

# BUILDING AN ECOSYSTEM

An uncompromisingly forthright talk with the former Deputy Chairman at Planning Commission of Pakistan



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## Relationship of Entrepreneurship and Economic Development

Entrepreneurship is the most important factor in the economic development. In fact, all of the economic development has been because of entrepreneurship. The reason why entrepreneurship is important because through this channel, we start developing new products, new technologies, new inventions. In addition, these new things create new markets. That creates value and that in turn creates new jobs for those who are unemployed in the society.

## Entrepreneurship: The Clear-Cut Definition

First let's clear the definition of entrepreneurship. "In entrepreneurship, you take your own risks". If Bill Gates or Steve Jobs meet failure, they would be sitting at home. They are entrepreneurs. This is not the case here in Pakistan. Here businesspersons do not face the defeat. They are not entrepreneurs. Private sector is not entrepreneurship! We do have entrepreneurship but on a very limited scale.

## Entrepreneurship vis-a-vis Government

The most important step for

entrepreneurship is to roll back the government. That doesn't mean we get rid of the government! We need a good professional thinking government. We need a researching government. That government which is capable of regulating the market. The government is like an umpire in the cricket match. Let the players play and let the government be the umpire. But the umpire has to know the ins and outs of the game. Here the umpires don't even know the basic rules of the game!

If the umpire starts playing the cricket match then what will happen to the match! Umpire is there just to adjudicate everything. The bowlers have to bowl and the batsmen have to bat. If they get out then the umpire can't do nothing about it other than raising his finger in the air! The game has to prevail. So we need good thinking government and not ones driven by protocol.

## Entrepreneurship Happens in the Cities

We need to open up spaces for entrepreneurship. The venue of the entrepreneurial space is very important for small businesses. It is not something which happens in the village fields. True entrepreneurship happens in the cities. Let's be very realistic on that. However, if the cities are under bureaucratic rule, how can you have that long needed entrepreneurial ecosystem?

Entrepreneurship is Starbucks Coffee. What is

Starbucks Coffee? A coffee shop at every corner! How can we make coffee houses here if the bureaucrats have stopped it from opening? For example, here in Lahore we have only a small corner for such places, like M. M. Alam Road. And for such a large population, we only have so little to offer.

If you go through the annals of history, you will find that Rome or Athens were commercial cities. Commercial people ruled commercial cities, not bureaucrats. So we have to make an effective government and make creative cities; cities not ruled by any bureaucracy. Places where young kinds practice entrepreneurship freely, get failed and then try again!

## We need to Have Competitive Markets

Here you cannot enter the already established markets easily. All avenues are closed. There is no entry in the automobile industry, the sugar industry or even the telecom sector.

## Entrepreneurs Do Not Need Encouragement

Those who need encouragement are not entrepreneurs! Steve jobs and Bill Gates didn't need it. Take the example of Richard Branson (the founder of Virgin Group) when he said, "Encouragement is something which comes from the inside". These

guys are driven! They worked for themselves, not for anyone else. When they started, they didn't care what others say about them or their products. Just before dying, Steve Jobs had still managed to make the I-Pad. Entrepreneurship is a passion; it's a fire from the inside. It doesn't need any encouragement. You can only stop it. I say, get rid of the hurdles that come in his/her way. Let them play.

### Entrepreneurial Ecosystem is Your City!

You provide security to the city. Allow the manufacture of numerous products. The elite should not be allowed to take over the best parts of the city. If in these best areas there are, a couple of shopping malls, some software houses, some libraries, then the young generation will think of doing something there. Now M. M. Alam Road is so expensive that the new entrants will first thoroughly think before finally deciding to launch something there. Cities like New York, Barcelona, Melbourne, Toronto, Tokyo etc. are flourishing because such cities provide opportunities. Wherever and whenever the government will interfere, there will be negative results. Just look at our history!

### There is No Such Thing as Entrepreneurship Education

You can only teach him or at most, guide him but there is no way you can produce a Steve Jobs! Entrepreneur is the one who has an idea and he has the passion to take this idea forward. Steve Jobs famously said in his Stanford address, "You connect the

dots after the event and not before the event."There are things you will not be able to comprehend at first but later on, you will realize their significance.

### Entrepreneurship in the City Comes From the Progressive Culture



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One thing which is very important in the modern world is networking; And not just any network, where your sole purpose is to make acquaintances in the business world. If you look at Bill Gates past hippie life, you'll find out that he and his companions had a club. They used to come together for discussions and then hold competitions among themselves (just as a hobby). That kind of networking where there is sharing of ideas and discussing new things, is far more important. It is the idea, which gives birth to another idea! This happens in the cities. This take place in the coffee houses and et al. Sadly, we don't have such a progressive culture here. We don't have a club culture in Pakistan; A club where ideas are shared, discussed and brainstormed. Although now, on a very limited scale, it has started emerging in our metropolitan cities, which is very heartening.

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ideas, who want to bring in a lot of other people for healthy discussions, for progressive discussions.

**In the end, we asked him if he thinks the previous government initiated youth loan scheme fall under entrepreneurship.**

This is what he said:

It's a drama! A total rubbish way to exploit the future of our youngsters. Remember, money does not make entrepreneurs. Money only aids the entrepreneurs, at the right place, right time. Money is associated with venture capitalists. Venture capitalists invest their money. Sometimes they win, sometimes they lose. It's like gambling. Ideas make entrepreneurs, not money. Don't you ever forget that. May Allah be with Pakistan!

### Dr. Nadeem ul Haque



Former Deputy Chairman at Planning Commission

Dr. Nadeem ul Haque was also the Vice Chancellor of Pakistan Institute of Development Economics, Quaid-e-Azam University Campus, Islamabad. He also initiated and successfully led three initiatives in Sri Lanka: deregulation of the private sector, financial sector reform, and education reform. Publicly appreciated in local media by the authorities (including the President of Sri Lanka) business and civil society for these initiatives

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