

# Lesson 12

## Environment Entrepreneurship

07 January, 2026 (Wednesday)

Tuesday, 31 December 2025, class was canceled due to a general holiday commemorating the death of K.K.Z. 01 Jan, 26 cancelled for exam duty.

# Agenda

Source: RP  
& OP

Meaning of Entrepreneurial Environment (EE) 1

Factors Affecting EE 2

Classification of Business Environment/ Categories of Environment in Entrepreneurship 3

Meaning, Objectives, Main & Salient features of Industrial Policy 4

Assessment of Entrepreneurial Environment 5



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# Entrepreneurial environment

- The entrepreneurial environment (conditions and circumstances) refers to **all the external and internal factors** that influence **the creation, growth, and survival of entrepreneurship and new ventures.**
- Encourages: Innovation, risk-taking, and business creation
  - An unfavorable environment **can hinder entrepreneurial activities.**

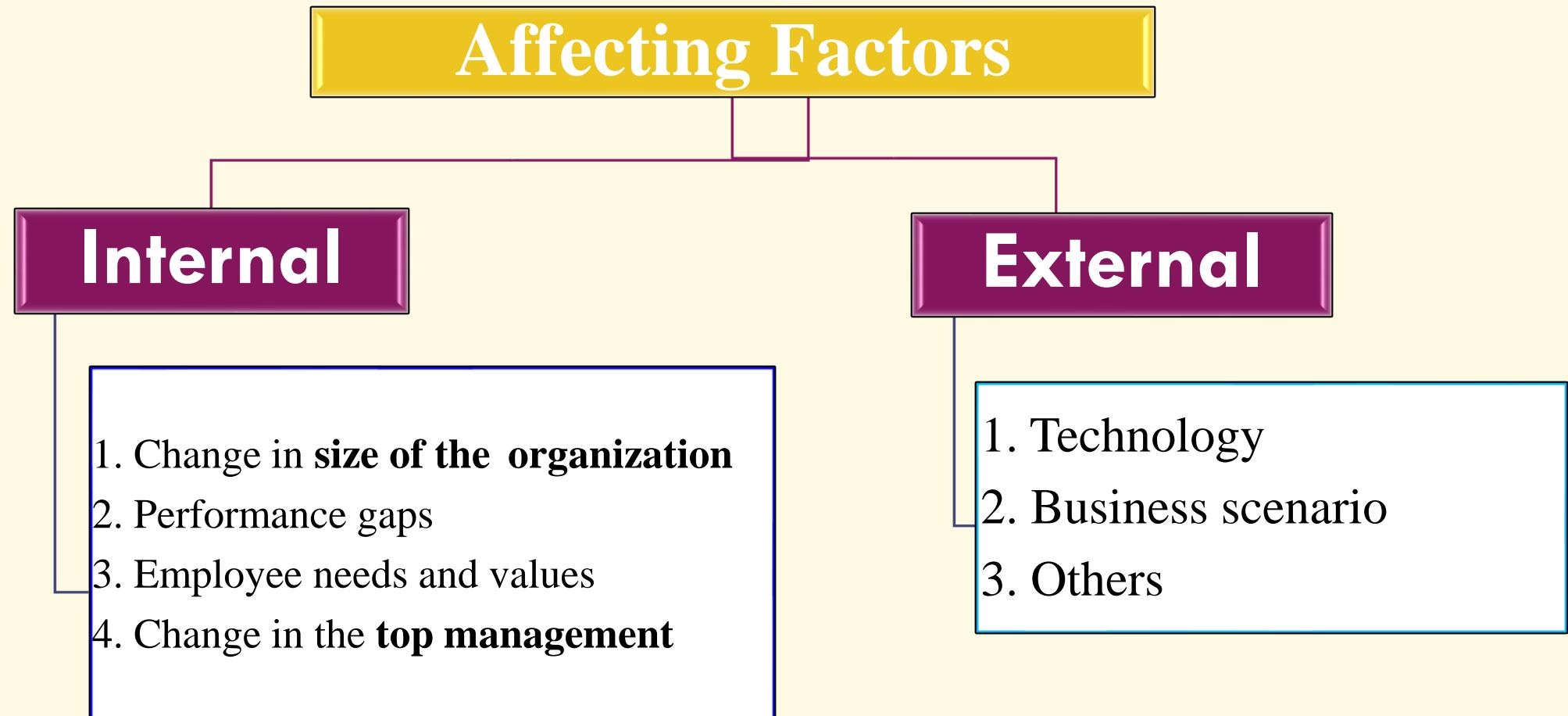
02

## Factors Affecting Environment in Entrepreneurship

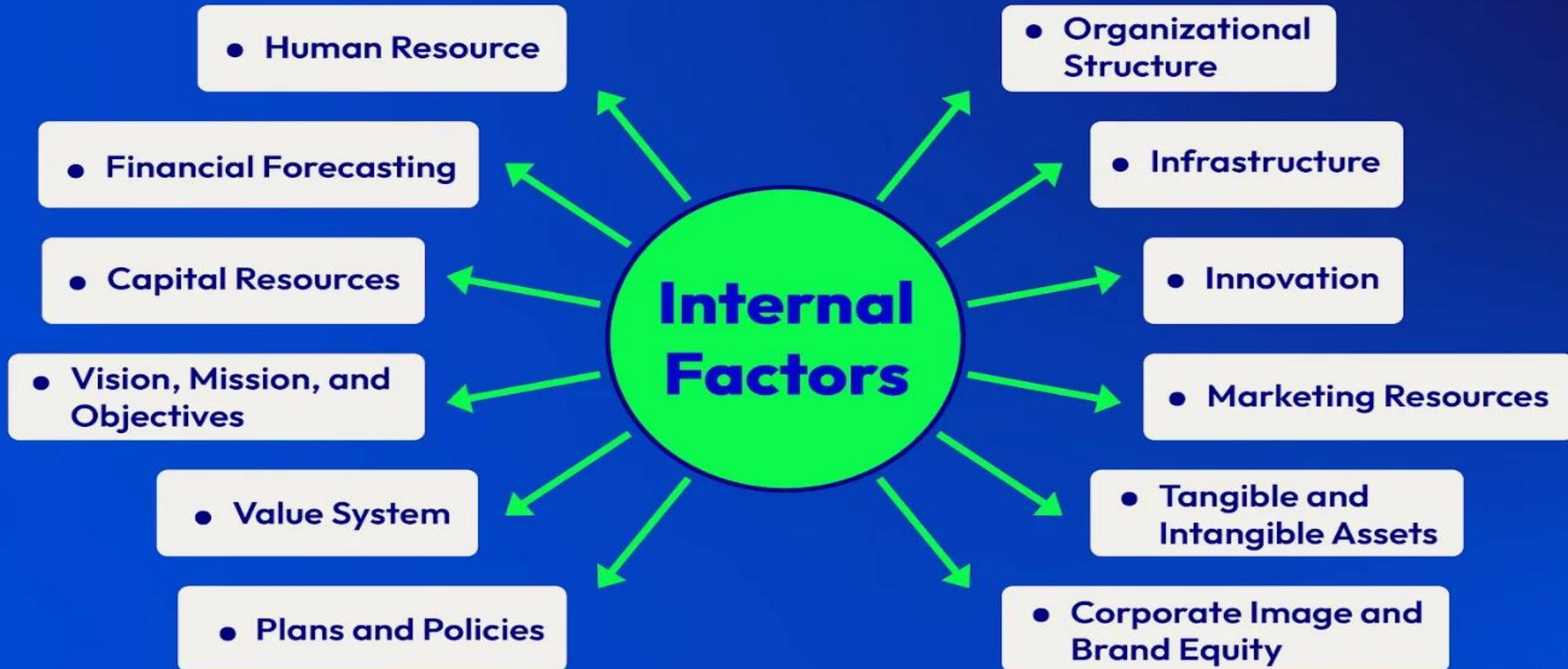


# 5

# Factors Affecting the Environment in Entrepreneurship



# Internal Factors





# External Factors

*Others*

*Personality Factors*

*Service Sectors*

*Increasing Demand of Varieties*

*Ethical Value System*

## Comparison Between Internal and External Factors

Aspect	Internal Factors	External Factors
Meaning	All the internal forces and conditions present within the company.	A set of all external forces that have the potential to impact the organization's performance, profitability, and functionality
Nature	Controllable	Uncontrollable
Include	Strengths and Weaknesses	Opportunities and Threats
Impact	Only Company	All companies in the industry

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## **Classification** of Business Environment/ **Categories** of Environment in Entrepreneurship

# Categories of Environment in Entrepreneurship



## 1. Economic Environment

All economic factors that affect entrepreneurship, such as **economic policies, market conditions, capital availability, and infrastructure.**

**Examples:** Interest rates, inflation, taxation policies, economic stability, access to finance, and market demand.

## 2. Social Environment

Includes the **social factors and cultural values** that influence entrepreneurship.

**Examples:** *Social attitudes* towards entrepreneurship, **family background, education, social mobility, and demographic trends.**

## 3. Political and Legal Environment

Consists of government **policies, regulations, and legal frameworks** that impact entrepreneurial activities.

**Examples:** Government *support, licensing policies, labor laws, intellectual property rights, and political stability.*

#### 4. Technological Environment

Refers to the **technological advancements and innovations** that create new opportunities or challenges for entrepreneurs.

Examples include the *availability of new technologies, research, and development.*

#### 5. Natural Environment

Involves **ecological and environmental factors** that can affect entrepreneurship.

Examples include the availability of **natural resources, climate, environmental regulations, and sustainability concerns.**

#### 6. International Environment

Encompasses global factors that influence entrepreneurship, especially for businesses involved in **international trade.**

Examples include **global market trends, international competition, foreign exchange rates, and trade policies.**

#### 7. Demographic Environment

Relates to the characteristics of the population that affect **entrepreneurial opportunities.**

**Examples:** Population size, age distribution, literacy rate, and urbanization.

# Summary Table

Category	KF/Examples
Economic	Capital, Market, Policies, Infrastructure
Social	Culture, Education, Family, Social Values
Political & Legal	Laws, Regulations, Government Support
Technological	Innovation, R&D, Technical Know-how
Natural	Resources, Climate, Sustainability
International	Global Trends, Competition, Trade Policies
Demographic	Population, Age, Literacy, Urbanization

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## Meaning & Objectives of Industrial Policy

# Industrial Policy

- ❖ Covers **rules, regulations, principles, policies, & procedures** laid down by the government **for regulating & controlling industrial undertakings** in the country.
- ❖ It **prescribes the respective roles of the public, private, joint, cooperative, large, medium & small-scale sectors** for the development of industries.
- ❖ It incorporates **fiscal & monetary policies**, tariff policy, and labor policy, which shows the government's attitude.

# Main Objectives of Industrial Policies

- ❖ To maintain sustained **growth and productivity**
- ❖ To enhance **gainful employment**
- ❖ To **prevent undue concentration** of economic power
- ❖ To achieve **optimal utilization of human resources**
- ❖ To *attain international competitiveness* and
- ❖ To transform Bangladesh into a major partner and player in the global arena

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## Main & Salient features of Industrial Policy

# Main Features of Industrial Policy

- ❖ Private sector-led industrial growth
- ❖ Export-oriented industrialization
- ❖ SME development support
- ❖ Industrial diversification
- ❖ Technology and innovation promotion
- ❖ Encouragement of Foreign Direct Investment (FDI)

# Main Features of Industrial Policy

## Private Sector–Led Growth

- ❖ Government **acts as a facilitator** rather than a controller.

## Export-Oriented Industrialization

- ❖ Focus on RMG, leather, pharmaceuticals, ICT, and agro-processing.

## SME Development

- ❖ Special incentives for **Small and Medium Enterprises (SME)**.

## Industrial Diversification

- ❖ Reducing **overdependence** on the garments sector.

# Main Features of Industrial Policy

Technology &  
Innovation  
Promotion

- ❖ Encourages **automation, AI, and Industry 4.0.**

Foreign Direct  
Investment (FDI)

- ❖ Incentives, **EPZs, EZs, and one-stop services.**

# Salient Features of Industrial Policy

## Women Entrepreneurship Promotion

- ❖ Financial and policy support for women-led industries.

## Regional Industrial Development

- ❖ Industrial Zones in backward and rural areas.

## Skill Development & Employment

- ❖ Industry-academia collaboration and vocational training.

## Environment-Friendly & Sustainable Industry

- ❖ Green factories and renewable energy use are encouraged.

# Highlights of the Industrial Policy

## **1. Private sector-led industrialization:**

The government acts as a facilitator by encouraging *private ownership, liberalizing trade, supporting SMEs, attracting foreign investment, and creating special economic zones* to boost growth and employment.

## **2. Employment generation and poverty reduction:**

Priority is given to *agro-based, agro-processing, small, medium, and cottage industries, along with women entrepreneurship*, to reduce unemployment and accelerate poverty alleviation across the country.

## **3. Modernization and sustainable growth:**

Emphasis is placed on *ICT use, skill development, quality improvement, efficient use of natural resources, renewable energy, and export competitiveness* to achieve higher GDP growth and middle-income status.

<https://www.thedailystar.net/highlights-of-the-industrial-policy-6616>

Source:

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## Assessment of Entrepreneurial Environment

# Key Factors for Assessing Entrepreneurial Environment

## 01. Economic Factors

- Access to **finance, market demand, and income level**

## 02. Socio-Cultural Factors

- Social attitudes, family, and community support

## 03. Legal & Regulatory Factors

- Business laws, taxation, ease of registration

## 04. Institutional Support

- Government policies, training, and **incubation centers**

## 05. Technological Factors

- ICT infrastructure, innovation facilities





# Thank You

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