

### **Incentives for business**

It is a good gesture that Prime Minister Imran Khan has met newly elected presidents of Chambers of Commerce and Industry. These businessmen had come to Islamabad from across the country to meet the prime minister and share with him the concerns and hopes they had in the PTI government which is not new anymore. These business leaders represent some of the top business entities in the country and their business interests affect the economic and financial condition of Pakistan both directly and indirectly. Directly, because chambers of commerce and industry play a vital role in both exports and imports that have a direct bearing on the economy; and indirectly due to their fluctuating potential to pay taxes and contribute to the fiscal health of the country. Keeping in mind the magnitudes of the business houses that are members of these chambers, it is evident that they are not small-scale shopkeepers.

A careful look at the reported speech of the PM in the media shows some interesting observations. The PM expressed his displeasure at excessive licensing requirements to do small businesses. He also talked about unnecessary taxes and inspection of small shopkeepers, and directed the concerned authorities to abolish such unnecessary taxes and also stop inspections of shops. He said that 150 licences required for small shopkeepers need to be removed. He is right in pointing out that the licensing regime in the country needs to be simplified and streamlined; and in this matter he has also directed all the provincial governments to eliminate 74 different licences required to do small-scale businesses. He repeated his common refrain that the previous governments had wasted public money on their lavish lifestyles, and that's why the people were not willing to pay taxes. He reminded his audience that he himself was living a simple life and reducing the expenses of the PM House.

While all these observations may have some grain of truth in them, a more circumspect and careful approach is needed here, commensurate with the target audience. The desire to facilitate businesses is appreciable and licences must be simplified, but there is also a need for some in-depth analysis of these issues. Most of the small businesses and shops in the country emerge without any licence, in every nook and corner of Pakistan. Such shops do provide livelihood to millions of people, but there has to be some regulating mechanism to modulate such businesses and shops. For example, there are builders and contractors putting up houses, schools, shops, and even shopping plazas without any licenses, resulting in poor quality building construction that ultimately claims lives. There are electric and plumbing shops offering all kinds of services without qualified and trained electricians and plumbers. There are denting and painting businesses in every other street occupying roads and footpaths with impunity.

The examples are myriad and all point to a need for some licensing and regulation, which is the norm in most countries including China, Malaysia, Turkey, and Saudi Arabia – the countries the PM most frequently quotes and refers to. Ease of business should not mean carting away of those requirements that are important and vital for a law-abiding and organized society. Do facilitate businesses but don't engender mushroom growth of unlicensed and unregulated spaces, especially where people's health and safety may come under threat.