

Entrepreneurship Education as A Catalyst for Self-Employment and Economic Growth in Karachi

Imran Azeem ¹, Waheed Akbar Khaskheli ², Nisar Ahmed Solangi ³

¹. PhD Scholar, Department of Social Work, University of Karachi,
imranazeem.se@gmail.com

². PhD Scholar, Department of Social Work, University of Karachi,
khaskheliwaheed@usindh.edu.pk

³. M. Phil Scholar, Department of Social Work, University of Karachi,
solanginisar430@gmail.com

DOI: <https://doi.org/10.70670/sra.v3i2.590>

Abstract

Entrepreneurship education has emerged as a transformative strategy for fostering self-employment and driving economic growth in urban economies. Karachi, the economic hub of Pakistan, faces significant unemployment challenges, particularly among youth and women, exacerbating socioeconomic disparities. This paper explores the pivotal role of entrepreneurship education as a catalyst for self-employment and economic growth in Karachi. The study delves into the multifaceted components of entrepreneurship education, including business knowledge dissemination, skill development, innovation cultivation, financial literacy, and mentorship. It evaluates the effectiveness of various public and private sector programs in equipping individuals with entrepreneurial capabilities, thereby enhancing self-reliance and contributing to job creation. The findings suggest that comprehensive entrepreneurship education programs can significantly improve self-employment rates, stimulate innovation, and promote inclusive economic growth. The paper concludes with policy recommendations aimed at optimizing entrepreneurship education as a strategic tool for sustainable socioeconomic development in Karachi.

Key Words: Entrepreneurship Education, Self-Employment, Economic Growth, Unemployment, Youth Empowerment, Innovation, Financial Literacy, Business Incubation, Startups, Skill Development, Entrepreneurial Mindset, Inclusive Growth.

Introduction

Unemployment remains one of the most pressing socioeconomic challenges facing developing countries, including Pakistan. As the country's largest city and economic hub, Karachi plays a pivotal role in the national economy, contributing significantly to GDP, trade, and industrial output. However, the city grapples with persistently high unemployment rates, particularly among its youth and women. Recent statistics reveal that youth unemployment in Karachi exceeds 10%, a figure that underscores the broader challenges of limited job opportunities, skills mismatches, and economic instability. Women, who constitute nearly half of the population, face even greater barriers to employment due to entrenched social and cultural norms, further exacerbating the unemployment crisis. These challenges not only hinder individual livelihoods but also impede the city's potential for inclusive and sustainable economic growth.

In this context, entrepreneurship education has emerged as a transformative strategy to combat unemployment by empowering individuals to create their own job opportunities and drive

economic innovation. Unlike traditional education models that primarily prepare students for wage employment, entrepreneurship education equips learners with the knowledge, skills, and mindset necessary to identify market opportunities, develop viable business plans, and manage entrepreneurial ventures. By fostering creativity, self-reliance, and resilience, entrepreneurship education prepares individuals to navigate the complexities of the modern labor market and adapt to rapidly changing economic conditions. Moreover, it has the potential to address structural issues such as skills gaps, gender disparities, and regional economic imbalances, making it a critical tool for socioeconomic development.

In Karachi, various public and private sector initiatives have been introduced to promote entrepreneurship education and cultivate a culture of innovation. Institutions such as the Small and Medium Enterprises Development Authority (SMEDA), university-based incubation centers, and non-governmental organizations (NGOs) have launched programs aimed at equipping youth and women with entrepreneurial skills. These initiatives typically include business training workshops, mentorship sessions, access to microfinance, and business incubation services. While these efforts have shown promise, their overall impact on reducing unemployment and fostering sustainable economic development remains underexplored. Challenges such as limited outreach, inadequate funding, and a lack of alignment with market needs have constrained the effectiveness of these programs, highlighting the need for a more systematic and evidence-based approach.

This study seeks to address this gap by conducting a comprehensive assessment of the role of entrepreneurship education in tackling unemployment in Karachi. The research will explore the extent to which entrepreneurship education programs have contributed to job creation, self-employment, and economic empowerment, particularly among youth and women. It will also examine the structural, cultural, and institutional challenges that hinder the success of these programs, such as limited access to resources, gender-based discrimination, and insufficient policy support. By analyzing both the successes and shortcomings of existing initiatives, the study aims to provide actionable insights and evidence-based policy recommendations to enhance the effectiveness of entrepreneurship education in Karachi.

Furthermore, the study will investigate the broader socioeconomic implications of entrepreneurship education, including its potential to foster innovation, reduce income inequality, and promote inclusive growth. By shedding light on the relationship between entrepreneurship education and employment outcomes, this research seeks to inform policymakers, educators, and development practitioners on how to leverage entrepreneurship education as a strategic tool for addressing unemployment and driving sustainable development. Ultimately, the findings of this study aim to contribute to the design of more targeted, inclusive, and impactful entrepreneurship education programs that can unlock the economic potential of Karachi's youth and women, paving the way for a more prosperous and equitable future.

Objectives

1. To assess the impact of entrepreneurship education on reducing unemployment among youth and women in Karachi.
2. To evaluate the effectiveness of existing entrepreneurship education programs in fostering self-employment, business creation, and economic empowerment.
3. To identify key challenges and opportunities in implementing entrepreneurship education programs in Karachi.
4. To propose policy recommendations for optimizing entrepreneurship education initiatives to enhance their socioeconomic impact.

Hypothesis

- **H1:** Entrepreneurship education significantly reduces unemployment rates among youth and women in Karachi by enhancing self-employment opportunities and fostering business creation.

- **H2:** The integration of entrepreneurship education into academic curricula positively influences the development of entrepreneurial mindsets and the likelihood of business initiation among students.
- **H3:** Access to mentorship, practical training, and financial resources within entrepreneurship education programs significantly improves the success rates of new business ventures.

Literature Review

Unemployment in Developing Countries and Pakistan

Unemployment is a critical socioeconomic issue in developing countries, where rapid population growth, economic instability, and limited job creation exacerbate the problem (International Labour Organization [ILO], 2020). In Pakistan, unemployment is particularly acute, with youth unemployment rates exceeding 10% in urban centers like Karachi (Pakistan Bureau of Statistics, 2021). The lack of job opportunities, coupled with a skills mismatch between education systems and labor market demands, has created a significant barrier to economic participation (Hussain & Mahmood, 2019). Women, despite constituting nearly half of the population, face additional challenges due to cultural norms, limited access to education, and workplace discrimination (Khan & Khan, 2020). These factors contribute to a persistent gender gap in employment, further hindering economic growth and social development.

Entrepreneurship Education as a Tool for Economic Development

Entrepreneurship education has gained recognition as a powerful mechanism to address unemployment by equipping individuals with the skills and mindset needed to create their own job opportunities (Nabi et al., 2017). Unlike traditional education, which focuses on preparing students for wage employment, entrepreneurship education emphasizes creativity, innovation, and self-reliance (Fayolle & Gailly, 2015). Studies have shown that entrepreneurship education can foster entrepreneurial intentions, enhance business skills, and improve economic outcomes, particularly in developing countries (Lackéus, 2015). For instance, in Sub-Saharan Africa, entrepreneurship programs have been linked to increased self-employment and small business development (Valerio et al., 2014).

Entrepreneurship Education in Pakistan

In Pakistan, entrepreneurship education is increasingly viewed as a strategic tool to address youth unemployment and promote economic growth. Institutions such as the Small and Medium Enterprises Development Authority (SMEDA) and universities have introduced programs to foster entrepreneurial skills (Ahmed et al., 2020). These initiatives often include business training, mentorship, and access to microfinance, aiming to empower individuals to start and manage their own ventures (Cheema et al., 2021). However, the effectiveness of these programs is often limited by challenges such as inadequate funding, lack of awareness, and cultural barriers, particularly for women (Shahid & Abbas, 2019).

Impact of Entrepreneurship Education on Youth and Women

Youth and women are among the primary beneficiaries of entrepreneurship education, as it provides them with opportunities to overcome structural barriers to employment (Minniti & Naudé, 2010). For youth, entrepreneurship education can enhance employability, foster innovation, and reduce dependency on formal job markets (Nabi et al., 2017). For women, it can empower them to challenge traditional gender roles, gain financial independence, and contribute to household incomes (Brush et al., 2019). However, women in Pakistan often face additional challenges, such as limited access to resources, societal restrictions, and lack of family support, which can hinder their entrepreneurial success (Roomi & Parrott, 2008).

Challenges and Barriers to Entrepreneurship Education

Despite its potential, entrepreneurship education faces several challenges in developing countries. These include a lack of alignment between educational curricula and market needs, insufficient funding, and limited access to mentorship and networks (Kuratko, 2005). In Pakistan, cultural norms and gender biases further complicate the implementation of

entrepreneurship programs, particularly for women (Shahid & Abbas, 2019). Additionally, the absence of a supportive policy environment and weak institutional frameworks often undermine the effectiveness of these initiatives (Cheema et al., 2021).

Global Best Practices in Entrepreneurship Education

Globally, successful entrepreneurship education programs share several common features, including a focus on practical skills, strong industry linkages, and access to funding and mentorship (Lackéus, 2015). For example, the European Union's "Entrepreneurship 2020 Action Plan" emphasizes the integration of entrepreneurship education into national curricula and the provision of hands-on learning experiences (European Commission, 2013). Similarly, in Africa, programs like the Tony Elumelu Foundation Entrepreneurship Programme have demonstrated the importance of mentorship, networking, and access to capital in fostering entrepreneurial success (Tony Elumelu Foundation, 2020).

Research Methodology

This study adopted quantitative research methodology to systematically assess the impact of entrepreneurship education on self-employment and economic growth in Karachi. The research design was structured to collect and analyze primary data from individuals who have participated in entrepreneurship education programs, with a focus on understanding how these programs influence entrepreneurial outcomes.

Research Design

The study is based on a cross-sectional survey design, which allows for the collection of data at a single point in time to examine the relationship between entrepreneurship education and self-employment outcomes. This approach is suitable for capturing the perceptions, experiences, and business outcomes of participants who have undergone entrepreneurship training.

Population and Sampling Method and Size

Target Population

The target population for this study comprises urban residents of Karachi, specifically youth (ages 18-35) and women, who have participated in entrepreneurship education programs offered by institutions such as Universities, Incubation Centers, and government initiatives like the Small and Medium Enterprises Development Authority (SMEDA).

Sampling Method & Sample Size

A sample size of **120 respondents** has been selected using **purposive sampling**, a non-probability sampling technique that ensures the inclusion of individuals from diverse socioeconomic backgrounds and educational institutions. This sampling method is appropriate for ensuring representation of key demographic groups and capturing a wide range of experiences related to entrepreneurship education.

Data Collection Methodology

The primary data collection tool is a structured survey questionnaire, designed to gather information on participants' perceptions, knowledge acquisition, skill development, and business outcomes following their participation in entrepreneurship education programs. The questionnaire includes:

- Closed-ended questions to collect demographic information and quantitative data on business creation and sustainability.
- Likert scale-based questions to measure respondents' perceptions of entrepreneurial mindset, business knowledge, and access to financial resources.

The questionnaire is divided into sections to assess key variables, including:

- Entrepreneurial mindset (e.g., risk-taking, innovation, and resilience).

- Business knowledge (e.g., understanding of market dynamics, financial management, and business planning).
- Access to financial resources (e.g., availability of microfinance, loans, and grants).
- Business creation rates (e.g., number of businesses started, types of ventures).
- Sustainability of enterprises (e.g., business growth, profitability, and employment generation).

Data Collection Process

The survey administered through face-to-face interviews and online surveys was performed to ensure accessibility and convenience for respondents. Prior to data collection, the questionnaire was pre-tested with a small group of participants to ensure clarity, reliability, and validity.

Data Analysis

Below statistical methods were used to drive the findings:

- **Descriptive statistics (mean, frequency, percentages)** were used to summarize demographic information and key indicators, such as the percentage of respondents who started businesses, their levels of business knowledge, and access to financial resources.
- **Inferential statistics** (including regression analysis and chi-square tests) were employed to test the study's hypotheses and determine the relationship between entrepreneurship education and self-employment outcomes. **Regression** analysis helped identify the extent to which entrepreneurship education predicts business creation and sustainability, while **chi-square** tests used to examine associations between categorical variables.

Ethical Considerations

The study adhered to ethical guidelines to ensure the integrity and confidentiality of the research process. Key ethical considerations were:

- **Informed consent:** Participants were provided with detailed information about the study's purpose, procedures, and their rights before obtaining their consent to participate.
- **Confidentiality:** All responses were anonymized, and personal information was stored securely to protect participants' privacy.
- **Voluntary participation:** Respondents were informed that their participation is voluntary and that they could withdraw from the study at any time without consequences.

Data Presentation & Analysis

Multiple surveys were conducted to gather “Quantitative Data” from the respondents to understand and analyze listed segments.

1. Demographic Information
2. Entrepreneurial Mindset
3. Business Knowledge
4. Access to Financial Resources
5. Business Creation Rates
6. Sustainability of Enterprises

Demographic Information:

Indicator	Count	Percentage
Female	80	66.7%
Male	40	33.3%

Age Group (18-25)	50	41.7%
Age Group (26-35)	45	37.5%
Age Group (36-45)	25	20.8%
Educational Background (High School)	40	33.3%
Educational Background (Undergraduate)	55	45.8%
Educational Background (Postgraduate)	25	20.8%

Entrepreneurial Mindset:

Mindset Indicator	Agree (%)	Neutral (%)	Disagree (%)
Risk-taking	65	20	15
Innovation	70	15	15
Resilience	75	10	15

Business Knowledge:

Knowledge Area	Excellent (%)	Moderate (%)	Poor (%)
Market Dynamics	40	45	15
Financial Management	35	50	15
Business Planning	45	40	15

Access to Financial Resources:

Financial Resource	Yes (%)	No (%)
Microfinance	50	50
Loans	40	60
Grants	30	70

Business Creation Rates:

Type of Venture	Number of Businesses	Percentage
Retail	30	50%
Services	20	33.3%
Manufacturing	10	16.7%

Sustainability of Enterprises:

Sustainability Indicator	6 Months (%)	1 Year (%)	2 Years (%)
Business Growth	60	40	30
Profitability	55	35	25
Employment Generation	50	30	20

Analysis

Key Findings

Entrepreneurial Mindset

- 75% of respondents demonstrate resilience, showcasing their ability to overcome challenges.
- Only 65% exhibit confidence in risk-taking, highlighting a need for training in risk management and strategic decision-making.

Business Knowledge

- Most respondents have moderate knowledge of market dynamics, financial management, and business planning.
- Only 35% show excellent knowledge in financial management, indicating a gap that could affect business sustainability.

Access to Financial Resources

- Only 30% of respondents have received grants, underscoring a significant barrier to business initiation and growth.
- Limited access to financial resources disproportionately affects women and youth without personal capital.

Business Creation Rates

- Retail ventures dominate, likely due to lower entry barriers and capital requirements.
- Few manufacturing businesses exist, reflecting limited access to capital and technical expertise.

Sustainability of Enterprises

- Sustainability indicators decline over time, suggesting businesses struggle to maintain profitability and growth.
- Continuous support mechanisms are essential for long-term business success.

Hypothesis Validation

Hypothesis	Validation Result	Validation
Entrepreneurship education significantly reduces unemployment rates among youth and women in Karachi by enhancing self-employment opportunities and fostering business creation.	Partially Validated	50% of respondents have started businesses, but sustainability remains a challenge.
The integration of entrepreneurship education into academic curricula positively influences the development of entrepreneurial mindsets and the likelihood of business initiation among students.	Validated	75% of respondents exhibit resilience, and 70% show innovation, indicating a positive mindset shift.
Access to mentorship, practical training, and financial resources within entrepreneurship education programs significantly improves the success rates of new business ventures.	Partially Validated	Limited access to financial resources negatively impacts sustainability, despite positive mindset and knowledge indicators.

Recommendations

1. **Curriculum Integration:** Embed entrepreneurship education into school and college curricula with a focus on practical training and business simulations.
2. **Mentorship Programs:** Establish structured mentorship networks connecting aspiring entrepreneurs with experienced business leaders.

3. **Financial Access:** Partner with microfinance institutions and government agencies to create dedicated loan and grant programs for young entrepreneurs.
4. **Capacity Building Workshops:** Offer financial literacy, business planning, and digital marketing training to bridge knowledge gaps.
5. **Long-term Support Mechanisms:** Develop business incubators and innovation hubs to provide ongoing technical and financial assistance.
6. **Policy Advocacy:** Engage policymakers to create favorable regulatory environments and tax incentives for startups.
7. **Public-Private Partnerships:** Collaborate with corporate and development sector partners to offer seed funding, mentorship, and market access.

Conclusion

Entrepreneurship education has the potential to significantly reduce unemployment among youth and women in Karachi by fostering self-employment and business creation. However, its impact can be maximized only by addressing critical gaps such as limited access to finance, insufficient long-term support, and the need for more practical, market-aligned training.

Collaborative efforts among policymakers, educators, and development practitioners are essential to provide financial resources, mentorship, and tailored training programs.

Additionally, gender-specific strategies are crucial to overcome cultural barriers and ensure equal opportunities for women.

By addressing these challenges, entrepreneurship education can empower individuals, stimulate economic growth, and contribute to a more inclusive and resilient economy in Karachi.

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