[Improving business environment](https://nation.com.pk/03-Apr-2019/improving-business-environment" \t "_new)

Dr Farid A Malik April 03, 2019**:**

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The business environment in the Islamic Republic of Pakistan continues to be unfriendly. It is because of this, the country has one of the fastest growing informal sector and slowest expanding formal in South East Asia. In order to enter the ranks of the ‘Asian Tigers’ the situation has to change, Pakistan will get nowhere with this polluted business environment.

Coming from a family of entrepreneurs and businessmen this issue is close to my heart. My father the fighter who was also a worker of the Pakistan Movement re-established his watch business in Anarkali, Lahore. The family after migrating from Ludhiana, East Punjab had to struggle in the new land. Outlying principles being; ‘seek opportunities not employment, do not indulge in interest based financial systems, success comes through honest hard work’. Till the first martial law in 1958, Pakistan was a normal country. Nation building was the top agenda, there was no debt. There was simplicity and honesty. People lived within their means, by the large merit prevailed.

Then started the period of artificial debt based growth for chosen few. Spend now pay later was the approach. Nation building came to a grinding halt. Empire building started. When the first usurper started to celebrate his decade of progress the population was divided between have and have nots. While the debt spiraled, wealth was concentrated into a few hands. Ethics and morality was pushed to be back seat, greed and corruption managed to take control of the drivers position.

Merit was replaced with loyalty and sharing. Plots, permits, and loans were doled out to the favourites. When the mighty Ayub Khan was asked what kind of officers he preferred; able and dishonest or not so able but honest, he opted for the unscrupulous. There was no level playing fields left for the scrupulous and the honest. Those who resisted were punished with delays and complications.

This unhindered approach of delays and the unnecessary complications for the upright has continued since then. Without speed money nothing moves. No one is willing to formulate SoPs (Standard Operating Procedures). Most public record is missing or in shambles. Officers enjoy the perks and facilities with no delivery. Accountability is non-existent.

Entrepreneurs seek opportunities and then struggle for success. Their efforts should be facilitated not thwarted. They usually do not have an answer to the odd question, “where is my share?” Authority is misused in the absence of sharing of potential profits which the businessman seeks. As I have been on both sides (government and public), I have experienced the potential /power of authority together with the agony of the public. Business flourishes only with honesty, one cannot cheat his way through. Dishonesty results in an invariable collapse.

After wasting over four decades (1977 to 2017) to strife and corruption, sanity is finally being restored. The Prime Minister has shown his intent to create a new tax collection authority to replace the non-performing Federal Board of Revenue (FBR) which was once called the Central Board of Revenue (CBR). Like the change of uniform of the Punjab Police had no effect on their attitudes, similarly the change of name of the board did not improve its performance.

Today the GDP of Pakistan stands at $310 billion while the actual size of the economy is three to four times larger. It is this hidden informal sector that keeps the country of 220 million afloat. The moment the gluttonous state inspectors discover these productive enterprises they are rendered non-productive. The state of Pakistan and its cohesive apparatus has to be redefined and reformed for businesses to flourish.

My father the fighter, finally decided to hang his gloves in 1975 and pulled out of business. He advised his three sons to seek other opportunities as honest survival had become difficult in the land of the pure. As he did not believe in interest he kept on making investments and short term trading to circulate his capital. With age when he became physically frail he changed his mode of resistance to litigation. The extended family is still in business and quite successful both at home and abroad mainly because of strict adherence to the principles laid down by the elders.

Entrepreneurs are business leaders who build economies. In civilized nations they command respect. The colonial set-up that we inherited has now become non-functional it is a major burden on our meager resources. Pakistanis are one of the highest charity giving and the lowest tax paying nations of the world. No one wants to deal with the nasty corrupt to the core inspectors who want to line their own pockets instead of regulating policies. Whole the people of Pakistan continue to survive and prosper the state has collapsed and ceased to function with no real output. For long term sustainability the expenditure and revenue has to be balanced as it was till 1958 before the first usurper took control of the country. According to Steve Jobs the founder of ‘Apple Computers’; “Either lead or get out of the way”. A similar warning should be announced by the PM; “Either facilitate or perish”. Businesses need friends not foes to flourish.