

Entrepreneurship in pakistan

[Business](#), [Entrepreneurship](#)



After that writer explain the concept of rent seeking as " manipulating economic resources for profit rather than using their own ideas " this concept clear the main point that why there are less opportunities for business men and risk takers as the whole economy and the business circle is revolve around some persons. Entrepreneurship is viewed by economist to define a combination of innovation and risk taking when economic resources are manipulating opportunities of the society becomes a source of growth, employment as well as opportunities for all segment of society.

In Pakistan innovation and risk taking is not encouraged because of government involvement in market place. Main focus of this research paper is at the early days of planning when protection and subsidiary policies determined winners in market place. Entrepreneurship has been diverted to seeking government favors. As government policies seek to promote growth through mercantilism approach where local buyers and sellers ran their market are seriously neglect.

Another important issue that argue by the writer is land distribution and city zoning and management that have evolved to further reinforce the prevalent rent seeking path to success in the result cities are designed not allowed to be a luster of buying and selling that will be entrepreneurship friendly. As Joseph Schumacher, the most important pioneer in the area of critical link between entrepreneurship and economic growth [Schumacher (1934)]. An exploitation economic resource to take advantage or to earn profit instead of using owns idea s rent seeking. Economic agent expand effort toward attempting to influence to influence government elections in their favor in order to accumulate wealth. Mr.. Anadem LU Huge explains the development <https://assignbuster.com/entrepreneurship-in-pakistan/>

of entrepreneurship in Pakistan as the big push for industry . Writer want to comment that since independence , enterprise or government was synonymous to large industry only. Instead of enhancing productivity or encouraging industry growth the focus was to give rise some elites which are rent seekers.

Writer said that in first years after independence, country has achieved massive growth. After that from 1953-1964 government regulate all import in Pakistan. After the big push writer also highlight that the neglect of small industry created a mess as 40% of business takes place in the informal sector and still as compared to large scale industry , the small scale enterprise face unfavorable leslies After that writer said that agriculture growth was impressive in the early years in which transpiration and high yield varieties have become the source of rent seeking.

Anadem LU Haste's main argument was a massive favor to rent seekers in a agriculture sector as inducement to invest , investment in tube wells was given to writer has also mentioned that DAB (agricultural development bank) followed a liberal credit policy that makes numerous loans to farmers so they could set up private tube wells. He said that 70% of tube wells were put in by farmers owning 25 acres or more. All these were a reason to provide benefit to large farmers as elite farmer strategy.

Anadem LU Huge also said that subsidies for export policy also become a victim of corruption as this policy again favored large scale industrialization business have grown on the back of various protective measures that have a tilt toward rent seeking rather than welfare improvement . All that problems

lead to unintended consequences that in 1950 there were 3000 firms but concentration was only on 7 individual families.

Further Anadem LU Huge state that 22 families controlled 66% of the industrial assets 70% of the insurance and 80% of Nanking in bayou's regime. Another consequence given by writer was impediment to the growth of entrepreneurship in Pakistan is that innovation has been crippled. Severely limited as the planning land development and allotment in Pakistan has been a rent seeking opportunity involving all those in power including civil servants, judiciary, and the army.

Every medal in Pakistan related to arm forces has land in acres. One of the major wealth accumulation strategy that has grown faster over years in the state provision of subsidized land to those with power. The whole search is based on development of entrepreneurship in Pakistan as these things can be removed and the opportunities for small businesses and new ideas can be provided by implementing rule of law.

The role of government should be clear, law and order, legal system and Judiciary should reinforce contrast. There is a need to stop policy of sector picking and providing incentive to support it . A new growth strategy is needed to implement to shift the growth paradigm in Pakistan concentration should focus on creating cities and providing opportunity for those who have potential and ideas that will help to grow entrepreneurship in Pakistan.