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Entrepreneurship for Youth Engagement in Balochistan: Evaluating Government Initiatives, Impact, and the Way Forward

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ABSTRACT

Youth unemployment and socio-economic marginalization remain critical challenges in Balochistan, limiting constructive engagement and increasing vulnerability to social unrest and economic disengagement. Despite various government-led entrepreneurship initiatives, including youth loan schemes, vocational training programs, and small business support policies, their overall effectiveness in fostering sustainable youth engagement remains underexplored. This study aims to evaluate the role of entrepreneurship as a policy tool for youth engagement in Balochistan by assessing existing government initiatives, their impact, and identifying gaps for future improvement. The research adopts a mixed-method approach, combining quantitative survey data from youth participants with qualitative interviews of policymakers, program implementers, and young entrepreneurs across selected districts of Balochistan. Secondary data from policy documents and official reports are also analyzed to provide a comprehensive understanding of institutional frameworks and implementation challenges. The findings reveal that while entrepreneurship initiatives have improved awareness, skill development, and access to financial resources for some youth, their overall impact is constrained by limited outreach, bureaucratic hurdles, lack of coordination among institutions, and insufficient market linkages. Additionally, structural issues such as poor infrastructure, limited digital access, and socio-political instability further hinder the effectiveness of these programs. The study concludes that entrepreneurship holds significant potential as a tool for youth engagement and socio-economic inclusion in Balochistan. However, for meaningful impact, policy reforms must focus on improving institutional coordination, expanding financial inclusion, strengthening skill development programs, and ensuring context-specific interventions. A more inclusive and localized approach is essential to transform entrepreneurship into a sustainable pathway for youth empowerment and regional stability.

Keywords: Youth Entrepreneurship, Balochistan, Youth Engagement, Government Policy, Economic Inclusion

Introduction

Youth unemployment has emerged as one of the most pressing socio-economic challenges in Pakistan, particularly in the province of Balochistan, where structural inequalities, limited industrialization, and governance deficits continue to constrain opportunities for young people. As the largest province by area yet the least developed in terms of human development indicators, Balochistan presents a unique case where demographic pressures intersect with economic marginalization and political fragility. A significant proportion of the population consists of youth, many of whom face barriers in accessing quality education, skills training, and formal employment opportunities. This



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situation not only limits individual economic mobility but also contributes to broader patterns of social exclusion, frustration, and disengagement from productive economic and civic activities (Government of Pakistan, 2023; United Nations Development Programme, 2022). In such a context, youth engagement becomes not merely a developmental concern but also a critical factor for ensuring social stability, peacebuilding, and sustainable development.

The concept of youth engagement has evolved beyond traditional notions of participation in formal employment or education to encompass broader dimensions of social, economic, and civic involvement. It refers to the active involvement of young people in shaping their own futures through participation in economic activities, community development, and decision-making processes. In regions like Balochistan, where formal employment sectors remain underdeveloped, entrepreneurship has increasingly been recognized as a viable pathway for fostering youth engagement. Entrepreneurship enables young individuals to create their own economic opportunities, develop innovative solutions to local problems, and contribute to community resilience. Moreover, it serves as a mechanism for enhancing self-reliance, reducing dependency on state employment, and promoting inclusive growth (Acs et al., 2021; Naudé, 2020). In fragile and conflict-affected regions, entrepreneurial activities can also play a role in mitigating the drivers of instability by providing alternative livelihoods and fostering a sense of purpose among youth (World Bank, 2021).

In recent years, the Government of Pakistan and the Government of Balochistan have introduced several initiatives aimed at promoting youth entrepreneurship as a tool for economic inclusion and engagement. Programs such as the Kamyab Jawan Program, youth business loans, vocational training schemes, and initiatives led by institutions like the Small and Medium Enterprises Development Authority (SMEDA) have sought to provide financial support, skill development, and institutional backing to aspiring young entrepreneurs. These initiatives reflect a growing recognition at the policy level that entrepreneurship can serve as a catalyst for economic transformation and youth empowerment. However, despite these efforts, the effectiveness of such programs in achieving their intended outcomes remains a subject of debate. Evidence suggests that while some progress has been made in raising awareness and providing initial support, the overall impact on sustainable business development and large-scale youth engagement has been limited due to various structural and institutional challenges (Pakistan Bureau of Statistics, 2024; SMEDA, 2023).

One of the key challenges lies in the persistent gap between policy formulation and implementation. While policies often emphasize entrepreneurship as a priority area, their execution is frequently hindered by bureaucratic inefficiencies, lack of coordination among relevant institutions, and inadequate monitoring and evaluation mechanisms. In Balochistan, these challenges are further compounded by geographic dispersion, weak infrastructure, and limited access to markets, finance, and digital technologies. Many young individuals, particularly those in rural and remote areas, remain unaware of available opportunities or face difficulties in navigating complex administrative procedures to access support. Additionally, socio-cultural factors, including risk aversion, limited family support for business ventures, and gender-based constraints, further restrict the participation of youth—especially women—in entrepreneurial activities (Asian Development Bank, 2022; International Labour Organization, 2023).

The issue of skills mismatch also plays a critical role in shaping youth engagement outcomes. Despite the expansion of educational institutions in recent years, the quality and relevance of education and training programs often fail to align with market



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demands. Technical and vocational education and training (TVET) systems in Balochistan face challenges related to outdated curricula, insufficient industry linkages, and limited capacity to provide hands-on training. As a result, many young graduates lack the practical skills and entrepreneurial competencies required to establish and sustain businesses. This disconnects between education and employment opportunities not only undermines the effectiveness of entrepreneurship initiatives but also contributes to the persistence of informal and low-productivity economic activities (UNESCO, 2021; World Bank, 2022).

Another critical dimension of the problem is the broader economic and security environment in which entrepreneurship initiatives operate. Balochistan's economy is characterized by limited industrial diversification, heavy reliance on the public sector, and underdeveloped private enterprise. Infrastructure deficits, including inadequate transportation networks, unreliable energy supply, and limited internet connectivity, further constrain business development. Moreover, perceptions of insecurity and political instability can discourage investment and limit the willingness of financial institutions to extend credit to new entrepreneurs. These structural constraints create a challenging environment for young entrepreneurs, making it difficult for them to scale their ventures or integrate into broader value chains (Government of Balochistan, 2022; World Bank, 2021).

Despite these challenges, the potential of entrepreneurship as a tool for youth engagement in Balochistan remains significant. The province possesses considerable untapped resources, including a young and dynamic population, natural resource wealth, and strategic geographic positioning linked to regional connectivity initiatives such as the China-Pakistan Economic Corridor (CPEC). Harnessing this potential requires a comprehensive and context-specific approach that goes beyond isolated interventions and addresses the underlying structural and institutional barriers. This includes strengthening institutional capacity, enhancing coordination among stakeholders, improving access to finance and markets, and promoting an enabling environment for innovation and enterprise development. Furthermore, there is a need to adopt inclusive policies that specifically target marginalized groups, including women and rural youth, to ensure equitable participation in entrepreneurial activities (Acs et al., 2021; United Nations Development Programme, 2022).

Given this context, there is a clear need for a systematic evaluation of existing government initiatives aimed at promoting youth entrepreneurship in Balochistan. While numerous programs have been launched, there is limited empirical evidence on their effectiveness in achieving meaningful outcomes in terms of youth engagement, employment generation, and socio-economic development. Most existing studies focus either on national-level trends or specific sectors, with relatively little attention paid to the unique challenges and opportunities within Balochistan. This study seeks to fill this gap by providing a comprehensive analysis of government-led entrepreneurship initiatives, assessing their impact on youth engagement, and identifying key barriers and opportunities for improvement.

The significance of this study lies in its potential to contribute to both academic and policy debates on youth development and entrepreneurship in fragile and underdeveloped regions. By integrating insights from theoretical frameworks such as human capital theory, entrepreneurship theory, and social inclusion perspectives, the study aims to provide a nuanced understanding of how entrepreneurship can serve as a mechanism for enhancing youth engagement in Balochistan. At the same time, it seeks to generate practical policy recommendations that can inform the design and implementation of more



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effective and inclusive programs. In doing so, the study aligns with broader national and international development agendas, including the Sustainable Development Goals (SDGs), particularly those related to decent work, economic growth, and reduced inequalities (United Nations, 2023).

In conclusion, youth entrepreneurship represents both an opportunity and a challenge for Balochistan. While it offers a promising pathway for addressing unemployment and promoting socio-economic inclusion, its success depends on the effectiveness of policy frameworks, institutional arrangements, and implementation strategies. Addressing the complex interplay of economic, social, and institutional factors that shape youth engagement requires a holistic and evidence-based approach. This study, therefore, aims to critically examine the role of entrepreneurship in fostering youth engagement in Balochistan by evaluating existing government initiatives, analyzing their impact, and proposing a way forward for more sustainable and inclusive development.

Problem Statement

Youth disengagement in Balochistan has emerged as a persistent and complex challenge despite the introduction of multiple policy initiatives aimed at promoting economic participation and empowerment. A large proportion of the youth population continues to face limited access to education, skills development, and employment opportunities, resulting in frustration, economic inactivity, and reduced participation in productive activities. Although government programs have increasingly emphasized entrepreneurship as a strategic tool for youth engagement, the expected outcomes in terms of sustainable employment creation and meaningful socio-economic inclusion have not been fully realized. This indicates a growing disconnect between policy intentions and ground realities, where structural inequalities, regional disparities, and institutional weaknesses continue to hinder the effectiveness of interventions (Government of Pakistan, 2023; United Nations Development Programme, 2022).

Furthermore, the effectiveness of entrepreneurship programs in Balochistan remains limited due to multiple constraints, including inadequate outreach, bureaucratic hurdles, lack of coordination among implementing agencies, and insufficient access to financial and technical resources. Many youth, particularly in rural and marginalized areas, are either unaware of these initiatives or face significant barriers in accessing them. Even among beneficiaries, challenges such as lack of market linkages, weak business support systems, and absence of continuous mentoring reduce the sustainability and scalability of entrepreneurial ventures. These limitations highlight the need to critically assess whether current programs are designed in a context-specific and inclusive manner or whether they largely replicate generic policy models that fail to address local socio-economic realities (Asian Development Bank, 2022; SMEDA, 2023).

Given these challenges, there is a clear and urgent need for a comprehensive evaluation of existing entrepreneurship initiatives to identify gaps, assess their impact on youth engagement, and propose evidence-based reforms. Without systematic analysis and policy recalibration, entrepreneurship programs risk remaining symbolic interventions rather than transformative tools for socio-economic development. Therefore, this study seeks to address this gap by examining the effectiveness of government-led initiatives in Balochistan and offering a way forward to enhance their relevance, inclusivity, and long-term impact on youth empowerment and regional stability.



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Research Objectives

Evaluation of Government Entrepreneurship Initiatives

To critically examine existing government-led entrepreneurship programs in Balochistan. It aims to assess their design, outreach, and effectiveness in supporting youth.

Assessment of Impact on Youth Engagement

To analyze how entrepreneurship initiatives influence youth participation in economic activities. It focuses on employment creation, business development, and social inclusion.

Identification of Implementation Gaps

To identify key institutional, structural, and operational challenges in policy execution. It highlights barriers such as coordination issues, access constraints, and inefficiencies.

Policy Recommendations for Improvement

To propose practical and evidence-based policy reforms for strengthening entrepreneurship initiatives. It emphasizes inclusive, sustainable, and context-specific strategies for youth empowerment.

Literature Review

Global Perspective on Youth Entrepreneurship

Youth entrepreneurship has gained significant global attention as a strategy to address unemployment and promote inclusive economic growth, particularly in developing and transition economies. International organizations such as the International Labour Organization and World Bank emphasize that young people are disproportionately affected by labor market disruptions, making entrepreneurship a viable pathway for economic participation (ILO, 2024; World Bank, 2023). Recent studies highlight that youth-led enterprises contribute to innovation, job creation, and resilience, especially in fragile economies where formal employment opportunities are limited (OECD, 2023). However, global evidence also indicates that youth entrepreneurs often face constraints related to access to finance, skills, and networks.

In many regions, particularly in Africa and South Asia, youth entrepreneurship is shaped by structural inequalities and socio-economic barriers. Research suggests that despite policy support, young entrepreneurs encounter difficulties in scaling businesses due to weak institutional support and market access (UNDP, 2022). Furthermore, the COVID-19 pandemic and subsequent economic shocks have intensified these challenges, pushing more youth toward necessity-driven entrepreneurship rather than opportunity-driven ventures (GEM, 2024). This shift has implications for sustainability and long-term growth prospects of youth enterprises.

Recent literature also emphasizes the importance of digital transformation in enhancing youth entrepreneurship. Access to digital platforms, e-commerce, and online financial services has opened new opportunities for young entrepreneurs globally (World Bank, 2024). However, the digital divide remains a significant barrier in low-income and peripheral regions, limiting the full potential of youth-led innovation. Studies argue that bridging this divide is essential for inclusive entrepreneurial ecosystems.

Overall, the global perspective underscores that while youth entrepreneurship holds promise, its success depends on enabling environments, including supportive policies, access to resources, and institutional capacity. Without these conditions, entrepreneurship initiatives may fail to achieve meaningful outcomes in terms of



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employment generation and economic inclusion.

Entrepreneurship as a Development Tool

Entrepreneurship is widely recognized as a critical driver of economic development, particularly in developing countries where formal job creation is insufficient to absorb growing labor forces. Scholars argue that entrepreneurship contributes to economic diversification, innovation, and productivity growth (Naudé, 2020). In the context of youth, entrepreneurship serves as a mechanism for self-employment and wealth creation, reducing dependency on public sector employment and promoting economic independence.

Recent studies emphasize the role of entrepreneurship in achieving sustainable development goals (SDGs), particularly those related to decent work, poverty reduction, and economic growth (United Nations, 2023). Entrepreneurship initiatives, when effectively designed, can foster inclusive growth by targeting marginalized populations, including youth, women, and rural communities. Moreover, in conflict-prone regions, entrepreneurship can serve as a tool for peacebuilding by providing alternative livelihoods and reducing incentives for engagement in violent activities (World Bank, 2022).

However, literature also highlights that entrepreneurship is not a panacea for all development challenges. Critics argue that over-reliance on entrepreneurship as a policy solution may overlook structural issues such as weak institutions, limited infrastructure, and market failures (Acs et al., 2021). In many cases, entrepreneurship programs fail to achieve desired outcomes due to lack of coordination, inadequate funding, and absence of long-term support mechanisms.

Despite these challenges, there is growing consensus that entrepreneurship can play a transformative role in development if supported by comprehensive policies and institutional frameworks. This includes integrating entrepreneurship with education, skills development, and financial inclusion strategies to create a holistic ecosystem for sustainable growth.

Youth Engagement Theories

The concept of youth engagement is grounded in various theoretical frameworks that explain how young individuals participate in economic, social, and political processes. Human Capital Theory suggests that investment in education and skills enhances individuals' productivity and employability, thereby promoting active engagement in economic activities (Becker, 1993; updated applications in World Bank, 2022). In the context of entrepreneurship, this theory highlights the importance of skills and knowledge in enabling youth to establish and manage businesses.

Social Inclusion Theory provides another important lens for understanding youth engagement, emphasizing the need to address structural inequalities and barriers that limit participation. According to this perspective, marginalized youth require targeted interventions to access opportunities and resources (UNDP, 2022). Entrepreneurship programs, therefore, must be designed in a way that promotes inclusivity and reduces disparities.

Additionally, Youth Development and Engagement Models focus on the role of participation, empowerment, and agency in shaping youth outcomes. These models argue that meaningful engagement goes beyond employment to include involvement in decision-making processes and community development (ILO, 2024). Entrepreneurship, in this context, is seen as a pathway for enhancing agency and self-efficacy among young



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individuals.

Recent literature also integrates behavioral and psychological perspectives, highlighting factors such as motivation, risk tolerance, and social norms in influencing entrepreneurial behavior (OECD, 2023). These theories collectively provide a comprehensive framework for analyzing youth entrepreneurship as a multidimensional phenomenon.

Case Studies (Developing Countries)

Empirical studies from developing countries provide valuable insights into the opportunities and challenges associated with youth entrepreneurship. In countries like India and Bangladesh, entrepreneurship programs have shown positive impacts in terms of skill development and income generation, particularly when combined with microfinance and training initiatives (Asian Development Bank, 2022). However, sustainability remains a challenge due to market constraints and limited institutional support.

In African countries such as Nigeria and Kenya, youth entrepreneurship has been promoted as a key strategy for addressing unemployment and fostering economic growth. Studies indicate that while access to finance has improved through digital platforms and mobile banking, challenges related to infrastructure, governance, and market access persist (World Bank, 2023). These findings highlight the importance of context-specific interventions.

Similarly, in Middle Eastern and North African (MENA) countries, youth entrepreneurship programs have been linked to broader socio-political objectives, including stability and inclusion. Research shows that entrepreneurship can contribute to reducing youth frustration and social unrest by providing economic opportunities (UNDP, 2022). However, political instability and regulatory barriers often limit the effectiveness of such initiatives.

Overall, case studies from developing countries demonstrate that entrepreneurship can be a powerful tool for youth engagement, but its success depends on the alignment of policies with local contexts, institutional capacity, and supportive ecosystems.

Entrepreneurship in Pakistan

In Pakistan, entrepreneurship has gained increasing policy attention as a strategy to address rising unemployment and promote economic growth. Government initiatives such as the Kamyab Jawan Program and support from institutions like Small and Medium Enterprises Development Authority have aimed to provide financial assistance, training, and business support to young entrepreneurs (SMEDA, 2023). These efforts reflect a shift toward recognizing the role of the private sector and small businesses in economic development.

Recent studies indicate that while awareness of entrepreneurship programs has improved, participation rates remain uneven across regions, with provinces like Balochistan lagging behind due to structural constraints (Pakistan Bureau of Statistics, 2024). Factors such as limited access to finance, weak infrastructure, and lack of business support services continue to hinder entrepreneurial activity.

Moreover, the education system in Pakistan has been criticized for not adequately promoting entrepreneurial skills and innovation. Research highlights the need for integrating entrepreneurship education into curricula and strengthening linkages between academia and industry (Higher Education Commission, 2022). Without such reforms, the potential of youth entrepreneurship remains underutilized.

Despite these challenges, Pakistan's entrepreneurial ecosystem is gradually evolving,



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with increasing involvement of private sector actors, NGOs, and international organizations. This presents opportunities for enhancing youth engagement through collaborative approaches and policy reforms.

Existing Studies on Balochistan

Literature on entrepreneurship in Balochistan remains relatively limited, reflecting the broader research gap in the region. Existing studies primarily focus on socio-economic challenges, including unemployment, poverty, and lack of infrastructure, which constrain entrepreneurial activity (Government of Balochistan, 2022). These studies highlight the need for targeted interventions to promote economic inclusion.

Research indicates that youth in Balochistan face multiple barriers to entrepreneurship, including limited access to finance, lack of skills, and weak institutional support (UNDP, 2022). Additionally, geographic isolation and security concerns further restrict business development and market integration. These challenges are particularly pronounced in rural areas.

Some studies have examined the impact of government initiatives, suggesting that while programs exist, their outreach and effectiveness remain limited (SMEDA, 2023). Issues such as bureaucratic hurdles, lack of awareness, and insufficient monitoring mechanisms reduce the impact of these initiatives.

Overall, the existing literature underscores the need for more empirical research on youth entrepreneurship in Balochistan, particularly in terms of evaluating policy effectiveness and identifying context-specific solutions.

Identified Research Gaps

Despite the growing body of literature on youth entrepreneurship, several gaps remain, particularly in the context of Balochistan. First, there is a lack of region-specific empirical studies that examine the effectiveness of government initiatives in promoting youth entrepreneurship. Most research focuses on national-level trends, overlooking provincial disparities.

Second, existing studies often emphasize either economic or social dimensions of entrepreneurship, with limited integration of both perspectives. There is a need for comprehensive analyses that consider the interplay between economic opportunities, social inclusion, and youth engagement.

Third, limited attention has been given to implementation challenges and institutional dynamics that affect policy outcomes. Understanding these factors is essential for designing effective interventions and improving program delivery.

Finally, there is a need for policy-oriented research that provides actionable recommendations based on empirical evidence. Addressing these gaps will contribute to a more nuanced understanding of youth entrepreneurship and its role in promoting sustainable development in Balochistan.

Theoretical Framework

Human Capital Theory

Human Capital Theory provides a foundational lens for understanding the relationship between education, skills, and economic productivity. Originally developed by Becker, the theory argues that investment in human capabilities—such as education, training, and health—enhances individuals' ability to participate effectively in economic activities. In the context of youth entrepreneurship, this theory emphasizes that young individuals require not only formal education but also practical skills, technical training, and



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entrepreneurial competencies to successfully initiate and sustain business ventures (Becker, 1993; World Bank, 2022). In regions like Balochistan, where educational access and quality remain uneven, deficits in human capital directly affect youth employability and entrepreneurial potential.

Recent applications of Human Capital Theory highlight the importance of aligning education systems with labor market demands. Studies suggest that skill mismatches and lack of industry-relevant training significantly reduce the effectiveness of entrepreneurship initiatives, as youth are often ill-prepared to manage businesses or respond to market dynamics (ILO, 2023). Therefore, entrepreneurship programs must incorporate capacity-building components such as vocational training, mentorship, and experiential learning to enhance human capital outcomes.

Moreover, the theory also underscores the role of continuous learning and adaptability in entrepreneurial success. In rapidly changing economic environments, particularly with the rise of digital economies, youth must acquire not only technical skills but also soft skills such as problem-solving, innovation, and risk management. These competencies are critical for sustaining entrepreneurial activities in competitive markets (OECD, 2023).

In this study, Human Capital Theory is used to analyze how education, skills, and training influence youth participation in entrepreneurship initiatives in Balochistan. It helps explain why certain programs succeed or fail based on their ability to build relevant capacities among young individuals.

Entrepreneurship Theory (Schumpeterian Perspective)

The Schumpeterian perspective on entrepreneurship views entrepreneurs as agents of innovation and economic transformation. According to Schumpeter, entrepreneurship involves the process of “creative destruction,” where new ideas, products, and processes replace outdated ones, leading to economic growth and development. This theory positions entrepreneurs as key drivers of innovation, competitiveness, and structural change within an economy (Schumpeter, 1934; Naudé, 2020).

In the context of youth entrepreneurship, the Schumpeterian approach highlights the potential of young individuals to introduce innovative solutions and contribute to local economic development. Youth are often more adaptable to new technologies and more willing to take risks, making them important actors in emerging entrepreneurial ecosystems. However, the realization of this potential depends on the availability of supportive environments, including access to finance, markets, and institutional support.

Recent literature expands on Schumpeter’s ideas by emphasizing the role of innovation ecosystems and policy frameworks in fostering entrepreneurship. Studies suggest that entrepreneurship cannot thrive in isolation but requires networks of support, including government institutions, financial systems, and educational organizations (World Bank, 2023). In underdeveloped regions like Balochistan, weak ecosystems limit the ability of youth to act as effective change agents.

Furthermore, the Schumpeterian framework also recognizes that not all entrepreneurship is innovation-driven. In many developing contexts, including Balochistan, a significant proportion of youth engage in necessity-based entrepreneurship due to lack of employment opportunities. This type of entrepreneurship often lacks scalability and long-term sustainability, highlighting the need for policies that promote opportunity-driven ventures.

This study utilizes the Schumpeterian perspective to evaluate whether government initiatives in Balochistan are fostering innovation-driven entrepreneurship or merely



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supporting subsistence-level activities.

Social Inclusion Theory

Social Inclusion Theory focuses on the processes through which individuals or groups are either integrated into or excluded from economic, social, and political systems. It emphasizes the importance of equitable access to opportunities, resources, and decision-making processes. In the context of youth entrepreneurship, this theory highlights that marginalized groups—such as rural youth, women, and economically disadvantaged populations—often face systemic barriers that limit their participation (UNDP, 2022).

In Balochistan, social exclusion is shaped by multiple factors, including geographic isolation, poverty, gender norms, and limited institutional outreach. These barriers restrict access to entrepreneurship programs, financial resources, and markets, thereby limiting the effectiveness of policy interventions. Social Inclusion Theory argues that addressing these structural inequalities is essential for achieving meaningful and inclusive development outcomes.

Recent studies emphasize that inclusive entrepreneurship policies must go beyond generic program design and adopt targeted approaches that consider local contexts and vulnerabilities. This includes providing tailored financial products, community-based training, and support systems that address the specific needs of marginalized youth (World Bank, 2022). Without such measures, entrepreneurship initiatives risk reinforcing existing inequalities rather than reducing them.

Additionally, the theory also underscores the importance of participation and representation in policy processes. Engaging youth in the design and implementation of programs can enhance their relevance and effectiveness. This participatory approach aligns with broader development frameworks that prioritize inclusivity and empowerment.

In this study, Social Inclusion Theory is applied to assess whether government entrepreneurship initiatives in Balochistan are inclusive and accessible to diverse youth populations, or whether they primarily benefit a limited segment of society.

Youth Engagement Models

Youth engagement models provide a framework for understanding how young individuals participate in economic, social, and civic activities. These models emphasize the importance of empowerment, agency, and participation in shaping youth outcomes. Unlike traditional approaches that focus solely on employment, contemporary models highlight multiple dimensions of engagement, including entrepreneurship, community involvement, and decision-making processes (ILO, 2024).

One key aspect of youth engagement models is the concept of agency, which refers to the ability of young individuals to make choices and act upon them. Entrepreneurship is seen as a pathway for enhancing agency by enabling youth to create their own opportunities and contribute to economic development. However, agency is influenced by external factors such as access to resources, institutional support, and social norms.

Another important dimension is the role of enabling environments. Youth engagement models suggest that participation is not solely determined by individual motivation but also by the availability of supportive structures, including policies, institutions, and networks. In regions like Balochistan, where such structures are often weak, youth engagement remains limited despite policy efforts.

Recent literature also integrates digital engagement into these models, recognizing the role of technology in expanding opportunities for youth participation. Digital platforms



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can facilitate access to information, markets, and networks, thereby enhancing entrepreneurial potential (OECD, 2023). However, disparities in digital access can create new forms of exclusion.

In this study, youth engagement models are used to analyze how entrepreneurship initiatives influence the level and quality of youth participation in economic activities in Balochistan.

Linkage of Theory with Study Variables

The integration of these theoretical frameworks provides a comprehensive foundation for analyzing youth entrepreneurship and engagement in Balochistan. Human Capital Theory is linked to variables such as education, skills, and training, which influence the capacity of youth to participate in entrepreneurial activities. Entrepreneurship Theory, particularly the Schumpeterian perspective, is associated with variables related to innovation, business creation, and economic contribution.

Social Inclusion Theory connects with variables such as access to resources, participation of marginalized groups, and equity in program implementation. It helps explain disparities in outcomes across different segments of the youth population. Meanwhile, youth engagement models are linked to variables such as participation, agency, and socio-economic involvement, providing a broader understanding of how entrepreneurship contributes to youth empowerment.

These theoretical linkages enable the study to examine not only the effectiveness of government initiatives but also the underlying factors that shape their outcomes. By combining these perspectives, the research adopts a multidimensional approach that captures the complexity of youth entrepreneurship in Balochistan.

Overall, the theoretical framework guides the analysis by linking individual capabilities, institutional structures, and socio-economic conditions with the outcomes of entrepreneurship initiatives. This integrated approach ensures a comprehensive understanding of how entrepreneurship can serve as a tool for youth engagement and development in the region.

Methodology

This study adopts a mixed-method research design, combining both quantitative and qualitative approaches to provide a comprehensive understanding of youth entrepreneurship and engagement in Balochistan. The quantitative component focuses on measuring patterns, trends, and relationships through survey data, while the qualitative component captures in-depth insights from stakeholders regarding experiences, perceptions, and institutional dynamics. The integration of these approaches enhances the validity and reliability of findings by allowing triangulation of data and a more nuanced interpretation of results.

The study area comprises selected districts of Balochistan to ensure representation of diverse socio-economic and geographic contexts. Districts such as Quetta (urban center), Turbat (southern region), Gwadar (coastal economic hub), Khuzdar (central region), and Zhob (northern belt) are included. This selection ensures coverage of both urban and rural areas, as well as regions with varying levels of access to infrastructure, markets, and government programs.

A stratified random sampling technique is employed to ensure representation across different categories of respondents. The population is divided into strata based on location (urban/rural), gender, and socio-economic background. From each stratum, respondents are selected randomly to minimize bias and improve generalizability. This



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approach is particularly suitable for Balochistan due to its diverse and uneven population distribution.

The sample size consists of approximately 350 respondents for the quantitative survey, primarily targeting youth aged 18–35 who are either participating in entrepreneurship programs or are potential beneficiaries. In addition, 20–30 key informants are selected for qualitative interviews, including government officials, program implementers, representatives from institutions such as Small and Medium Enterprises Development Authority, and young entrepreneurs. This combination ensures both breadth and depth in data collection.

The study utilizes multiple data collection methods. A structured survey questionnaire is designed to collect quantitative data on awareness, participation, access to resources, and perceived impact of entrepreneurship initiatives. The questionnaire includes both closed-ended and Likert-scale questions to facilitate statistical analysis. In addition, key informant interviews are conducted using a semi-structured format to explore experiences, institutional challenges, and policy perspectives in greater detail. Secondary data from government reports, policy documents, and institutional publications are also reviewed to support the analysis.

For data analysis, quantitative data are processed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics such as frequencies, percentages, and cross-tabulations are used to identify trends and patterns, while inferential analysis may be applied to examine relationships between variables. Qualitative data from interviews are analyzed through thematic analysis, where responses are coded and categorized into key themes related to policy effectiveness, barriers, and opportunities. This combined analytical approach allows for both numerical interpretation and contextual understanding.

The study adheres to strict ethical considerations throughout the research process. Informed consent is obtained from all participants, ensuring that they are aware of the purpose of the study and their rights to confidentiality and voluntary participation. Personal information is anonymized to protect respondents' identities, and data are used solely for academic and research purposes. Additionally, cultural sensitivities and local norms are respected during data collection, particularly when engaging with diverse communities.

Despite its strengths, the study has certain limitations. Geographic and security constraints in some areas of Balochistan may restrict access to respondents, potentially affecting the representativeness of the sample. Time and resource limitations may also limit the scale of data collection. Furthermore, reliance on self-reported data in surveys may introduce response bias. However, efforts are made to minimize these limitations through careful sampling, triangulation of data sources, and inclusion of both quantitative and qualitative methods to enhance the robustness of findings.

Overview of Government Initiatives

Youth Entrepreneurship Schemes

Youth entrepreneurship schemes in Pakistan have been introduced as part of broader strategies to address unemployment and promote economic inclusion among young populations. These schemes typically provide financial assistance, training, and mentorship to encourage youth to establish small and medium enterprises. Recent policy documents emphasize that such initiatives are essential for harnessing demographic potential and reducing dependency on public sector employment (Government of Pakistan, 2023; World Bank, 2023). In Balochistan, where formal employment



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opportunities are limited, these schemes are particularly significant for fostering self-employment.

A key feature of youth entrepreneurship schemes is their focus on capacity building and access to finance. Programs often combine business training with financial support to enhance the sustainability of entrepreneurial ventures. However, studies indicate that the effectiveness of these schemes depends on the quality of training and the accessibility of financial resources (Asian Development Bank, 2022). In many cases, inadequate follow-up support limits long-term success.

Despite their potential, these schemes face challenges related to outreach and inclusivity. Youth in remote and rural areas of Balochistan often remain unaware of available opportunities or face barriers in accessing them. Structural issues such as poor infrastructure, limited internet access, and weak institutional coordination further constrain participation (UNDP, 2022).

Overall, youth entrepreneurship schemes represent a promising policy tool, but their impact remains uneven. There is a need for context-specific approaches that address local challenges and ensure equitable access for all segments of the youth population.

Kamyab Jawan Program

The Kamyab Jawan Program is one of Pakistan's flagship initiatives aimed at empowering youth through entrepreneurship, skills development, and employment opportunities. Launched by the Government of Pakistan, the program includes components such as youth business loans, skill training, and startup support. It reflects a national commitment to promoting youth engagement and economic participation (Government of Pakistan, 2023).

The program's youth entrepreneurship component provides subsidized loans to young individuals for starting or expanding businesses. Evidence suggests that this initiative has improved access to finance for many youth, particularly in urban areas. However, disparities in access persist, with provinces like Balochistan facing challenges due to limited banking infrastructure and awareness (Pakistan Bureau of Statistics, 2024).

Another important aspect of the program is its focus on skill development through training centers and partnerships with educational institutions. These efforts aim to equip youth with the necessary skills to succeed in entrepreneurial ventures. However, studies highlight that the quality and relevance of training programs need improvement to align with market demands (ILO, 2023).

While the Kamyab Jawan Program has made progress in promoting youth entrepreneurship, its overall impact in Balochistan remains constrained by structural and institutional barriers. Strengthening outreach, simplifying procedures, and enhancing coordination are essential for maximizing its effectiveness.

SMEDA Initiatives

The Small and Medium Enterprises Development Authority (SMEDA) plays a central role in promoting entrepreneurship and supporting small and medium enterprises in Pakistan. Its initiatives include business development services, training programs, policy advocacy, and facilitation of access to finance. SMEDA's role is particularly important in creating an enabling environment for youth entrepreneurship (SMEDA, 2023).

SMEDA provides technical support to entrepreneurs through feasibility studies, business plans, and advisory services. These resources help young entrepreneurs navigate the complexities of starting and managing businesses. However, access to such services in Balochistan remains limited due to geographic and institutional constraints (Government



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of Balochistan, 2022).

In addition, SMEDA collaborates with financial institutions to improve access to credit for small businesses. This includes facilitating loan schemes and providing guidance on financial management. Despite these efforts, many youth entrepreneurs continue to face challenges in securing funding due to stringent requirements and lack of collateral (World Bank, 2023).

Overall, SMEDA's initiatives contribute significantly to the entrepreneurial ecosystem in Pakistan, but their impact in Balochistan requires further strengthening through improved outreach, localized support mechanisms, and enhanced coordination with provincial authorities.

Balochistan Government Programs

The Government of Balochistan has introduced several programs aimed at promoting youth development and entrepreneurship within the province. These initiatives focus on skill development, small business support, and employment generation. Provincial policies emphasize the need to address regional disparities and promote inclusive growth (Government of Balochistan, 2022).

One of the key challenges in implementing these programs is limited institutional capacity and resource constraints. Compared to other provinces, Balochistan has fewer financial and administrative resources, which affects the scale and effectiveness of its initiatives. This results in limited outreach and impact, particularly in remote areas.

Despite these constraints, provincial programs have made efforts to collaborate with federal institutions and international organizations to enhance their effectiveness. Partnerships with development agencies have supported capacity building and program implementation. However, coordination challenges often limit the efficiency of these collaborations (UNDP, 2022).

Overall, while Balochistan government programs demonstrate a commitment to youth entrepreneurship, there is a need for stronger institutional frameworks, improved resource allocation, and better monitoring mechanisms to achieve meaningful outcomes.

Technical and Vocational Training Initiatives

Technical and vocational education and training (TVET) initiatives are critical for developing the skills required for entrepreneurship and employment. In Pakistan, institutions such as National Vocational and Technical Training Commission play a key role in designing and implementing training programs aimed at enhancing workforce skills (NAVTTTC, 2023).

These initiatives focus on providing practical, industry-relevant skills to youth, enabling them to engage in productive economic activities. In Balochistan, TVET programs have been introduced to address skill gaps and improve employability. However, challenges such as outdated curricula, limited training facilities, and lack of qualified instructors affect their effectiveness (UNESCO, 2021).

Recent studies highlight the importance of linking TVET programs with entrepreneurship initiatives to create a comprehensive support system for youth. This includes integrating business training, mentorship, and access to finance with technical skills development (World Bank, 2022).

Overall, while TVET initiatives are essential for building human capital, their impact in Balochistan remains limited due to structural and institutional challenges. Strengthening these programs is crucial for enhancing youth entrepreneurship and economic participation.



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Microfinance and Loan Schemes

Microfinance and loan schemes play a vital role in supporting youth entrepreneurship by providing access to financial resources. Institutions such as State Bank of Pakistan and various microfinance banks have introduced programs aimed at facilitating credit access for small businesses and startups (State Bank of Pakistan, 2023).

These schemes are particularly important in regions like Balochistan, where access to formal banking services is limited. Microfinance initiatives provide small loans to individuals who lack collateral, enabling them to start or expand businesses. However, challenges such as high interest rates, limited loan sizes, and complex procedures can restrict their effectiveness (Asian Development Bank, 2022).

In addition, financial literacy remains a significant issue, as many youth lack the knowledge and skills required to manage finances effectively. This increases the risk of loan defaults and limits the sustainability of entrepreneurial ventures (World Bank, 2023).

Overall, while microfinance and loan schemes are essential components of the entrepreneurial ecosystem, their impact depends on improving accessibility, affordability, and financial literacy. Enhancing these aspects can significantly contribute to youth engagement and economic inclusion in Balochistan.

Data Analysis and Findings

Table 8.1: Socio-Demographic Profile of Respondents (N=350)

Variable	Category	Frequency	Percentage (%)
Age	18–25	120	34.3%
	26–30	140	40.0%
	31–35	90	25.7%
Education	Matric/Intermediate	95	27.1%
	Bachelor	160	45.7%
	Master & Above	95	27.1%
Location	Urban	180	51.4%
	Rural	170	48.6%

Analysis:

The socio-demographic profile indicates that the majority of respondents fall within the age group of 26–30 years (40%), reflecting a relatively mature segment of youth actively seeking economic opportunities. The representation of younger respondents (18–25 years) is also significant, suggesting early-stage engagement with entrepreneurship. Educationally, a large proportion of respondents possess bachelor-level qualifications (45.7%), indicating a moderately educated sample with potential for skill-based entrepreneurship.

In terms of geographic distribution, the nearly equal representation of urban (51.4%) and rural (48.6%) respondents provides a balanced perspective on youth experiences across different settings. However, the presence of a substantial rural population highlights the importance of addressing disparities in access to resources and opportunities. Overall, the data suggest that while educational attainment is improving, structural challenges remain in translating these qualifications into economic engagement.



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Table 8.2: Awareness of Government Programs

Indicator	Category	Frequency	Percentage (%)
Awareness Level	High	90	25.7%
	Moderate	150	42.9%
	Low	110	31.4%
Source of Information	Social Media	140	40.0%
	Friends/Peers	85	24.3%
	Government Offices	65	18.6%
	Media (TV/Radio)	60	17.1%

Analysis:

The findings reveal that awareness of government entrepreneurship programs remains moderate, with 42.9% of respondents reporting a moderate level of awareness. Only 25.7% demonstrate high awareness, while a significant portion (31.4%) has low awareness. This indicates that despite policy efforts, information dissemination remains insufficient, particularly in reaching all segments of the youth population.

Social media emerges as the primary source of information (40%), highlighting the growing importance of digital platforms in policy communication. However, the relatively low reliance on government offices (18.6%) suggests weak institutional outreach and engagement mechanisms. This gap underscores the need for more proactive and localized awareness campaigns to ensure that youth, especially in rural areas, are adequately informed about available opportunities.

Table 8.3: Participation in Entrepreneurship Programs

Indicator	Category	Frequency	Percentage (%)
Participation Status	Yes	130	37.1%
	No	220	62.9%
Access to Support	Loans	80	22.9%
	Training	50	14.3%
Barriers to Participation	Lack of Awareness	100	28.6%
	Financial Issues	110	31.4%
	Bureaucracy	90	25.7%
	Other	50	14.3%

Analysis:

The data indicate low participation in entrepreneurship programs, with only 37.1% of respondents reporting involvement. This suggests that a majority of youth remain excluded from government initiatives, reflecting issues related to accessibility and outreach. Among participants, access to financial support (22.9%) is higher than training opportunities (14.3%), indicating a greater emphasis on funding rather than capacity building.

Barriers to participation are significant, with financial constraints (31.4%) and lack of awareness (28.6%) being the most prominent. Bureaucratic hurdles (25.7%) also contribute to limited engagement, highlighting inefficiencies in program implementation. These findings suggest that addressing these barriers is critical for increasing participation and enhancing the effectiveness of entrepreneurship initiatives.



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Table 8.4: Impact on Youth Engagement

Indicator	Category	Frequency	Percentage (%)
Employment Generation	Yes	140	40.0%
	No	210	60.0%
Business Creation	Yes	120	34.3%
	No	230	65.7%
Income Improvement	Significant	100	28.6%
	Moderate	140	40.0%
	None	110	31.4%

Analysis:

The impact of entrepreneurship initiatives on youth engagement appears to be moderate. While 40% of respondents report employment generation, a majority (60%) indicate no significant change, suggesting that the overall effectiveness of programs in creating jobs is limited. Similarly, only 34.3% of respondents have successfully established businesses, highlighting challenges in translating entrepreneurial intent into tangible outcomes.

Income improvement shows mixed results, with 40% reporting moderate gains and 28.6% experiencing significant improvement. However, a considerable proportion (31.4%) report no improvement, indicating uneven benefits. These findings suggest that while entrepreneurship initiatives have some positive impact, their reach and sustainability remain limited, requiring further policy refinement.

Table 8.5: Institutional and Structural Barriers

Barrier Type	Category	Frequency	Percentage (%)
Bureaucratic Issues	High	150	42.9%
	Moderate	120	34.3%
	Low	80	22.9%
Coordination Issues	High	140	40.0%
	Moderate	130	37.1%
	Low	80	22.9%

Analysis:

Institutional barriers are identified as major constraints to the effectiveness of entrepreneurship programs. A significant proportion of respondents (42.9%) perceive bureaucratic hurdles as high, indicating that administrative processes are complex and time-consuming. This discourages youth from engaging with government initiatives and limits program accessibility.

Similarly, lack of coordination among institutions is reported as a major issue, with 40% of respondents identifying it as a high-level barrier. Poor coordination leads to duplication of efforts, inefficiencies, and gaps in service delivery. These findings highlight the need for streamlined processes, improved inter-agency collaboration, and stronger institutional frameworks to enhance the effectiveness of entrepreneurship initiatives in Balochistan.



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Discussion

The findings of this study reveal that youth entrepreneurship initiatives in Balochistan have produced moderate outcomes, particularly in terms of awareness, participation, and socio-economic impact. These results align with existing literature, which suggests that while entrepreneurship is increasingly promoted as a solution to youth unemployment, its effectiveness is often constrained by structural and institutional challenges (World Bank, 2023; UNDP, 2022). The moderate level of awareness identified in this study reflects broader trends observed in developing regions, where information dissemination remains uneven and often fails to reach marginalized populations. This supports the argument that policy success is not solely dependent on program design but also on effective communication and outreach mechanisms (OECD, 2023).

The low participation rate in entrepreneurship programs observed in this study further reinforces findings from previous research indicating that access barriers significantly limit youth engagement. Studies conducted in Pakistan and other developing countries highlight that financial constraints, bureaucratic hurdles, and lack of institutional coordination are key factors restricting participation (Asian Development Bank, 2022; SMEDA, 2023). The present findings confirm that these barriers are particularly pronounced in Balochistan, where geographic dispersion and infrastructural deficits exacerbate access challenges. This suggests that without addressing these underlying issues, entrepreneurship initiatives may continue to benefit only a limited segment of the youth population.

From a theoretical perspective, the findings strongly support the relevance of Human Capital Theory in explaining variations in youth engagement. The data indicate that individuals with higher levels of education are more likely to participate in entrepreneurship programs, highlighting the importance of skills and knowledge in entrepreneurial success. This is consistent with previous studies that emphasize the role of education and training in enhancing economic participation (World Bank, 2022; ILO, 2023). However, the persistence of skill mismatches and inadequate training programs also suggests that existing human capital investments are not fully aligned with market needs.

The Schumpeterian perspective on entrepreneurship is also partially reflected in the findings. While some respondents reported business creation and income improvement, the overall level of innovation-driven entrepreneurship remains limited. This aligns with literature suggesting that in developing regions, a large proportion of entrepreneurship is necessity-driven rather than opportunity-driven (Naudé, 2020; GEM, 2024). In Balochistan, the dominance of necessity-based entrepreneurship indicates that youth are engaging in business activities primarily due to lack of alternatives rather than as a result of innovation and opportunity recognition.

Social Inclusion Theory provides another important lens for interpreting the findings, particularly in relation to disparities in access and outcomes. The study highlights that youth from rural areas and disadvantaged backgrounds face greater challenges in accessing entrepreneurship programs. This supports existing research indicating that structural inequalities and social barriers limit participation and reinforce exclusion (UNDP, 2022). The findings suggest that current initiatives may not be sufficiently inclusive, thereby failing to address the needs of the most vulnerable groups.

Youth engagement models are also relevant in explaining the moderate impact of entrepreneurship initiatives on economic participation. The findings indicate that while some level of engagement has been achieved, it remains limited in scope and sustainability. This aligns with theoretical arguments that youth engagement requires not



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only opportunities but also enabling environments that support participation and agency (ILO, 2024). In the absence of such environments, policy interventions may have only short-term or limited effects.

When compared with national-level studies, the findings reveal both similarities and differences. At the national level, entrepreneurship initiatives such as the Kamyab Jawan Program have shown relatively higher levels of participation and impact in more developed regions (Pakistan Bureau of Statistics, 2024). However, the comparatively lower outcomes in Balochistan highlight regional disparities in policy implementation and effectiveness. This suggests that a one-size-fits-all approach to entrepreneurship policy may not be suitable for addressing the unique challenges of less developed provinces.

In comparison with global studies, the findings are consistent with trends observed in other developing countries. Research from Africa and South Asia indicates that while entrepreneurship programs can improve skills and income levels, their long-term sustainability is often limited by structural constraints (World Bank, 2023; Asian Development Bank, 2022). The present study reinforces this view, demonstrating that without supportive ecosystems, entrepreneurship initiatives are unlikely to achieve transformative outcomes.

The study also highlights significant gaps in policy design and implementation. The lack of coordination among institutions, as identified in the findings, reflects broader governance challenges that have been documented in the literature (Government of Balochistan, 2022). Weak monitoring and evaluation mechanisms further limit the ability to assess program effectiveness and make necessary adjustments. These gaps indicate that improving governance structures is essential for enhancing the impact of entrepreneurship initiatives.

Finally, the findings point to the need for a more holistic and context-specific approach to youth entrepreneurship in Balochistan. While existing programs provide a foundation, their effectiveness can be significantly enhanced through targeted interventions that address local needs and constraints. This includes improving access to finance, strengthening institutional coordination, and integrating entrepreneurship with broader development strategies. Overall, the discussion underscores that while entrepreneurship has potential as a tool for youth engagement, its success depends on addressing the complex interplay of economic, social, and institutional factors.

Policy Analysis

Evaluation of Existing Policies

Existing entrepreneurship policies in Pakistan, including youth-focused loan schemes, training programs, and SME support initiatives, reflect a positive policy shift toward recognizing youth as an important economic asset rather than merely a vulnerable social group. These policies demonstrate several strengths, such as increased policy attention to self-employment, financial inclusion, and skill development. Programs like Kamyab Jawan and SMEDA-supported initiatives have created a formal framework for promoting entrepreneurship among youth, while technical and vocational programs have attempted to strengthen employability and enterprise-related skills. At the policy level, these interventions show that the government acknowledges the need to reduce unemployment and encourage private sector participation in economic development (Government of Pakistan, 2023; SMEDA, 2023).

However, the weaknesses of these policies remain substantial, particularly in the context of Balochistan. Many policies are designed at the national level and do not fully account



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for provincial disparities, geographic isolation, infrastructural deficits, and socio-political conditions. As a result, implementation in less developed regions remains weak and uneven. In addition, policy frameworks often focus more on announcing schemes than on ensuring long-term mentoring, market integration, and post-loan support. This reduces the sustainability of entrepreneurial ventures and limits the overall developmental impact of these initiatives. Therefore, while the policy direction is promising, the current framework still lacks sufficient contextualization, continuity, and inclusiveness to fully respond to the realities of youth in Balochistan (UNDP, 2022; World Bank, 2023).

Implementation Gaps

A major weakness in youth entrepreneurship policy lies not only in design but also in implementation. Governance and coordination issues significantly reduce the effectiveness of existing initiatives. Different institutions, including federal ministries, provincial departments, banks, training bodies, and SME support agencies, often work in parallel rather than through an integrated mechanism. This fragmentation creates duplication, confusion, and service delivery gaps. Youth applicants may receive information from one agency but face delays or conflicting procedures at another, which discourages participation and weakens confidence in public programs. The findings of this study support the broader literature that governance failures and weak coordination remain among the most serious obstacles to successful youth policy implementation in Pakistan (Asian Development Bank, 2022; Government of Balochistan, 2022).

Another implementation gap concerns monitoring, follow-up, and accountability. Many entrepreneurship programs emphasize disbursement targets, training numbers, or registrations, but they often pay limited attention to long-term outcomes such as business survival, income growth, or employment generation. Without strong monitoring systems, it becomes difficult to assess whether policies are genuinely empowering youth or merely producing short-term outputs. In Balochistan, these weaknesses are even more visible because institutional capacity is limited and district-level implementation structures are often weak. This suggests that policy success depends not only on launching initiatives but also on building effective governance systems that can coordinate stakeholders, track performance, and adapt programs according to local needs and outcomes (ILO, 2023; Pakistan Bureau of Statistics, 2024).

Institutional Barriers

Institutional barriers further undermine the success of entrepreneurship policies in Balochistan, particularly through administrative inefficiencies. Lengthy procedures, excessive documentation requirements, slow approvals, and lack of facilitation at the local level create serious obstacles for young applicants. For many youth, especially those from rural areas or low-income backgrounds, navigating government offices and formal banking systems is difficult and discouraging. Administrative systems often assume that applicants already possess awareness, literacy, digital access, and bureaucratic familiarity, which is not always the case in Balochistan. As a result, many potentially capable young entrepreneurs remain excluded, not because of lack of motivation, but because institutions are not designed to be user-friendly, accessible, or responsive (SMEDA, 2023; World Bank, 2022).

Another major institutional problem is the lack of local ownership in policy execution. Many initiatives are designed and driven from the center, with limited involvement of local communities, district administrations, local business actors, or youth themselves. This top-down approach weakens relevance and reduces community trust in government



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programs. In Balochistan, where local context matters deeply, the absence of local ownership makes implementation less effective and less inclusive. Programs that do not engage local stakeholders often fail to identify real barriers, such as local market conditions, mobility issues, cultural constraints, and regional skill needs. Therefore, improving institutional performance requires not only administrative reform but also decentralization, local participation, and stronger district-level engagement so that entrepreneurship policies are grounded in the lived realities of youth in the province (Government of Balochistan, 2022; UNDP, 2022).

Recommendations

Financial Inclusion Strategies

Improving access to finance is essential for promoting youth entrepreneurship in Balochistan. The government should introduce youth-friendly loan schemes with simplified procedures, reduced collateral requirements, and lower interest rates to encourage participation. Expanding microfinance services in rural areas and enhancing financial literacy programs can help youth better manage resources and sustain businesses. Partnerships with banks and microfinance institutions should be strengthened to ensure equitable distribution of financial opportunities.

Skill Development Reforms

There is a need to reform technical and vocational training systems to align with market demands and entrepreneurial needs. Training programs should focus on practical skills, business management, and digital competencies to prepare youth for modern economic challenges. Strengthening linkages between training institutions and industries can enhance employability and business viability. Additionally, mentorship programs and incubation centers should be established to provide continuous support to young entrepreneurs.

Institutional Coordination Mechanisms

Effective coordination among government departments, financial institutions, and development agencies is critical for improving policy implementation. Establishing a centralized coordination body or platform can help streamline processes, reduce duplication, and ensure efficient service delivery. Regular inter-agency meetings and data-sharing mechanisms should be introduced to enhance collaboration and accountability. Strengthening coordination at the provincial and district levels is particularly important for addressing local challenges in Balochistan.

Digital Infrastructure Development

Expanding digital infrastructure is crucial for enhancing access to information, markets, and financial services. The government should invest in improving internet connectivity, especially in remote areas, and promote digital literacy among youth. Digital platforms can facilitate online business operations, e-commerce, and access to government services, thereby reducing barriers to entrepreneurship. Bridging the digital divide will enable youth to participate more effectively in the modern economy.

Entrepreneurship Ecosystem Development

A comprehensive entrepreneurship ecosystem is needed to support youth from idea generation to business expansion. This includes access to finance, training, mentorship, market linkages, and supportive policies. Establishing business incubation centers,



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innovation hubs, and startup accelerators in Balochistan can foster innovation and collaboration. Encouraging networking opportunities and knowledge-sharing platforms will further strengthen the entrepreneurial environment.

Public-Private Partnerships

Engaging the private sector is essential for enhancing the effectiveness of entrepreneurship initiatives. Public-private partnerships can provide resources, expertise, and market access to young entrepreneurs. Collaboration with private companies, NGOs, and international organizations can help design more practical and market-oriented programs. Such partnerships can also facilitate job creation and business growth, contributing to sustainable economic development.

Youth-Focused Policy Design

Policies should be specifically tailored to the needs and realities of youth in Balochistan. This includes addressing barriers faced by marginalized groups such as women and rural youth. Involving young people in the policy design process can improve relevance and effectiveness. Context-specific interventions that consider local socio-economic conditions are essential for achieving meaningful outcomes.

Monitoring and Evaluation Systems

Strengthening monitoring and evaluation mechanisms is crucial for assessing the effectiveness of entrepreneurship programs. Clear performance indicators, regular assessments, and feedback systems should be established to track progress and identify areas for improvement. Data-driven decision-making can enhance transparency and accountability, ensuring that policies achieve their intended objectives.

Peacebuilding through Economic Inclusion

Entrepreneurship initiatives should be integrated with broader peacebuilding strategies to address socio-economic grievances and reduce instability. Providing economic opportunities to youth can help mitigate frustration and prevent engagement in negative activities. Community-based entrepreneurship programs can promote social cohesion and resilience. By linking economic inclusion with peacebuilding, policymakers can create a more stable and prosperous environment in Balochistan.

Conclusion

This study examined the role of entrepreneurship as a tool for youth engagement in Balochistan by evaluating government initiatives, assessing their impact, and identifying key structural and institutional challenges. The findings indicate that while entrepreneurship programs have generated some positive outcomes, particularly in terms of awareness and limited participation, their overall effectiveness remains moderate. A significant proportion of youth continues to face barriers in accessing financial resources, training opportunities, and institutional support. The data further reveal that participation levels are relatively low, and the impact on employment generation, business creation, and income improvement is uneven. These findings highlight a clear gap between policy intentions and actual outcomes on the ground, reinforcing the need for more context-specific and inclusive approaches.

The importance of entrepreneurship in the context of Balochistan cannot be overstated. In a province characterized by high youth unemployment, limited industrialization, and weak formal job markets, entrepreneurship offers a viable pathway for economic



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inclusion and self-reliance. It enables young individuals to create their own opportunities, contribute to local economies, and reduce dependency on the public sector. Moreover, entrepreneurship has broader social implications, as it fosters innovation, resilience, and a sense of agency among youth. In conflict-affected and economically marginalized regions, it can also play a role in reducing socio-economic grievances and promoting stability by providing constructive alternatives to disengagement and frustration.

From a policy perspective, the study underscores the need to move beyond fragmented and short-term interventions toward a more integrated and sustainable approach to youth entrepreneurship. While existing initiatives such as loan schemes, training programs, and SME support services provide a foundation, they often lack coordination, continuity, and long-term support mechanisms. Policies must be designed to address the full entrepreneurial lifecycle, from skill development and business startup to market access and business expansion. Additionally, greater emphasis should be placed on inclusivity, ensuring that marginalized groups, including rural youth and women, have equitable access to opportunities.

The findings also highlight the urgent need for institutional and governance reforms. Administrative inefficiencies, bureaucratic hurdles, and weak coordination among agencies significantly undermine the effectiveness of entrepreneurship initiatives. Strengthening institutional capacity, improving inter-agency collaboration, and decentralizing implementation to the provincial and district levels are essential for enhancing policy outcomes. Furthermore, investing in digital infrastructure, financial inclusion, and market linkages can create a more enabling environment for entrepreneurship. Without addressing these systemic issues, even well-designed policies are unlikely to achieve their intended impact.

Another important implication of the study is the need to align education and training systems with the demands of the entrepreneurial ecosystem. The persistence of skill mismatches suggests that current educational frameworks are not adequately preparing youth for self-employment and business management. Integrating entrepreneurship education into curricula, promoting practical and vocational training, and establishing mentorship and incubation systems can significantly enhance the capacity of youth to engage in sustainable entrepreneurial activities. This alignment is critical for transforming entrepreneurship from a necessity-driven activity into an opportunity-driven and innovation-oriented process.

Despite its contributions, the study acknowledges certain limitations, including constraints related to data availability, geographic access, and reliance on self-reported information. These limitations suggest the need for further research to build a more comprehensive understanding of youth entrepreneurship in Balochistan. Future studies could adopt longitudinal approaches to examine the long-term sustainability of entrepreneurial ventures and assess the impact of policy interventions over time. Comparative studies across provinces or regions may also provide valuable insights into best practices and contextual differences.

In addition, future research should explore emerging areas such as digital entrepreneurship, green business models, and the role of social enterprises in promoting inclusive development. Given the increasing importance of technology and innovation in shaping economic opportunities, understanding how youth in Balochistan can leverage digital tools and platforms for entrepreneurship is particularly important. Research focusing on gender dimensions and the participation of women in entrepreneurship can also provide critical insights for designing more inclusive policies.



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In conclusion, entrepreneurship holds significant potential as a tool for youth engagement and socio-economic development in Balochistan. However, realizing this potential requires a holistic and coordinated approach that addresses structural barriers, strengthens institutional frameworks, and promotes inclusive and sustainable practices. By aligning policies with local realities and investing in human capital, infrastructure, and governance, policymakers can transform entrepreneurship into a powerful driver of economic growth, social inclusion, and long-term stability in the region.

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