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## Salim Raza stresses need for reforms to promote entrepreneurial culture

Highlighting the importance of entrepreneurship, the Governor, State Bank of Pakistan, Syed Salim Raza has stressed the need for reforms to foster an entrepreneurial culture.

Addressing a conference on 'Entrepreneurship 2009', which was organized by Memon Professional Forum at a local hotel in Karachi today, Mr. Raza said that there is ample research available globally, which links entrepreneurship, innovation and growth to encourage policy makers to favour policies fostering reforms. "In an environment of innovative entrepreneurship and dynamic markets, businesses can grow rapidly, ensuring that employment grows and opportunity expands," he said and added that in under-developed countries like Pakistan, there is an added bonus that such an environment is also the most poor-friendly and conducive to social mobility.

SBP Governor raised the question that what are the elements of such an enabling environment? He outlined that in his opinion some important elements are: a level playing field for all entrants, with minimal regulation that is not too onerous; free and flexible markets that allow new businesses to start and equally important for businesses to die; rule of law, including the protection of property rights (particularly intellectual property rights); a dynamic financial market that allows entrepreneurs access to capital and a quality educational system. He said that the World Bank 2009 survey of cost-of-doing-business in 181 countries clearly stresses the need for continued reforms in these areas in Pakistan.

Mr. Raza dwelt upon meaning of entrepreneurship and said that it has a range of meanings. On the one hand it encompasses innovative ideas and implementations that change the way business is conducted in a market. On the other extreme, the term applies equally well to the lowly street vendor, who seeks to set up a small stall of his own to provide a living to his family, funded perhaps by micro-savings or micro credit, and hoping to succeed by dint of sheer hard work and the ability to satisfy a small market niche, the SBP Governor added.

He said that while seemingly very different, in essence, both the definitions of entrepreneurship encompass some common elements: (1) The ability to envision an unmet market niche or innovation that can change the market; (2) the willingness to invest their time, money, and effort seeking to bring that vision to life and (3) the willingness to assume all the resulting risks and rewards. "It is thus probably no coincidence that the most innovation occurs in countries that encourage the entrepreneurs the most," he added.

SBP Governor hoped that this conference will play a very important role in raising awareness of the importance of entrepreneurship.

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