



Fostering an Entrepreneurial Ecosystem through Mentorship and Training

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HIGHLIGHTS

With 64% of Pakistan's population under 30, the country offers a vibrant landscape for entrepreneurship growth.

Limited mentorship, inadequate government support, and insufficient skills-based education are key challenges facing startups.

Building a robust entrepreneurial ecosystem through mentorship, funding, education, and academia-industry-government collaboration is essential for fostering innovation and growth.



Executive Summary

Entrepreneurship in Pakistan holds significant potential, especially given the country's large youth demographic—64% of the population is under 30 years of age (Ahmed et al., 2024). Despite this potential, challenges such as limited mentorship opportunities, inadequate government support, and a lack of skilled-based education have hindered the growth of startups and businesses (Almarzoqi & Mathis, 2024). This policy brief explores strategies for fostering entrepreneurship in Pakistan through improved mentorship, networking, government involvement, and a robust digital economy. Recommendations include creating a supportive entrepreneurial ecosystem by enhancing mentorship programs, providing funding for startups, integrating entrepreneurship education into the curriculum, and fostering strong linkages between academia, industry, and government.

Key Words: entrepreneurial ecosystem, mentorship programs, funding for startups, curriculum, linkages between academia, industry, and government.

Introduction

Entrepreneurship is not just a subject to be taught in classrooms but a mindset and approach that must be cultivated (Obaje, 2024). In Pakistan, this mindset is slowly emerging, with increasing interest in startups, digital businesses, and freelancing (Jayasekara & Hansson, 2024). However, to harness the full potential of this entrepreneurial energy, a more structured ecosystem is needed. This brief will discuss the critical role of mentorship and training in developing this ecosystem and explore government and university interventions to foster innovation, particularly in the digital economy, e-commerce, and sectors such as agriculture and healthcare.

The Role of Mentorship in Entrepreneurship

Creating an Ecosystem for Mentorship

Panelist 1 emphasized that entrepreneurship thrives when students are allowed to think freely and practice their ideas in a supportive environment. The role of mentorship is crucial here, as it helps bridge the gap between ideas and execution. However, traditional teaching methods cannot fully prepare students for the realities of entrepreneurship. Instead, a mentorship ecosystem must be established, involving teachers, industry experts, and practitioners who can provide hands-on guidance. Creating an ecosystem for mentorship involves establishing a supportive framework where aspiring entrepreneurs can receive guidance, advice, and insights from experienced professionals. In this context, mentorship is more than just occasional advice; it's a structured, continuous process that helps young entrepreneurs navigate challenges and capitalize on opportunities. Here are the key components of creating a mentorship ecosystem:

1. Involving Industry Experts and Practitioners

Instead of relying solely on academic instruction, universities and institutions should bring in industry experts and successful entrepreneurs who have practical knowledge and experience. These mentors provide realistic insights into the market, supply chains, customer needs, and investment challenges.

Example: Invite mentors from sectors like e-commerce, agriculture, and healthcare to guide students in real-world business scenarios.

Impact: This bridges the gap between theoretical learning and real-world application, allowing mentees to understand market dynamics and operational challenges.

2. Structured Mentorship Programs

A well-structured program where mentors commit to regular sessions with mentees is essential. This could include:

One-on-one sessions focusing on idea development, business modelling, and troubleshooting.

Group workshops that offer broader advice on business strategy, market trends, and entrepreneurial resilience.

Example: Incubation centres in universities that provide dedicated mentoring sessions with a

curriculum designed around practical business development.

Impact: Structured programs ensure that mentees receive consistent guidance and can steadily develop their ideas under expert supervision.

3. Collaboration Between Academia, Industry, and Government

The mentorship ecosystem should not be confined to universities. Collaboration with industry and government bodies is necessary to provide a full spectrum of support.

Example: Universities can form partnerships with industries and government bodies for internships, project-based learning, and startup funding opportunities.

Impact: Such collaborations can ensure that mentees have access to resources like funding, networks, and industry-specific knowledge.

4. Incorporating Digital Platforms for Mentorship

In a digitally driven world, mentorship does not need to be limited to face-to-face interactions. Universities can create digital platforms that connect students with a broader pool of mentors.

Example: Online mentorship platforms or apps where entrepreneurs can seek advice from global mentors, join webinars, and engage in peer-to-peer learning.

Impact: This widens the scope of mentorship and allows students to gain insights from global trends and experiences.

5. Long-term Mentorship Relationships

Successful mentorship ecosystems often promote long-term relationships between mentors and mentees. These relationships can last beyond the student phase, offering continual guidance as entrepreneurs progress in their careers.

Example: Alumni networks that foster continued mentorship even after students graduate and launch their startups.

Impact: Long-term relationships ensure that entrepreneurs receive ongoing support as they scale their businesses, making mentorship a lifelong resource.

6. Practical Exposure to Business Challenges

Mentorship should also involve practical exposure. This can be achieved through apprenticeships, internships, and hands-on projects under the guidance of mentors.

Example: Students working alongside their mentors in real businesses or during specific projects,

learning about real-time decision-making and business processes.

Impact: This practical exposure accelerates learning and prepares entrepreneurs for the complexities of running a business.

By fostering this type of ecosystem, universities can ensure that aspiring entrepreneurs are well-prepared, resilient, and equipped to transform their ideas into viable businesses.

Redefining Mentorship

As Panellist 1 argued, mentorship should not be reduced to inviting motivational speakers who may not understand the complexities of business operations. Instead, universities need to connect students with individuals who have experienced both the successes and failures of entrepreneurship. This form of experiential mentorship is vital for developing the resilience needed in business. Redefining mentorship helps improve entrepreneurship by shifting the focus from traditional, often superficial forms of guidance to a more practical, experience-driven, and personalized approach. Here's how redefining mentorship can significantly enhance entrepreneurial development:

Focusing on Real-World Experience

Traditional mentorship models often involve motivational speeches or theoretical advice, which may not be relevant to the day-to-day challenges entrepreneurs face. Redefining mentorship emphasizes pairing aspiring entrepreneurs with mentors who have real-world business experience.

How It Helps: Experienced mentors can provide actionable advice based on their personal successes and failures. They can help entrepreneurs anticipate challenges, avoid common mistakes, and make better business decisions.

Example: Instead of inviting a motivational speaker, universities could engage a successful business owner who has navigated market fluctuations, supply chain disruptions, or funding challenges.

2. Promoting Long-Term Relationships Over One-Time Interactions

Traditional mentorship can often be a one-time or short-term interaction, such as a guest lecture or a workshop. However, successful entrepreneurship requires ongoing guidance, especially during the critical early stages of a startup.

How It Helps: Continuous mentoring over a long period allows entrepreneurs to grow under the consistent guidance of their mentor, receive feedback on their progress, and adapt their strategies.

Example: Implementing formal mentorship programs where students are paired with business mentors for six months to a year, meeting regularly to track progress and adjust business strategies.

3. Shifting from Inspirational Talks to Practical Mentoring

Motivational speeches can inspire, but they do not equip entrepreneurs with the tools they need to succeed. Redefining mentorship focuses on practical support—such as business strategy, financial planning, market entry, and customer acquisition.

How It Helps: Entrepreneurs gain specific, actionable knowledge that is directly applicable to their business. Mentors can provide templates, strategies, and checklists for things like investor pitches, product launches, or scaling operations.

Example: Mentors could help students refine their business models, secure early-stage funding, and manage operational risks rather than simply talking about success stories.

4. Incorporating Sector-Specific Mentorship

Not all businesses face the same challenges. Redefining mentorship involves matching entrepreneurs with mentors who are experts in their specific industries, such as e-commerce, agriculture, healthcare, or technology.

How It Helps: Entrepreneurs benefit from industry-specific insights that are more tailored to their needs, such as regulatory requirements, customer trends, or supply chain considerations in their sector.

Example: A startup focused on agriculture would be paired with a mentor who understands agribusiness, farming technology, and rural supply chains, ensuring the advice is relevant and actionable.

5. Fostering Resilience and Adaptability

Redefining mentorship involves guiding entrepreneurs through both the successes and failures of their journey. Traditional mentorship often highlights success stories without addressing the frequent failures and setbacks that entrepreneurs face.

How It Helps: Entrepreneurs become more resilient and adaptable by learning from their mentors' failures. They develop a stronger mindset for coping with business setbacks, which is crucial for long-term sustainability.

Example: A mentor could share lessons from their own failed ventures and how they pivoted, helping the mentee understand that failure is part of the process and offering strategies to bounce back.

6. Creating a Feedback Loop for Continuous Learning

Traditional mentorship models may not offer a feedback mechanism, making it hard for entrepreneurs to learn from their mistakes. Redefining mentorship involves ongoing feedback and refinement of business strategies, allowing mentees to learn and grow continuously.

How It Helps: Entrepreneurs can regularly adapt their business models and strategies based on real-time feedback, improving their chances of success in an ever-changing market.

Example: Mentors provide regular feedback on market strategies, product developments, and customer acquisition techniques, allowing entrepreneurs to iteratively improve their business plans.

7. Enhancing Networking Opportunities

Redefining mentorship places a strong emphasis on creating networking opportunities through the mentor's connections. Entrepreneurs benefit from being introduced to potential investors, customers, and business partners through their mentors.

How It Helps: Access to a mentor's network can open doors to new opportunities, such as collaborations, partnerships, and funding opportunities, which would be difficult to access otherwise.

Example: A mentor might introduce an entrepreneur to a venture capitalist or a supplier, directly influencing the startup's growth trajectory.

8. Holistic Development Beyond Business

Redefining mentorship involves not only guiding entrepreneurs in their business endeavours but also helping them grow personally—building leadership skills, emotional intelligence, and the ability to manage teams effectively.

How It Helps: Entrepreneurs who develop holistically can better handle the stresses of running a business, making them more well-rounded leaders.

Example: Mentors offer advice on work-life balance, mental resilience, and team management, which helps entrepreneurs sustain their efforts over the long term.

By redefining mentorship to include these elements, aspiring entrepreneurs gain a comprehensive, supportive framework that prepares them for the real-world challenges of business. This leads to higher success rates, stronger startups, and a more vibrant entrepreneurial ecosystem.

Government Support and Networking Opportunities

Government Support for Startups

Panelist 2 raised concerns about the limited role of government and universities in supporting the entrepreneurial ecosystem in Pakistan. Despite the growing number of job opportunities created by young entrepreneurs, the lack of structured support from institutions hampers growth. While 30 million jobs are created annually by youth without formal support, an organized policy can enhance these efforts by providing essential resources, including networking opportunities and government-backed programs.

Government Support and Networking Opportunities for Startups in Pakistan

Government support and networking opportunities are crucial for fostering entrepreneurship, particularly in developing economies like Pakistan. By providing resources, infrastructure, and policy

frameworks, the government can empower startups to thrive. Additionally, networking opportunities allow startups to connect with investors, mentors, and other entrepreneurs, facilitating knowledge-sharing and collaborations that drive growth.

Government Support for Startups in Pakistan

Pakistan's government has recognized the importance of entrepreneurship and has implemented various initiatives aimed at supporting startups. However, there are still areas where more structured and targeted support could significantly improve the entrepreneurial ecosystem.

A. Startup Incubation and Acceleration Programs

Government-backed initiatives such as **Ignite - National Technology Fund** and **Pakistan Software Export Board (PSEB)** have been working to provide incubation facilities and technical assistance to startups, particularly in the tech sector. These programs offer mentorship, office spaces, and business development services, helping startups in their early stages.

Impact: These programs help entrepreneurs develop viable business models, refine their products or services, and prepare for scaling.

Challenges: While useful, these programs are often limited in reach, and startups outside of major urban centres may not have equal access.

B. Financial Support and Access to Funding

The government has made efforts to improve access to financing through initiatives like the **Kamyab Jawan Program**, which provides subsidized loans to young entrepreneurs. **State Bank of Pakistan's Refinance Scheme** also facilitates easy access to low-interest loans for small and medium-sized enterprises (SMEs), which can help startups secure the capital they need to grow.

Impact: Government-backed financial schemes offer startups the capital they need to grow, expand their operations, and hire talent.

Challenges: Many startups face bureaucratic hurdles in accessing these funds, and financial literacy may be lacking among potential entrepreneurs, leading to underutilization of available resources.

C. Policy Reforms and Regulatory Support

Pakistan's government has undertaken reforms aimed at improving the business environment for startups, such as simplifying the process of company registration through the **Securities and Exchange Commission of Pakistan (SECP)** and implementing favourable tax policies for tech startups in the form of tax exemptions.

Impact: Streamlined processes reduce barriers to entry, encouraging more entrepreneurs to formalize their businesses.

Challenges: Regulatory complexity remains a concern, and more effort is needed to create a business-friendly environment, especially for startups outside the tech industry.

D. Capacity Building and Skills Development

The government has invested in various skill development programs, such as the **Prime Minister's Youth Skills Development Program**, which aims to equip young Pakistanis with technical and vocational skills. These initiatives help address the skill gaps that often hinder the growth of startups.

Impact: Skill-building programs enhance the capabilities of young entrepreneurs, enabling them to meet the demands of the job market and industry.

Challenges: There is a need for more specialized training programs that align with market requirements, such as digital marketing, coding, and business management skills specific to entrepreneurship.

E. Digital Economy and E-commerce Growth

The Pakistani government has been actively promoting the digital economy. With initiatives like **Digital Pakistan**, the government is focusing on increasing digital infrastructure and broadband penetration to support the growth of e-commerce and tech startups. The **Trade Development Authority of Pakistan (TDAP)** also supports businesses in expanding their e-commerce reach.

Impact: These initiatives position Pakistan as a growing player in the global digital economy, offering startups a platform to reach international markets.

Challenges: Digital infrastructure in rural areas still needs improvement, and there is a digital divide that limits access to these opportunities.

1. Networking Opportunities for Startups in Pakistan

While government support is essential, networking opportunities play an equally important role in the success of startups. Building a strong network allows startups to access resources, potential customers, investors, and mentors who can offer critical support at different stages of growth.

A. Entrepreneurship Conferences and Meetups

Various platforms like **Startup Grind Pakistan**, **P@SHA ICT Awards**, and **Momentum Pakistan** bring together entrepreneurs, investors, and industry leaders. These events provide a space for startups to showcase their products, gain visibility, and establish connections with potential investors.

Impact: Networking events help entrepreneurs learn from each other, find partners, and secure investment.

Challenges: Many of these events are concentrated in larger cities like Karachi, Lahore, and Islamabad, limiting access for startups from other regions.

B. Industry-Academia Linkages

Universities in Pakistan are increasingly establishing incubation centers and entrepreneurial societies that encourage students and young professionals to connect with industry leaders. **Superior University's SEE Pakistan** initiative, for example, offers such opportunities by creating platforms for mentorship, skill development, and networking.

Impact: Stronger linkages between academia and industry enable startups to benefit from academic research, mentorship, and partnerships with established businesses.

Challenges: Not all universities have the infrastructure or connections necessary to support large-scale incubation or networking efforts.

C. Chamber of Commerce and Business Councils

Organizations like the **Pakistan Chambers of Commerce and Industry (FPCCI)** and regional business councils often organize networking events, providing opportunities for startups to meet with established business owners, policymakers, and international investors.

Impact: Startups can gain market insights, strategic advice, and potential clients through these business networking opportunities.

Challenges: There is often a gap between traditional business networks and the startup ecosystem, limiting collaboration opportunities.

D. Digital Networking Platforms

Online platforms such as **LinkedIn**, **Angellist**, and **Facebook Groups** dedicated to Pakistani entrepreneurs provide digital networking opportunities. These platforms offer startups the chance to connect with mentors, investors, and peers without geographical limitations.

Impact: Digital platforms democratize access to networks, enabling entrepreneurs from different regions to connect with global resources.

Challenges: Despite the availability of these platforms, awareness and usage remain low among many aspiring entrepreneurs.

3. The Importance of Government Support and Networking Opportunities

Government support and networking opportunities are vital components of a thriving startup ecosystem. The government's role is to create a conducive environment by providing financial

resources, skill development programs, regulatory frameworks, and infrastructure. Simultaneously, networking opportunities help startups gain access to knowledge, mentorship, and market connections, which are crucial for scaling businesses.

A. Fostering Collaboration Between Government, Industry, and Academia

To truly maximize the potential of startups in Pakistan, collaboration between government bodies, the private sector, and academic institutions is essential. This triangulation can ensure that policies are informed by market needs, startups have access to cutting-edge research and technologies, and there is a seamless transfer of knowledge and resources between these entities.

In conclusion, while the government of Pakistan has taken steps to support startups, there is still room for improvement, particularly in terms of expanding access to funding, simplifying regulatory frameworks, and enhancing digital infrastructure. Networking opportunities are equally crucial, offering startups the connections they need to grow and thrive in a competitive market. By strengthening both government support and networking avenues, Pakistan can unlock the potential of its vibrant youth and entrepreneurial talent to drive economic growth and innovation.

Digital Economy and Future Prospects

Focus on Digital Economy

The digital economy presents one of the most significant opportunities for entrepreneurship in Pakistan. As highlighted by Panelist 2, Pakistan is the 4th largest nation in the global freelancing market, and this sector has immense growth potential. By 2025, the digital e-commerce market is projected to grow to \$6.3 million (World Bank, 2023).

Skilled-Based Curriculum

The digital economy is essential for the future of Pakistan's entrepreneurial landscape. The rise of e-commerce, with 76 million internet users and 184 million mobile users in Pakistan, presents an untapped market for new businesses (Government of Pakistan, 2023). Startups in the digital space should be prioritized for funding and mentorship, as they represent the future of the country's economy. The integration of digital platforms into traditional businesses can also help boost economic growth.

Sector-Specific Opportunities

E-Commerce

E-commerce represents one of the fastest-growing sectors in Pakistan, with numerous opportunities for online retail, digital payment systems, and logistics. With an estimated 40 million internet users engaging in online shopping, startups in this sector have vast potential for growth (Pakistan E-Commerce Association, 2023).

Conclusion

Pakistan's entrepreneurial ecosystem holds immense potential but requires structured support in terms of mentorship, government involvement, and networking opportunities. By focusing on the digital economy, agriculture, and healthcare, and by establishing strong incubation centers and funding mechanisms, the country can harness its youth potential and drive economic growth. This policy brief recommends creating a robust system that integrates mentorship, skilled-based education, and government-backed funding initiatives to support startups. Collaborative efforts between universities, industries, and the government are essential to building a thriving entrepreneurial ecosystem in Pakistan.

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