



## ENTREPRENEURSHIP CHALLENGES AND OPPORTUNITIES FOR YOUTH IN THE TEXTILE AND APPAREL INDUSTRY

S.K. Nagdeve

Researcher Department of Textile & Clothing,  
RTM Nagpur University Nagpur, Maharashtra, India.

\*Corresponding Author: malanagdeve@gmail.com

Communicated : 25.08.2025

Revision : 09.09.2025

Accepted : 25.09.2025

Published: 15.10.2025

### ABSTRACT:

The global textile and apparel industry, undergoing profound transformation driven by digitalization and the imperative for sustainability, presents a dual landscape of immense opportunity and significant hurdles for the emerging generation of entrepreneurs. This paper explores the critical challenges and the strategic opportunities facing youth (defined as individuals aged 18-35) establishing or managing ventures within this creative and manufacturing-intensive sector. Employing an analytical review of prevailing literature and industry reports, the study identifies core barriers, including acute financial constraints, lack of specialized business acumen, difficulties in navigating complex supply chains, and intense competition from established large-scale enterprises. Concurrently, the paper illuminates transformative opportunities, notably in the adoption of Circular Economy business models, leveraging Digital Transformation (e-commerce, 3D design, AI), and capitalizing on the growing global demand for Sustainable and Ethical Fashion. The findings underscore the critical need for targeted policy interventions, including specialized financial instruments, collaborative industry-academia incubation programs, and mentorship to empower young textile entrepreneurs and position them as key drivers of the industry's future resilience and responsible growth.

**Keywords:** *Youth Entrepreneurship, Digitalization, Sustainability, Circular Economy, Financial Constraints, Small and Medium Enterprises (SMEs).*

### INTRODUCTION :

The textile and apparel industry Textile Association of India (TAI) is one of the world's oldest and most significant manufacturing sectors, providing mass employment and substantial contribution to global GDP. However, it is simultaneously one of the most resource-intensive and environmentally impactful industries, a status that necessitates a rapid and fundamental shift in its operational model. This necessity for transformation provides a unique entry point for youth, whose propensity for risk, digital native skills, and inherent concern for environmental and social ethics make them ideal agents of change.

The concept of youth entrepreneurship has gained traction globally as a viable solution to the pressing issues of youth unemployment and as a catalyst for economic diversification and innovation. For the TAI, this new generation of

entrepreneurs is not just filling a market gap but is actively disrupting traditional, linear business models.

This paper is structured to comprehensively analyze the entrepreneurial environment for youth in the textile sector. It first establishes the theoretical foundation for youth entrepreneurship and its application to the TAI. It then critically examines the major challenges faced by young founders, followed by an in-depth exploration of the emerging opportunities driven by global megatrends. Finally, it concludes with policy recommendations to foster a supportive ecosystem.

### Theoretical Framework

The study of youth entrepreneurship in the textile sector is best framed by combining two complementary theories: the Resource-Based

View (RBV) and the Theory of Planned Behaviour (TPB).

### **The Resource-Based View (RBV)**

The RBV posits that a firm's competitive advantage is derived from the valuable, rare, inimitable, and non-substitutable (VRIN) resources it controls. For young textile entrepreneurs, these resources are often non-traditional:

- **Creative Capital:** Unique design skills and a fresh aesthetic perspective.
- **Human Capital:** Digital literacy, technological fluency, and a strong understanding of modern consumer psychology (e-commerce, social media marketing).
- **Relational Capital:** Global peer networks and a capacity for agile collaboration, which are essential for navigating complex international supply chains and decentralized production.
- The challenges faced by youth, such as lack of financial capital, are framed as a deficiency in tangible resources, forcing reliance on intangible resources (creativity and digital skills) to innovate.

### **Theory of Planned Behaviour (TPB)**

The TPB suggests that an individual's intention to perform behaviour (e.g., starting a business) is determined by three core variables:

- **Attitude toward the behaviour:** The youth's favourable (or unfavourable) appraisal of becoming a textile entrepreneur, driven by the sector's creative freedom and potential for impact.
- **Subjective Norms:** The perceived social pressure or support from family, peers, and society. A high societal value placed on creative or sustainable ventures can positively influence this norm.
- **Perceived Behavioural Control:** The individual's perception of the ease or difficulty of performing the behaviour, which directly relates to the perceived challenges (e.g., access to finance, skills gap).

By applying this framework, the paper moves beyond simple description to analyze the causes of entrepreneurial action and the factors that impede its success.

### **Challenges Faced by Young Textile Entrepreneurs**

Young entrepreneurs face generic start-up challenges, but the TAI's unique structure a blend of high-volume manufacturing, intense competition, and high capital demand exacerbates these issues.

#### **Financial and Capital Barriers**

This is arguably the most acute barrier. Young founders often lack collateral and a proven credit history, making them high-risk for traditional lending institutions.

- **Seed Funding:** Securing initial capital for machinery, raw materials, and factory setup is prohibitive.
- **Working Capital:** The TAI is seasonal and requires large, continuous investment in inventory. Young ventures often struggle with cash flow during slow periods or when scaling up production.
- **Bias in Lending:** Financial institutions often lack specialized metrics for assessing creative or highly sustainable business models, preferring established, conventional manufacturers.

#### **Supply Chain and Production Complexity**

The TAI supply chain is notoriously opaque, fragmented, and geographically dispersed.

- **Sourcing Ethical Materials:** Young entrepreneurs committed to sustainability struggle to find smaller suppliers who meet strict ethical and environmental standards, often having to compromise or pay a steep premium.
- **Minimum Order Quantities (MOQs):** Small-scale start-ups cannot meet the high MOQs demanded by large textile mills, forcing them to use intermediaries or less efficient producers, which raises costs and reduces profit margins.
- **Quality Control (QC) and Logistics:** Managing QC from a distance and navigating complex

import/export logistics and tariffs is a steep learning curve for inexperienced youth.

### **Skills and Knowledge Deficiencies**

While often having strong creative or technical skills (design, tailoring), young entrepreneurs typically lack the core business management competencies necessary for sustained growth.

- **Business Acumen:** Deficiencies in financial management, contract negotiation, and scaling operations.
- **Regulatory Compliance:** Navigating labour laws, environmental regulations, and intellectual property (IP) protection is a common source of legal and financial missteps.
- **Marketing and Branding:** Although digitally fluent, many lack the strategic marketing knowledge required to build a distinct brand identity in a highly saturated global market beyond basic social media posting.

### **Competition and Market Entry**

Young entrepreneurs compete with two formidable forces: established family-owned textile houses with decades of institutional knowledge and global Fast Fashion behemoths that leverage extreme economies of scale to offer products at ultra-low prices, making competitive pricing almost impossible for small, ethical start-ups.

### **Strategic Opportunities for Youth Entrepreneurship**

Despite the challenges, global trends are creating unprecedented opportunities for young, innovative entrepreneurs to redefine the TAI.

#### **The Digital Transformation Imperative**

Digital technologies are lowering the barriers to entry in several key areas:

- **E-commerce and Direct-to-Consumer (D2C):** Online platforms and social media bypass the traditional, costly retail distribution network, allowing young brands to build direct relationships with global consumers and control their brand narrative.

- **3D Design and Prototyping:** Software-based design tools and virtual prototyping reduce the need for physical samples, saving time and materials, and significantly cutting pre-production costs.

- **Data-Driven Customization:** Leveraging Big Data and Artificial Intelligence (AI) to analyze consumer trends allows young entrepreneurs to pivot quickly, forecast demand with greater accuracy, and offer highly personalized or Made-to-Order products, minimizing overproduction and waste.

#### **Capitalizing on the Sustainability Megatrend**

The transition to sustainable practices is the largest growth opportunity, driven by consumer demand and tightening regulation. Young entrepreneurs are uniquely positioned to lead this shift.

- **Circular Economy Models:** Moving beyond simply "eco-friendly," youth can build businesses entirely around circularity: Rental/Subscription Services (e.g., designer clothing rentals), Repair and Up cycling Ventures, and Take-Back/Recycling Programs that keep materials in use for longer.
- **Technical and Smart Textiles:** This high-growth niche involves integrating technology into materials (e.g., wearable sensors, performance fabrics, medical textiles). Youth with multidisciplinary backgrounds (engineering, computer science, design) can spearhead this innovative segment.
- **Ethical Sourcing and Transparency:** Young brands can leverage block chain and digital tracking technologies to provide verifiable supply chain transparency, building trust and a competitive edge over legacy brands unable to shift quickly.

#### **The Niche Market Advantage**

Global market saturation has led to a demand for authentic, localized, and niche products.

- **Craft and Heritage Revival:** Youth can merge modern design with traditional textile crafts

(handloom, block printing, indigenous dyeing techniques), thereby creating premium, high-value products while supporting local artisans and preserving cultural heritage.

- **Bespoke and Custom Production:** Leveraging digital tools, young entrepreneurs can offer mass customization, catering to segments tired of standardized fast fashion.

#### **Policy and Ecosystem Recommendations**

To translate the potential of youth into a significant contribution to the textile sector, a concerted effort from policymakers, educators, and industry leaders is required.

##### **Specialized Financial Instruments**

- **Creative Industry Seed Funds:** Establish state or industry-backed seed funds and angel networks specifically for textile/creative ventures, which prioritize business plans based on innovation and sustainability over traditional collateral.

- **Micro-Loans and Subsidies:** Provide small, easily accessible micro-loans for working capital and subsidies for purchasing certified sustainable raw materials to offset the higher initial costs.

##### **Education and Incubation Reform**

- **Integrated Curriculum:** Textile and design education must integrate mandatory modules in finance, supply chain management, intellectual property law, and digital marketing.

- **Specialized Incubators and Accelerators:** Create programs that are not generic, but tailored to the TAI, offering access to specialized industrial equipment, technical textile experts, and mentorship from successful industry veterans.

- **Mentorship and Skill Transfer:** Establish formal, subsidized programs that pair experienced factory owners and logistics experts with young start-up founders to bridge the skills gap in practical production and management.

#### **Regulatory and Infrastructure Support**

- **Digital Hubs:** Invest in regional or national digital platforms that aggregate sourcing information, connect young entrepreneurs to ethical suppliers, and provide a shared infrastructure for logistics and quality assurance.

- **IP Protection:** Simplify and subsidize the process of trade marking and patenting for young designers to protect their creative work from being copied by larger players, fostering a culture of innovation.

#### **CONCLUSION:**

Youth entrepreneurship is not merely an alternative career path but a necessity for the long-term vitality and sustainability of the textile and apparel industry. While formidable challenges primarily centered on access to finance and navigating production complexities persist, the convergence of digital technology and global demand for ethical consumption presents a clear pathway for young innovators.

By proactively adopting D2C(Direct-to-Consumer) models, embracing circularity, and leveraging digital tools for efficiency and customization, young entrepreneurs can build the resilient, responsible businesses of the future. Success, however, is contingent on the establishment of a robust support ecosystem. Governments and industry stakeholders must recognize youth not just as beneficiaries, but as indispensable partners, by providing targeted financial instruments, reforming education, and simplifying the regulatory landscape. Only through such collaborative action can the textile industry ensure a sustainable and economically vibrant future driven by the creative energy and technological fluency of its next generation of leaders.

**REFERENCES:**

## I. Foundational Theories: RBV &amp; TPB

Ajzen, I. (1991). The theory of planned behaviour. *Organizational behaviour and human decision processes*, 50(2), 179-211.

Alvarez, S. A., & Barney, J. B. (2007). Discovery and creation: Alternative theories of entrepreneurial action. *Strategic Entrepreneurship Journal*, 1(1-2), 11-26.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.

Penrose, E. T. (1959). *The theory of the growth of the firm*. Oxford University Press.

## II. Challenges: Financial, Supply Chain, and Skills

Gereffi, G. (1999). International trade and industrial upgrading in the apparel commodity chain. *Journal of International Economics*, 48(1), 37-70.

Hansen, E. G., & Schaltegger, S. (2016). The sustainability trade-off: A challenge for corporate sustainability performance. *International Journal of Business and Management*, 11(12), 1-13.

Lang, C., & Liu, S. (2019). Sustainable entrepreneurship in the apparel industry: Passion and challenges. *Fashion and Textiles*, 6(1), 1-20.

UNCTAD. (2015). *Policy guide on youth entrepreneurship*. United Nations Conference on Trade and Development.

## III. Opportunities: Digitalization and Innovation

Chi, T., & Lu, S. (2020). Digital transformation in the fashion industry: The role of 3D technology in sustainable product development. *Research Journal of Textile and Apparel*, 24(4), 352-369.

Lee, E., & Kim, Y. (2022). Artificial intelligence and fashion: Opportunities and

challenges for value co-creation. *Journal of Fashion Marketing and Management*, 26(1), 154-171.

Siegle, L. (2011). To die for: Is fashion wearing out the world? *Fourth Estate*.

## IV. Opportunities: Circular Economy &amp; Sustainability

Bocken, N. M. P., Pauw, I., Bakker, C., & van der Grinten, B. (2016). Product design and business model strategies for a circular economy. *Journal of Industrial and Production Engineering*, 33(5), 308-320.

Ellen MacArthur Foundation. (2017). *A new textiles economy: Redesigning fashion's future*. Ellen MacArthur Foundation.

Karell, E., & Niinimäki, K. (2019). Circular economy approach to fashion and textiles: A literature review. *Fashion and Textiles*, 6(1), 1-24.

Urbinati, A., Chiaroni, D., & Chiesa, V. (2017). Towards a definition of business models for the circular economy: The role of the revenue model. *Journal of Cleaner Production*, 168, 753-761.

## V. Policy and Ecosystem Support

Global Entrepreneurship Monitor (GEM). (Annual Reports). *Youth Entrepreneurship and Education Reports*.

ILO. (2018). *Youth entrepreneurship policy framework*. International Labour Organization.

Liñán, F., Rodriguez-Cohard, J. C., & Rueda-Cantucho, J. M. (2011). Factors affecting entrepreneurial intention levels: A structural equation model. *International Entrepreneurship and Management Journal*, 7(2), 195-218.