

Starting from somewhere.

Why budget deficit remains persistent issue.

Budget deficit is persistent issue because pressure groups and tax-payer tries to make government measures futile. Real estate, Agriculture industry, traders are major tax-evaders. Industry wh Industrial sector which contributes 23% GDP has 34% tax contribution. Trader such has wholeseller and retailer sector which constitutes 18.1 percent GDP of Pakistan's economy contributes 2 percent direct-tax. Same goes for agriculture sector of Pakistan which is exempted from tax despite it consists of 20 percent of Pakistan GDP. This uneven tax collection based on their sectors contribution to GDP has caused perennial-fiscal budget deficit. When Government of Pakistan ~~take~~ (GDP) takes measure such as Tajir-Dost scheme (Trader-friendly scheme), shutter down protests, rallies spear-headed by opposition

parties comes in reaction. Their argument is why retailers wholesalers are being taxed through Tajir-Dost scheme, while agriculture and Real-estate remains exempted. The argument is true, but that state is unable to tax Agriculture and real-estate, due to their strong nexus with power. This anti-thesis is also identified by Professor Atif Mian a Princeton University economist, the nexus between Power and Plots (real-estate) has seriously effected the economy of Pakistan. But the government has to take start from somewhere, taxing untaxed is complex, ~~but~~ So GOP has to start from somewhere, to cover up, ~~of~~ deficit for FY 2024-25 6 trillion. The deficit has increased from 4 trillion.