International Journal of Science and Research (IJSR)
ISSN: 2319-7064
Impact Factor 2025: 7.089

Sociology of Entrepreneurship: Why Young People Choose Startups

A sociological account of aspiration, social capital and risk among young founders

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Abstract: ***Entrepreneurship is usually explained in economic or psychological terms as a response to market opportunity, or as the expression of an unusual personality. This paper argues that the recent movement of young people towards startups is better understood sociologically, as an outcome of social structure, networks, capital and cultural meaning. Drawing on Weber, Schumpeter, Granovetter's embeddedness thesis, Bourdieu's forms of capital, Shapero and Sokol's displacement model and theories of individualisation, it develops a four-level framework linking macro conditions, meso networks, micro household influence and the self-understanding of the young founder. Pull factors autonomy, meaning, wealth and status are distinguished from push factors such as credential inflation and the congestion of good jobs, and the unequal distribution of the resources that make founding possible is examined through failure stigma, gendered constraints and family expectation. A five-phase mixed-methods design is proposed. All numerical values in figures are illustrative composites intended to support conceptual understanding rather than to report primary findings.***

Keywords: sociology of entrepreneurship; youth aspiration; social capital; embeddedness; startup ecosystem; risk and individualisation; occupational choice

1. Introduction

A generation ago the ambition of an educated young person in most Indian households followed a narrow script: secure a professional degree, obtain a stable salaried position, and treat risk as something to be minimised. Within two decades that script has been substantially rewritten. Founding a venture, or joining one at an early stage, has moved from the margins of respectable career choice towards its centre, and the founder has become a recognisable cultural figure appearing in classrooms, campus competitions and family conversation.

The shift is easy to describe and difficult to explain. Economic accounts point to opportunity and falling costs of entry; psychological accounts point to risk propensity and self-efficacy. Both explain something, and neither explains why the change occurred when it did, why it concentrates in particular social groups and cities, or why two young people of similar ability so often choose opposite paths. Those questions are sociological. They concern the structures that distribute resources, the networks that carry information and legitimacy, and the shared meanings that make one path feel admirable and another feel safe.

1.1 Problem Statement and Significance

Research on entrepreneurship is unevenly distributed. Studies of firm performance, funding and founder psychology far outnumber studies of the social conditions under which young people come to see founding as a plausible act for someone like themselves. In India, empirical work concentrates on ecosystem policy and on successful ventures, so the population of interest here young people deciding, deferring or declining is studied mainly through those who succeeded. The study therefore matters to **educators**, who can widen access to entrepreneurial exposure; to **policymakers**, who must separate interventions that remove barriers from those that amplify existing advantage; and to **young people**, who deserve an accurate picture of the resources founding usually requires rather than inspiration alone.

1.2 Scope and Delimitations

The paper concerns the social determinants of entrepreneurial choice among people roughly aged fifteen to thirty, with primary reference to India. It does not model venture performance or valuation and does not evaluate specific companies or policies. Figures presenting numerical values are illustrative composites drawn to communicate structure and proportion; they are labelled as such throughout.

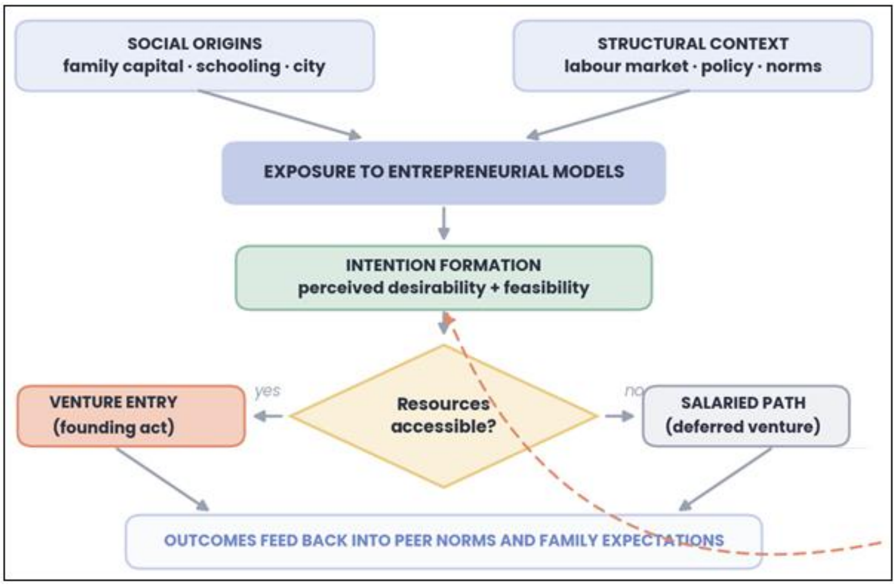

Figure 1: The startup decision pathway: social origins and structural context shape exposure and intention, but resource access governs whether intention becomes a founding act.

2. Theoretical Foundations

Sociological interest in enterprise is older than the current startup vocabulary. Five traditions are particularly useful here, and Table 1 sets them against one another.

2.1 Classical Accounts: Ethic, Innovation and Marginality

Weber established the founding sociological claim that economic conduct is culturally conditioned- that beliefs about work, thrift and calling shape whether accumulation is understood as virtuous. Schumpeter located the entrepreneur not in ownership but in innovation, in the recombination of resources that disturbs equilibrium. Later scholarship added that entrepreneurs are frequently socially marginal: groups partially excluded from established occupational ladders have repeatedly turned to self-employment, which suggests that enterprise can be a response to blocked mobility as much as an expression of ambition.

2.2 Embeddedness, Networks and Capital

Granovetter's embeddedness argument holds that economic action is carried out by people located in concrete networks rather than by abstract calculating agents. Applied to founding, this means information about opportunity, judgements of credibility and access to early money all travel through relationships; Aldrich and Zimmer's network model makes the point directly, and Burt's account of structural holes explains why the diversity of a young person's contacts matters more than their number.

Bourdieu's distinction between economic, social and cultural capital explains why intention converts into action so unevenly. Economic capital supplies runway and the tolerance of failure; social capital supplies co-founders, mentors and introductions; cultural capital supplies the vocabulary, confidence and credentials that make a young founder legible to investors and customers. Because these capitals are convertible and are transmitted within families, apparently individual acts of risk-taking often rest on inherited advantage.

2.3 Displacement, Intention and Individualisation

Shapero and Sokol described entrepreneurial events as typically preceded by displacement a disruption such as job loss, migration or graduation into a weak market which becomes founding only where the path is perceived as both desirable and feasible. Ajzen's theory of planned behaviour formalises the same intuition. The sociological contribution is to insist that desirability, subjective norm and perceived control are all socially supplied. Beck's risk society and Giddens's reflexive self- describe a condition in which individuals must author their own biographies, while Inglehart's evidence of post-material value change explains why autonomy and self-expression now outrank security for a widening group.

Table 1: Five sociological traditions and their explanatory contribution

Tradition	Central claim	What it explains about young founders
Weberian / cultural	Economic conduct is shaped by shared ethics and meanings	Why founding is prestigious in some milieus and reckless in others
Schumpeterian	The entrepreneur is defined by innovative recombination	Why novelty, not ownership, is the status marker founders pursue
Network / embeddedness	Economic action is embedded in concrete social ties	Why opportunity and credibility are unequally visible across peer groups
Bourdieusian	Economic, social and cultural capital are convertible and inherited	Why intention converts to action mainly where failure is affordable
Individualisation	Modern biographies are self-authored under conditions of risk	Why autonomy and self-expression outrank security for a widening group

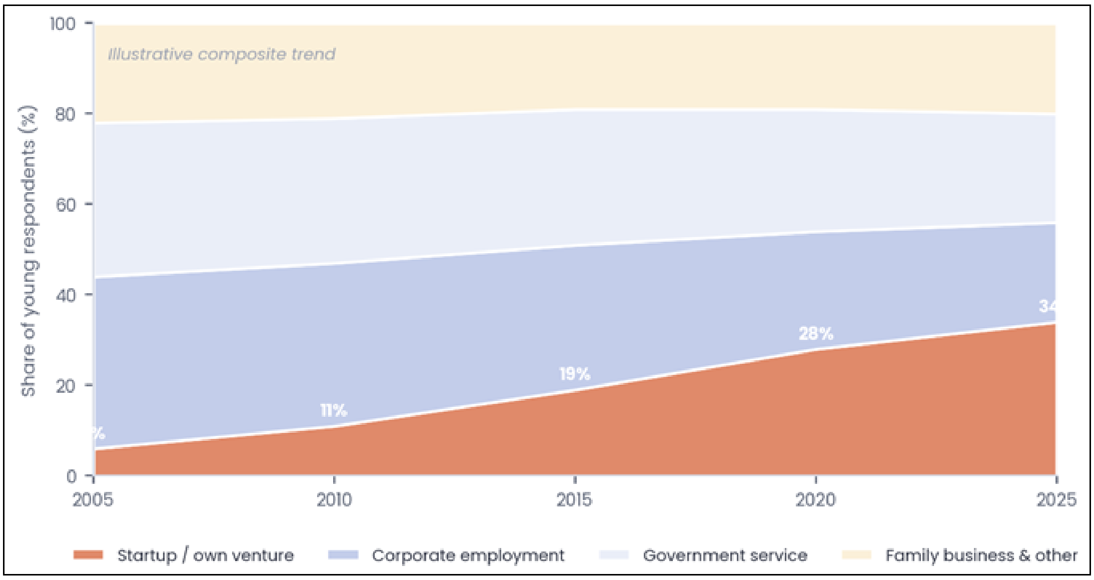

Figure 2: Illustrative composite trend: changing first-choice career aspiration among young respondents, 2005–2025

3. Conceptual Framework

The framework treats the founding decision as the outcome of four nested levels of social context. The **macro** level supplies the labour market, policy environment, capital availability and the media narratives that define a successful life. The **meso** level supplies networks: campus, city ecosystem, incubator, and the peer group of people who have already founded something. The **micro** level is the household- its resources, its tolerance of risk, its expectations about respectable work. At the centre is the **self**, whose sense of agency is not independent of the other three but assembled from them. Constraint flows inward while agency pushes outward, and the founding act occurs where the two meet.

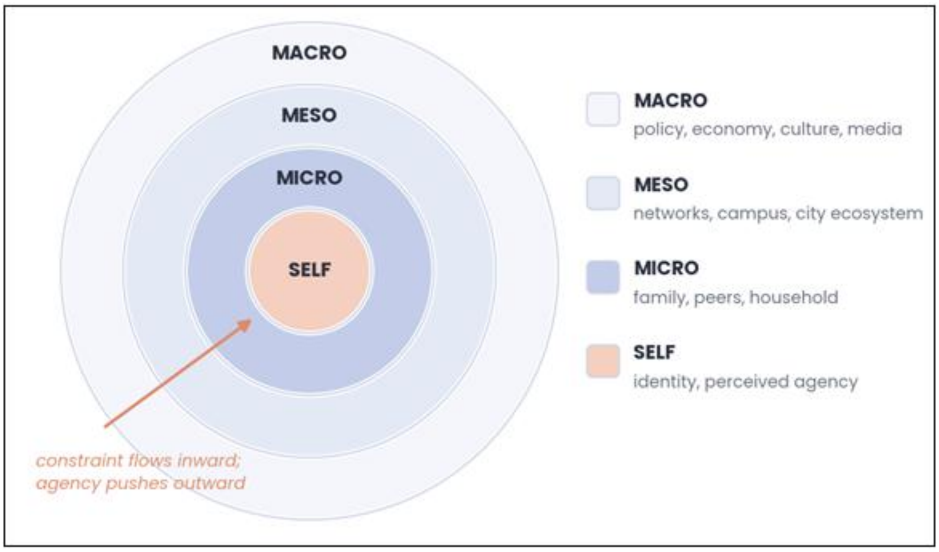

Figure 3: The embeddedness model of entrepreneurial choice: four nested levels of social context

The second component of the framework describes conversion. Figure 4 shows the three forms of capital feeding a single reservoir of entrepreneurial intention, which then distributes into three characteristic outcomes: a venture is founded, the intention is parked for later, or the young person exits into salaried work. The flows are deliberately unequal, because most entrepreneurial intention among young people is never acted upon and the reasons it is not acted upon are the substance of the sociological question.

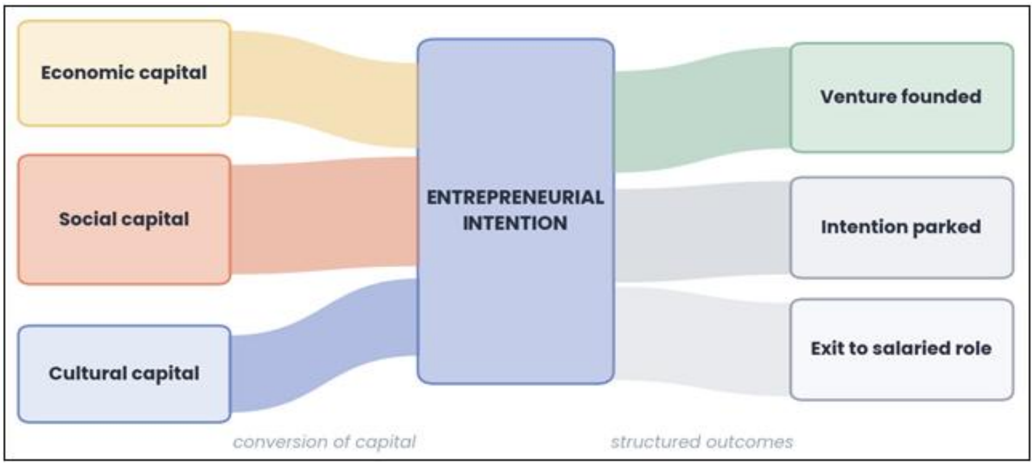

Figure 4: Conversion of capital into intention, and of intention into outcomes; flow widths are illustrative and deliberately unequal

4. Why Young People Choose Startups

Explanations of the shift can be sorted into forces that attract young people towards founding and forces that repel them from the alternatives. Both operate at once, and the balance between them differs sharply across social groups a point obscured whenever founding is described purely as the pursuit of a dream.

4.1 Pull Factors

Autonomy is the most consistently reported motivation: for a cohort raised with considerable informational freedom, supervision and slow advancement read as a loss rather than as security. **Meaning** follows closely, since work addressing a visible problem is valued above work whose contribution is mediated through a large organisation. **Wealth** matters less as income than as the possibility of non-linear returns, which salaried ladders cannot offer. **Status** completes the set: the founder now occupies a position in the prestige ordering of occupations that an earlier generation reserved for the civil servant or the doctor, and prestige is a social fact rather than a private preference.

4.2 Push Factors

The push side is less often discussed and at least as important. Rising graduate numbers have outpaced the creation of graduate-level positions, so a degree that once guaranteed entry now merely qualifies its holder to compete. Under-employment is widespread and visible. Where the salaried route is congested, slow and insecure, the risk differential between employment and founding narrows, and founding becomes a rational choice rather than a romantic one precisely the negative displacement Shapero and Sokol described.

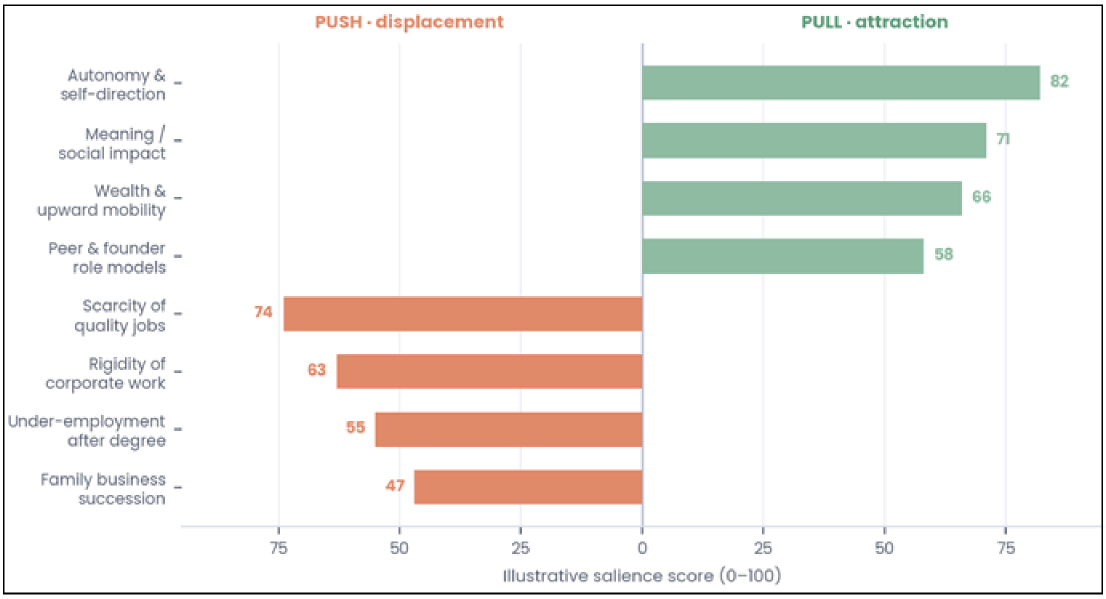

Figure 5: Illustrative salience of pull and push factors; attraction and displacement operate together rather than as alternatives

Table 2: Pull and push factors compared across five dimensions

Dimension	Pull- attraction towards founding	Push- displacement from alternatives
Work design	Autonomy, ownership, pace of learning	Hierarchy, fixed hours, slow advancement
Economic	Non-linear upside; equity rather than salary	Stagnant entry wages; congested hiring
Credentials	Portfolio and product substitute for pedigree	Degree inflation reduces signalling value
Identity	Founder as a recognised and admired status	Salaried role seen as anonymous or replaceable
Social	Visible peers who have already founded	Peers visibly under-employed after graduation

4.3 Role Models and Peer Contagion

Sociologically, the strongest single predictor that a young person will consider founding is knowing someone who has. Proximity supplies practical knowledge, lowers the perceived difficulty of the act, and legitimises the choice within the family because the path is no longer strange. This is why entrepreneurship clusters so tightly by city, campus and even school cohort, and why exhortation alone rarely produces founders while exposure to an accessible founder at close range often does.

5. Social Capital and Unequal Access

If intention were the whole story, founders would be distributed evenly across social groups. They are not. Founding requires resources that are unequally held, and the most important of these is not money but the capacity to absorb failure. A young person who can return to a supportive household after an unsuccessful venture is taking a materially different risk from one whose family depends on their income, even where ability and intention are identical.

Table 3: Forms of capital and their operation in venture formation.

Form of capital	What it supplies to a young founder	Typical source
Economic	Runway, tolerance of failure, initial equipment and fees	Family savings, property, parental income
Social	Co-founders, mentors, first customers, warm introductions	Campus, city ecosystem, family occupation, alumni ties
Cultural	Language, presentation, confidence, credential legibility	Schooling, urban exposure, household educational level
Symbolic	Recognition, being taken seriously by gatekeepers	Institution attended, competition wins, visible affiliation

Figure 6 illustrates the relationship the framework predicts. Risk tolerance is positively associated with entrepreneurial intention, as psychological accounts expect. The sociological addition is the third dimension: point size and colour represent network and social-capital score. High intention combined with thin networks is a common and under-examined position- it describes precisely the young people whose ambitions never become ventures.

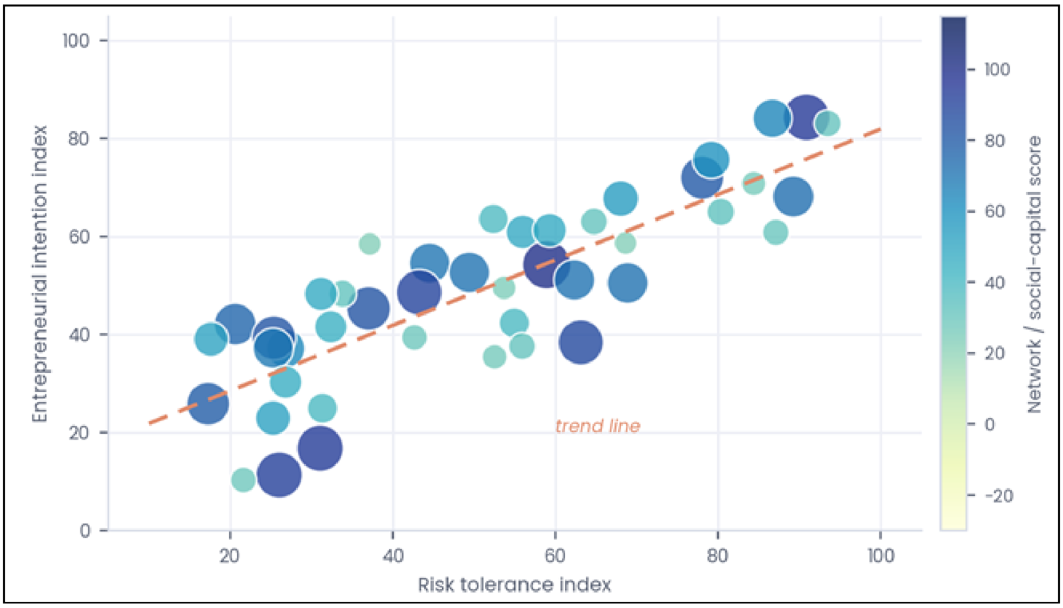

Figure 6: Illustrative relationship between risk tolerance and entrepreneurial intention, with social-capital score shown by point size and colour.

6. Enablers and Barriers in the Indian Context

6.1 What Has Made Founding Thinkable

Cloud infrastructure, open-source tooling, digital payment rails and low-cost distribution have reduced the capital required to test an idea by orders of magnitude; what once demanded premises and intermediaries can now be attempted from a hostel room. Incubators attached to universities, school-level tinkering laboratories and public schemes supply a scaffolding that did not previously exist- mattering less for their funding than for the networks and legitimacy they confer, since they convert a private ambition into an activity a family can name and approve of. Media coverage completes the picture, though it carries a

Paper ID: SR26731105022 DOI: https://dx.doi.org/10.21275/SR26731105022

systematic distortion: coverage is drawn overwhelmingly from survivors, so young people calibrate expectations against a sample from which failure has been removed.

6.2 What Still Blocks the Path

The same analysis explains why many who wish to found do not. Where occupational stability carries reputational weight for the whole household, an unsuccessful venture is not a private setback but a family matter, so ecosystems that treat failure as ordinary and those that treat it as disqualifying produce very different rates of attempt from identical populations. Young women report comparable intention to young men but face additional constraints on late work, unaccompanied travel and informal networking. Access to capital, mentors and ecosystems is patterned by class and location: metropolitan students encounter functioning ecosystems as a matter of geography, while students in smaller towns encounter them, if at all, through the internet and without the ties that make introductions possible.

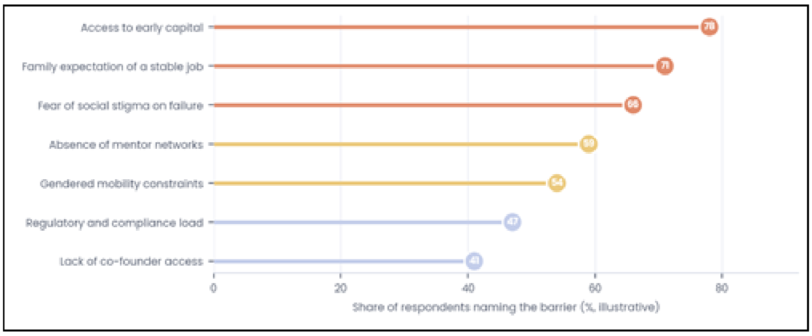

Figure 7: Illustrative frequency with which young respondents name specific barriers to founding

7. Objectives, Questions and Hypotheses

RO1. To synthesise sociological research on entrepreneurial choice among young people.
RO2. To measure the relative salience of push and pull factors in stated motivations.
RO3. To assess how family resources, network composition and founder exposure predict intention and its conversion into action.
RO4. To document the barriers that prevent intention from becoming a founding act, with attention to gender, class and location.

RQ1. Which social factors distinguish young people who intend to found from those who do not?
RQ2. How does proximity to an existing founder alter perceived feasibility and family approval?
RQ3. To what extent does household economic capacity moderate the intention–action gap?
RQ4. How do young people themselves narrate risk, failure and respectability?

H1. Exposure to at least one founder in the personal network is associated with higher entrepreneurial intention.
H2. Household economic capacity moderates the intention–action relationship, conversion rising as the cost of failure falls.
H3. Network diversity predicts opportunity identification more strongly than network size.
H4. Perceived family approval predicts action more strongly than individually measured risk propensity.

8. Methodology

A five-phase mixed-methods design is proposed. Quantitative phases establish distribution and association; qualitative phases recover the meanings respondents attach to risk, failure and respectability, which survey items cannot capture. The design is cyclical rather than linear: interview findings are used to reinterpret survey patterns and to refine the final model.

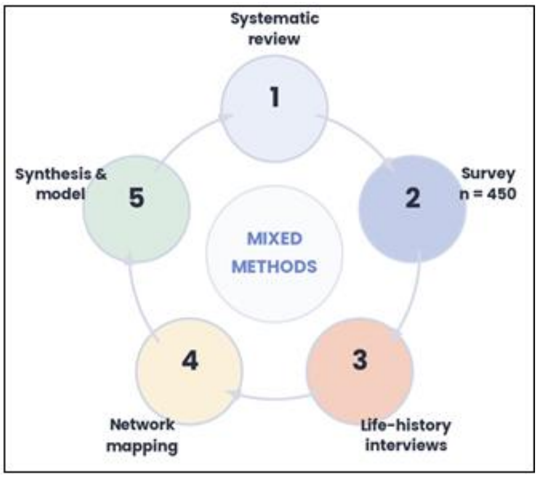

Figure 8: The five-phase mixed-methods research cycle

Phase 1- Systematic review. Fifty to seventy sociological and interdisciplinary studies published since 2000 on youth entrepreneurship, occupational choice and social capital. **Phase 2- Survey.** Approximately 450 respondents aged 16–30, stratified by gender, institution type and settlement size, measuring intention, exposure, network composition, household characteristics and perceived barriers. **Phase 3- Life-history interviews.** Twenty to twenty-five semi-structured interviews sampled purposively, deliberately including respondents with high intention and no action, since this group is absent from founder-based research. **Phase 4- Network mapping.** Name-generator instruments recording the composition and occupational diversity of personal networks. **Phase 5- Synthesis.** Integration of both strands into a single model, with member checking on the interpretation offered. Fieldwork is scheduled across thirteen months, with instruments finalised by month four and analysis concluding by month twelve.

Table 4: Instruments and outputs by research phase

Phase	Instrument	Principal output
Review	Search protocol; thematic coding sheet	Evidence synthesis and construct map
Survey	Intention scale; exposure inventory; barrier checklist	Prevalence and association estimates
Interviews	Life-history guide; thematic codebook	Meanings of risk, failure and approval
Network mapping	Name generator; alter attribute grid	Diversity and structural-hole measures
Synthesis	Joint display matrix; model diagram	Integrated explanatory model

Ethics: Participation is voluntary and informed; part of the sample are minors, so guardian consent and school permission are required. Household economic information is collected in bands and reported only in aggregate. Interview material concerning family disapproval or failure is sensitive, so transcripts are anonymised with identifying details altered. Institutional approval will be obtained before fieldwork begins.

9. Contributions, Limitations and Future Scope

The study is expected to contribute an integrated sociological model of entrepreneurial choice among young people; empirical estimates of the intention–action gap and its social patterning in an Indian youth sample; evidence on the mechanism by which founder exposure operates, currently asserted more often than measured; and practical recommendations for schools concerning who is reached by entrepreneurship programming and who is missed.

The central claim is not that young people have become braver, but that the social conditions which make founding thinkable have widened - unevenly, and for identifiable reasons.

Several limitations should be stated in advance. Self-reported motivation is subject to retrospective rationalisation, and founders in particular narrate their choices as more deliberate than they were. A cross-sectional design cannot establish direction, since founders also acquire networks by founding. The sample will be drawn from a limited set of regions. Future work could extend the design longitudinally, compare ecosystems with markedly different failure norms, examine how remote work and artificial-intelligence tooling alter the resources founding requires, and test school-level interventions that widen founder exposure among students who currently lack it.

10. Conclusion

The movement of young people towards startups is often narrated as a change of temperament- a bolder generation, less willing to settle. The evidence assembled here supports a different reading. What has changed is the social architecture surrounding the decision: the cost of attempting has fallen, the salaried alternative has become more congested, founders have become visible at close range, and cultural approval has shifted towards self-authorship. Entrepreneurial choice remains, as Granovetter argued of economic action generally, embedded in relationships rather than produced by isolated calculation.

Reading the shift sociologically has a practical consequence. If founding were a matter of individual daring, the appropriate response would be encouragement. Because it is substantially a matter of exposure, networks and the capacity to absorb failure, the appropriate response is to widen access to those resources - through schools that make entrepreneurial work ordinary rather than exceptional, through institutions that supply networks to students who do not inherit them, and through an honest public account of failure alongside success. The question worth asking is not why young people choose startups, but which young people are in a position to choose at all.

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