major factor affecting entrepreneurship (UNICEF, 2023). Fear of failure, lack of confidence, and uncertainty about business success often prevent youths from taking entrepreneurial risks. Studies have also found that insufficient entrepreneurial education and mentorship reduce the ability of young individuals to develop practical business skills.

Although previous studies have explored entrepreneurship challenges in Bangladesh, limited research focuses specifically on youth perceptions regarding structural, social, and psychological barriers simultaneously. This research attempts to address this gap by analyzing multiple dimensions of youth entrepreneurship through primary survey data.

Methodology

Research Design

This study used a quantitative research design to collect and analyze data regarding youth entrepreneurship in Bangladesh.

Data Collection Method

Primary data were collected through an online survey questionnaire created using Google Forms. The survey consisted of fourteen structured questions designed to understand participants' opinions regarding entrepreneurship, barriers, motivations, and support systems.

Participants

The participants of this research were young individuals between the ages of 16 and 30. A total of sixteen responses were collected through online platforms.

Sampling Method

A convenience sampling method was used because the survey was distributed online among available participants through social media and personal networks.

Ethical Considerations

Participation in the survey was voluntary and anonymous. No personal identification information was collected from respondents. Participants were informed that their responses would only be used for academic research purposes.

Data Analysis

The collected data were analyzed using descriptive analysis methods such as percentages, frequency observations, and response patterns.

Results

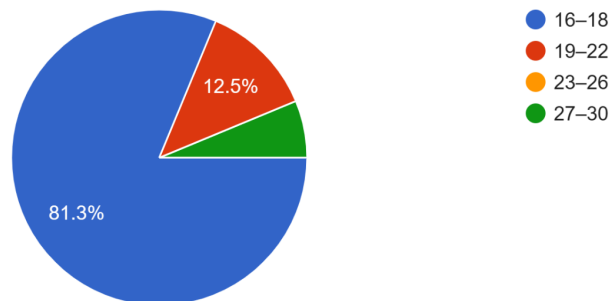
Demographic Information

Among the sixteen respondents, the majority belonged to the 16–18 age group. Most participants identified themselves as students, indicating that the survey mainly reflected youth perspectives from educational backgrounds.

1. Demographic Information The majority of the sixteen respondents belong to the **16–18 age group**, accounting for **81.3%** of the total sample. This indicates that the survey primarily reflects the perspectives of students at the higher secondary level.

Figure 1: Age distribution of respondents

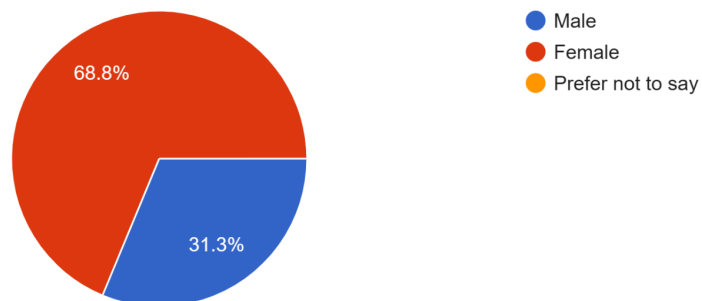
Q1. Age Group
16 responses



2. Current Status A significant **93.8%** of the participants identified themselves as **students**, confirming that the data represents the views of the upcoming workforce currently in the education system.

Figure 2: Gender distribution of participants.

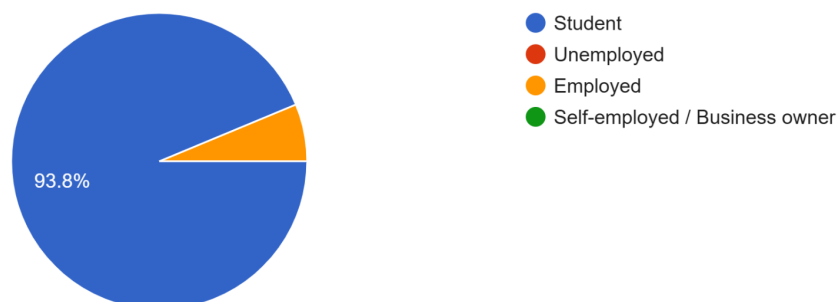
Q2. Gender
16 responses



3. Gender Distribution The survey saw a higher participation rate from females (**68.8%**) compared to males (**31.3%**), providing a diverse gender perspective on entrepreneurial barriers.

Figure 3: Current occupational status of the respondents.

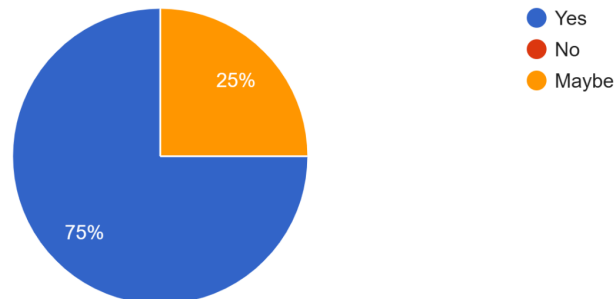
Q3. Current Status
16 responses



4. Entrepreneurial Interest There is a strong desire for self-employment among the youth, with **75%** of respondents expressing a clear interest in starting their own business in the future.

Figure 4: Interest in starting a business in the future

Q4. Are you interested in starting your own business in the future?
16 responses



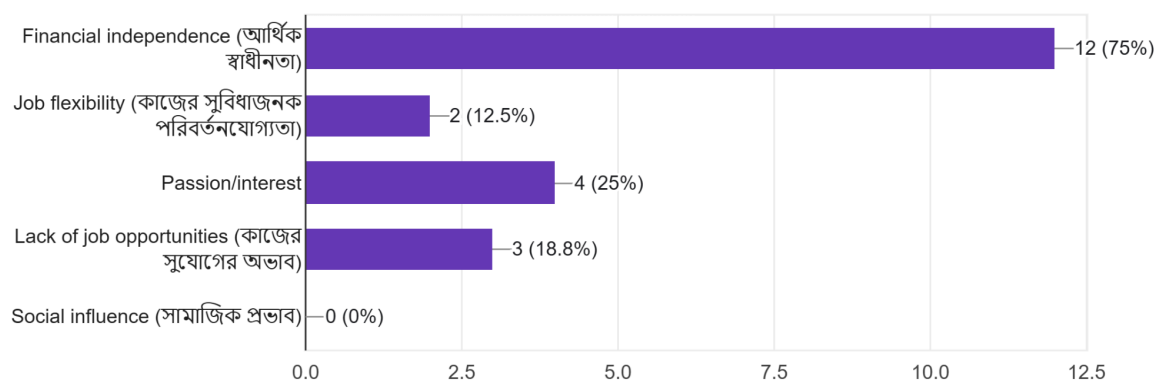
5.Key Motivations

When asked about their primary motivation, **financial independence** was ranked as the top factor, followed by the passion for creating something original and the flexibility of being one's own boss.

Figure 5: Key factors motivating youth toward entrepreneurship.

Q5. What motivates you most to consider entrepreneurship? (উদ্যোক্তা হিসেবে বিবেচনা করার জন্য আপনাকে সবচেয়ে বেশি কী অনুপ্রাণিত করে?)

16 responses

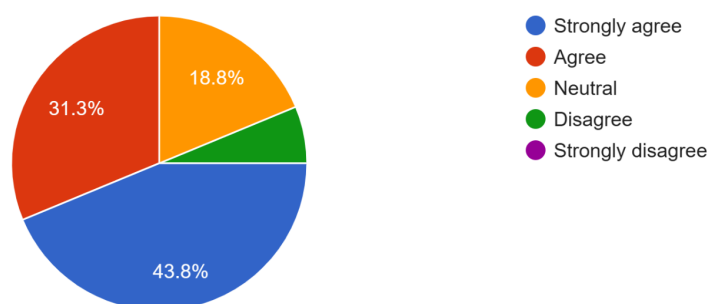


6. Structural Barriers: Financial Support The data confirms that financial hurdles are the most significant barrier, as 75.1% of respondents agreed or strongly agreed that a lack of financial support discourages youth entrepreneurship in Bangladesh.

Figure 6: Perception of lack of financial support as a major barrier.

Q6. Lack of financial support is a major barrier to youth entrepreneurship in Bangladesh. (বাংলাদেশে যুব উদ্যোক্তা হওয়ার ক্ষেত্রে আর্থিক সহায়তার অভাব একটি প্রধান বাধা।)

16 responses

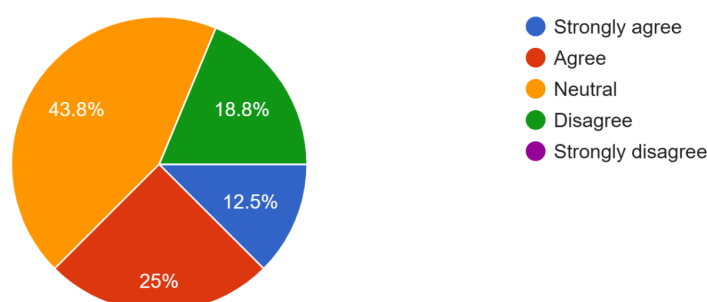


7. Access to Training and Mentorship Opinions were mixed regarding institutional support, with 43.8% of participants remaining **neutral** on whether current access to training and mentorship is sufficient. This suggests a gap in the visibility or reach of existing support programs.

Figure 7: Perception of the sufficiency of training and mentorship access.

Q7. Access to training and mentorship for young entrepreneurs is sufficient in Bangladesh. (বাংলাদেশে তরুণ উদ্যোক্তাদের প্রশিক্ষণ এবং পরামর্শদানের সুযোগ যথেষ্ট।)

16 responses

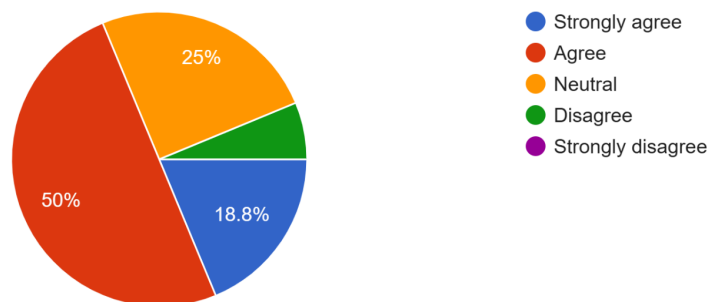


8. Social Barriers: Family Expectations Social pressure plays a major role, as **68.8%** of the youth agreed that family expectations often discourage them from choosing entrepreneurship over traditional, "secure" jobs.

Figure 8: Influence of family expectations on career choice.

Q8. Family expectations discourage youth from choosing entrepreneurship as a career. (পারিবারিক প্রত্যাশা তরুণদেরকে পেশা হিসেবে উদ্যোক্তা বেছে নিতে নিরুৎসাহিত করে।)

16 responses

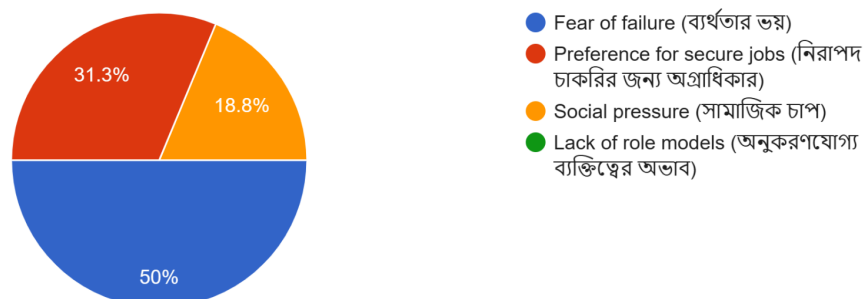


9. Most Impactful Social Factors The survey identified **social status** and the **preference for job security** as the two most influential social factors that hinder the entrepreneurial spirit in Bangladesh.

Figure 9: Social factors affecting youth entrepreneurship the most.

Q9. Which social factor affects youth entrepreneurship the most? (কোন সামাজিক বিষয়টি যুব উদ্যোক্তাদের উপর সবচেয়ে বেশি প্রভাব ফেলে?)

16 responses

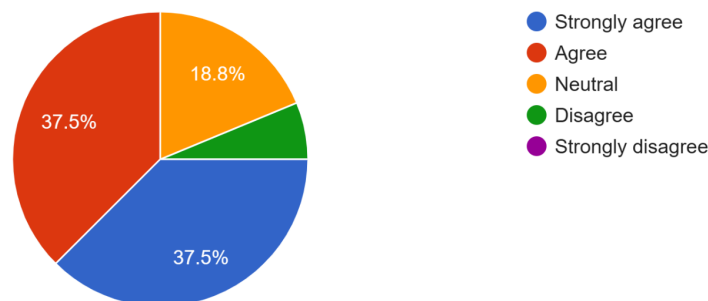


10. Psychological Barrier (Fear of Failure) The survey examined "Fear of Failure" as a psychological deterrent to starting a business. The results indicate that a vast majority of respondents believe this fear significantly prevents many young individuals from taking the initial step toward entrepreneurship.

Figure 10: Perception of fear of failure as a deterrent.

Q10. Fear of failure prevents many youths from starting a business. (ব্যর্থতার ভয় অনেক তরুণকে ব্যবসা শুরু করতে বাধা দেয়।)

16 responses

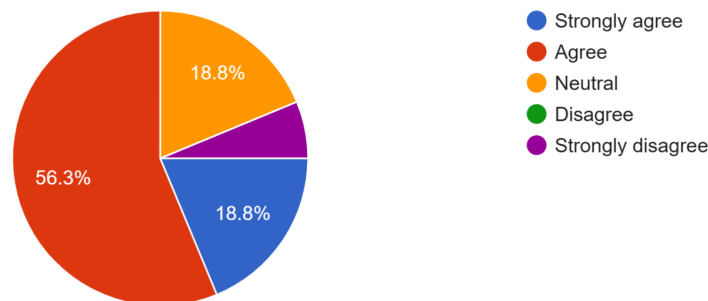


11. Self-Confidence and Capability Participants were asked to rate their confidence in managing a business. Despite the identified external barriers, many respondents expressed a positive level of self-confidence regarding their personal ability to lead and operate a startup.

Figure 11: Respondents' self-confidence in business management.

Q11. I feel confident in my ability to start and manage a business. (ব্যবসা শুরু এবং পরিচালনা করার ক্ষমতা সম্পর্কে আমি আত্মবিশ্বাসী।)

16 responses

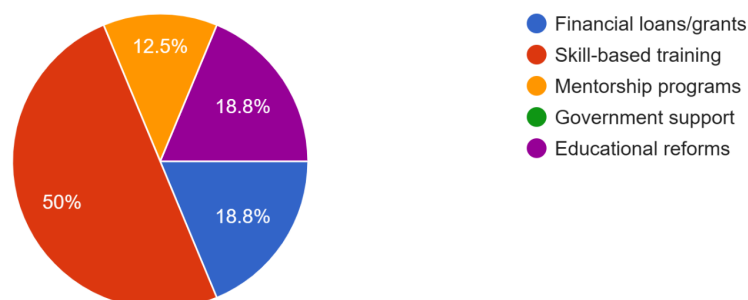


12. Preferred Support Systems This section identified what type of assistance would most encourage the youth. The data shows that financial support, professional mentorship, and skill-based training are the most sought-after resources.

Figure 12: Support systems that would most encourage entrepreneurial participation.

Q12. What support would most encourage youth entrepreneurship? (কোন সহায়তা যুব উদ্যোক্তাদের সবচেয়ে বেশি উৎসাহিত করবে?)

16 responses

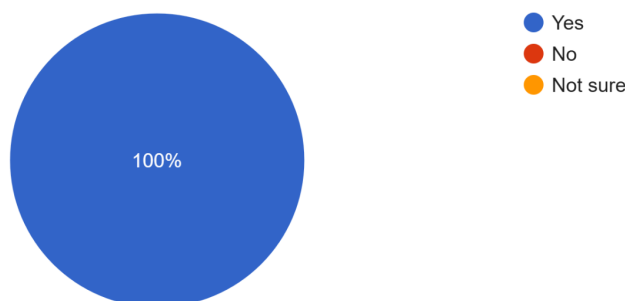


13. Academic Integration (Entrepreneurship Education) A significant consensus was found regarding the role of academic institutions. Most participants strongly agreed that entrepreneurship education should be integrated into the college and university curriculum to provide practical business knowledge.

Figure 13: Opinions on including entrepreneurship in the academic curriculum.

Q13. Do you think entrepreneurship education should be included in college/university curriculum? (আপনার কি মনে হয় কলেজ/বিশ্ববিদ্যালয় পাঠ্যক্রমে উদ্যোক্তা শিক্ষা অন্তর্ভুক্ত করা উচিত?)

16 responses



14. Qualitative Feedback: The Biggest Challenges In the final open-ended question, participants shared their perspectives on the single greatest challenge for youth in Bangladesh. Key themes identified include:

- **Lack of Proper Guidance:** The absence of structured mentorship to turn ideas into reality.
- **Social Judgment:** Cultural stigma surrounding business failure.
- **Market Instability:** Economic fluctuations and rising costs of raw materials.
- **Administrative Hurdles:** Complexities in obtaining trade licenses and understanding legal requirements.

10 responses

Response 1. Self-confidence

Response 2. Not having enough knowledge about business and how to deal or communicate with people also having language barrier

Response 3. I have no idea.

Response 4. Job interviews facing

Response 5. Financial problem

Response 6. I think a few challenges they had to face like-

- a)access to money and support
- b)banks want proof
- c)paper work is a headache
- d)can't find any good partner
- e)family pressure or safe job pressure
- f)no middle help.

Response 7.Proper idea na thaka

Response 8.My training base is strong.

Response 9.To prove them selves

Response 10.Government because that effect

Interest in Entrepreneurship

Most participants expressed interest in starting their own businesses in the future. Financial independence and passion for entrepreneurship were identified as major motivational factors.

Structural Barriers

The survey findings indicate that lack of financial support is considered a major barrier to youth entrepreneurship in Bangladesh. Many participants agreed or strongly agreed that insufficient access to funding discourages young entrepreneurs.

Responses also suggested mixed opinions regarding access to training and mentorship opportunities. While some participants believed that opportunities exist, many respondents felt that support systems are still insufficient.

Social and Family Influences

A large number of participants agreed that family expectations discourage youths from choosing entrepreneurship as a career. Fear of failure and preference for secure jobs were identified as major social factors affecting entrepreneurial participation.

Psychological Barriers

Most respondents agreed that fear of failure prevents many youths from starting businesses. However, several participants also expressed confidence in their ability to manage and operate a business.

Support Systems

Participants identified skill-based training, financial support, and educational reforms as the most important support systems for encouraging youth entrepreneurship.

The majority of respondents also agreed that entrepreneurship education should be included in college and university curricula.

Open-Ended Responses

Participants mentioned several additional challenges faced by young entrepreneurs, including lack of proper guidance, social judgment, financial instability, and insufficient practical business knowledge.

Discussion

The findings of this research reflect several important realities regarding youth entrepreneurship in Bangladesh. Similar to previous studies, financial limitations were identified as one of the strongest barriers affecting entrepreneurial participation among youths.

The survey also highlights the influence of social and family expectations. In many South Asian societies, stable employment is often viewed as more secure and socially acceptable than entrepreneurship. As a result, many young individuals experience pressure to avoid business-related risks.

Psychological factors such as fear of failure were also highly significant among respondents. This finding is consistent with previous research showing that uncertainty and lack of confidence discourage entrepreneurial behavior among youths. At the same time, the survey reveals that many young people remain interested in entrepreneurship despite these challenges. This indicates that proper support systems, mentorship programs, skill-based training, and educational reforms could positively influence entrepreneurial participation.

The strong support for entrepreneurship education suggests that youths believe academic institutions should play a more active role in preparing students for business opportunities and self-employment.

Although this research provides valuable insights, the study has some limitations. The sample size was relatively small, and most participants were students within similar age groups.

Conclusion

Youth entrepreneurship has the potential to contribute significantly to economic growth, innovation, and employment opportunities in Bangladesh. However, young people continue to face multiple structural, social, and psychological barriers that discourage entrepreneurial participation.

This research found that lack of financial support, social expectations, fear of failure, and insufficient training opportunities are among the major challenges affecting youth entrepreneurship. Despite these obstacles, many participants demonstrated strong interest in entrepreneurship and supported the inclusion of entrepreneurship education in academic institutions.

The findings suggest that policymakers, educational institutions, and youth development organizations should work together to create supportive environments for young entrepreneurs. Financial assistance programs, mentorship opportunities, practical entrepreneurial training, and awareness campaigns may help encourage greater youth participation in entrepreneurship.

Future studies may further explore the long-term impact of entrepreneurial education and government support programs on youth entrepreneurship in Bangladesh.

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Contribution Statement

This research was independently conducted by Tasfia Jahin. The researcher was responsible for topic selection, survey design, data collection, data analysis, interpretation of findings, and preparation of the final manuscript.

Declaration of Originality and Consent

I hereby declare that this research paper is original and has been independently prepared for academic purposes. The work has not been copied from any unpublished source, and all external information has been appropriately referenced.

The survey participants voluntarily participated in this research. No personal identification data were collected, and all responses were kept anonymous.

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Date: 12.05.2026

Short Author Bio

Tasfia Jahin is an independent student researcher from Bangladesh with an interest in youth issues, entrepreneurship, social development, and research-based writing. Her research interests focus on youth empowerment, education, and social challenges affecting young individuals in developing societies.