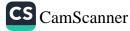
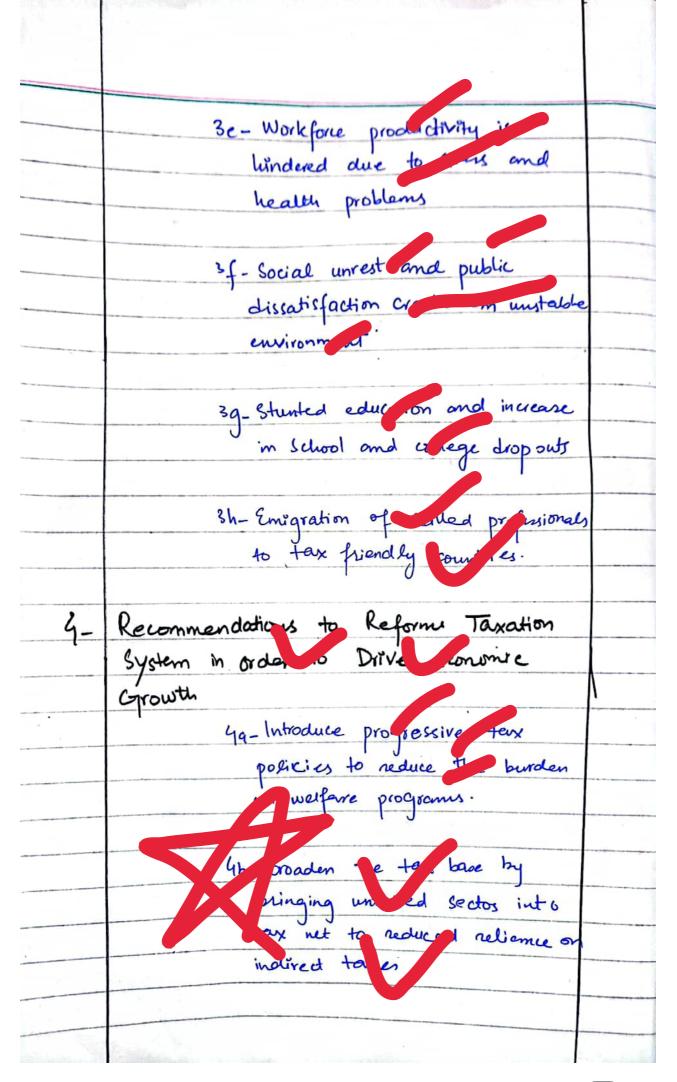
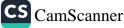
Taxing the Por: A Self-Defeating Approach + Economic Growth Dutline 1-Introd Lct n ation 2-Overview and Jacks nd of Pakistan System Taxing the Poor is a Self-Defeating 3-How e owth to Economic Approach Deepens the 3a-Poverty ere the burds and reliance of welfare programs Good 320 and a cater sai Natural connectivit among physics is fine for goods decrease 30duced Dur ising power rates Surge up occising law wasts enfor agencie







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Essay Taxation has been the major source of public revenue all have over the world. Historically, the po faced the foreful regressive taxes. The taxes sparked wolution up they disproportionately ourdened the port while sparing the weatthy: This led fareled revolutionary movements causing widspread unrest Such French Revention, merican War of Independence, Russian Revolution, etc. In Pakistan the taxation system is complex, infunced by partical notives and poor decision- mering which burdene the lower class of the Society. This lead acounth. There are to che J plethora of factors due to which taxing the poor is a self- feating approach to economic grows the pointy increas the burden on government welfare programs. The ability to swe nowers cousing show investment. Along with this, he demand for goods decreasing with less purchesing Along with clico, the ab in



productivity reduces due to chrese and other mental health is Moreover, the crime rates also surge up causing stren on law enforcement agencies. Apart from this, Social unrest on public dischisfaction leads to politice turmoil. Furthermore, educations stem also suffers due to I sout not the least a Jodds to p ag an of skiller professionals and intellectuals to tax friendly countries. Thus, & Can be said man many the most vulnerable class of the society is a vain approprie to achieve economic growth. Percistant taxation syster has evolved significantly since its independence in 1947. Luitially, the country inherite the tax framework from writish Incl., which included a mix of direct and indirect taxes. Over the years, this system has been m neet the so- whe eusioning a a hais faced challen es



reliance on indirect taxes at the time of independence, the revenue base was brited, with agriculture being the primary economic sector. The government relied heavily on customs duties and excise taxes and main ources of mcome. In 1900s and 100s, eff. its were made introduce con de taxes sut 1970s Saw a Shift towards nationali tion imposing heavy taxes on corporate ector but agriculture remained largely unfaxed Whereas in 1980: and 1990s, VAT laws added tax) was introduced. In the 21st Century, Pakistan relied heavily on indirect to s. This had raised concerns about equity as this is proportionately affect lower-income individual, lindering economic growth. There are multire wave in which taxing the poor is a self defeating approach to economic growth, but the first and the foremost is that the porem mond This accord W to over reliance on y fare programs - To meet the ends, pape selv on givernment led programs as a por of

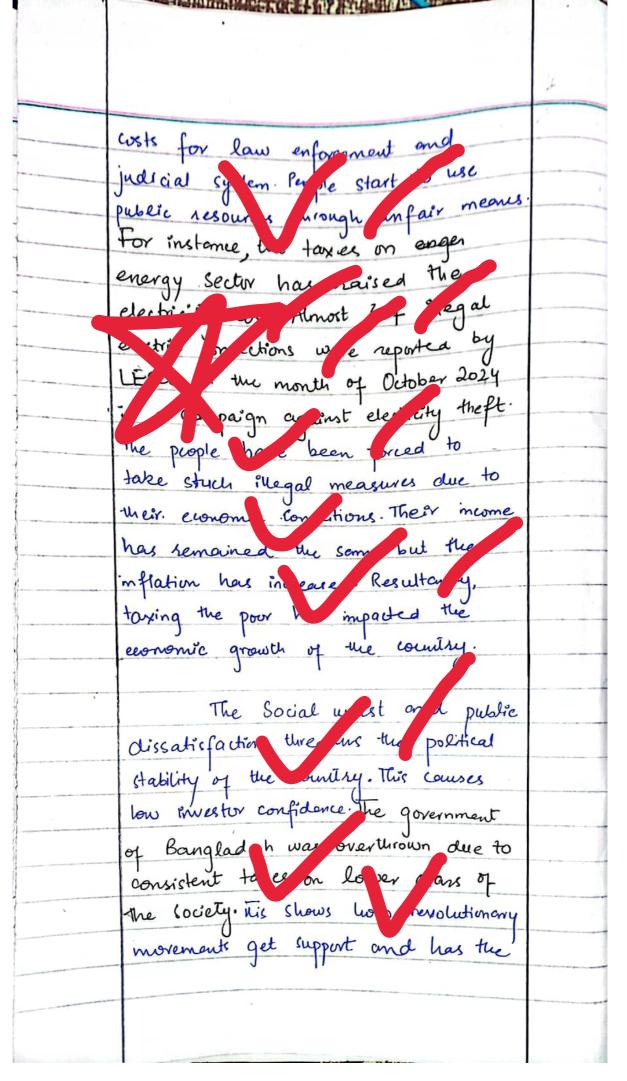


political commitments. For instance, the Benazir Income Support and Ensaas Programs can merely mee the need of people and led to ecomomic growth. Over the past few years, the number of people who segistered for these programs has increas d'élité and investment projects to making the needs of people. Hence, we over-reliance on public scheme creates a burden on economy while form to aller we the poverty at the same time. This slows down the economic growth. The people are unable to save and invest more due to lack of accumulated capital En the government prof on Saving The sarwa Islanic The A want cut do by 1.7/2 report m 2024. De 10 min, people loss interest and do not see any a vantage of saving. I ausaved meter goes



120 wasted. Because of us, people are unable to said their own businesses that can generate revenue. Therefore, taxing the poor can is a mirdle in economic prosperity. When demand for goods decrease with less purchasing power. This automatically lowers the sales and her we generation. According to The News Frenching , Pakiston has imposed additional taxes worth 3.8 billion to get BAF bailout These additional taxes have increase the burden on the our as well their affordibility before these taxes was less but after the the conditions has been worse non that. Hence, the demand falls due to taxing the poor which duces the serve coursing Show economic growth. There is increase in wine rate when people are unable to fulfill their needs, cause raising the







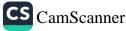
ability to overcome the governments. Due to instability in government, the foreign investors tend to eave the business or refrain from long additional investments. Thus, the social unrest and unhappy population can the over the aceful functioning of the state leading to halt in the expromie growth. There is a loss of shilled labour due conomic problems emong the lower-class caused due to heavy taxes. The financial straints impact the mental well-being of people. I surice cases how notestart a sentence with due to vanked 72th globally with a suicide morality rate of 9.8 per 100,000 according to WHO (world Health Drganization), This Clearly reflects that people hill themselves when they are unable to beau the financial burger and meet their daily needs. Not only this, but down reported a ineident where father killed his daughters and sife due to overty. After that, he committed suicide Hence, The



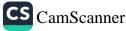
taxes on pour com have everlasting impact on the health of poor his leas to lower workforce quicitivity coursing lower ecomenic growth. The school and orlege of pouts also increase due to tree when lead to rupturacy among the population. Due to this, useful citizens are not being produced. The Bawn News reported 25 milie Children aged 5-16 are out of School. The youth is the most valuable arset for a growing economy treated well. But if that Similar youth grow up atterate, that would be a builden on economy. So the taxes increases the living cost reducing the ability to send hildren to schools. Instead, parents engine them in work at early ages to fafil their needs which causes hindrand a economic growth. The skilled pofessionals and intellectuals emigrate no tax friendly countries causing brain alrain and hampering economic growth. For instance, the Pakeran



has seen increase in the entigration to Gulf countries for per two years the interviewed revealed that the ajor courses of the mansive scale emigration was lack of employment opponenties and heavily taxes in Paleistan. The puter the myself lune resources out of complete Thus, the taxes on lower class has structed the economic growth. There are several ways in which the taxation system can be the usform a m order to drive cononce growth. The of the most significant say is to introduce progressive tax policies to reduce the burden on poors. This would reduce the reliance on public welfare promis, and those funds can be channeled to onstruct rooms, railways, doms, etc. Clu a introduced Depressive taxation system in 2015 in casing trees on the higest earners which reducing rates for the middle- mome groups. The registribution enhances a provable incomes, spurning domestic consumption and exmonic growth.



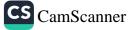
14 Varia: The tax case news to be broaden to strempline indirect taxes and bring the informal economy into the tax net. India follower this practice to generate revenue dwough digitalising the process. This succes the reliance on indirect taxes on generate potential revenue to be used to fund initiatives in infrastructure development. Thus, when the untaxed securs of taxed to creates equity and reduces the by den of sowerincome group leading é economic growth. The tax credits and subsidies need to be provided to the poor citizens. This would give them adjustional money to spend on half education and technology. When they of ple will have extra money, this would maintain stability and create satisfication and ig the population. Due to this, the public confidence in government wou ritract foreig investments leading to econor a growth. Therefore, providing tax creats and subsidies instead of bring them would



Well done good approach promote peaceful leading to economic growth The provestment needs to be encouraged through grant tax-holidays to small scale busines and start-ups Saudi Arabia's Vision 200 Incentives græste benefits the new businesses from corporate taxes exemptions and reduced levies for several years. Such kinds mate of gran the economic growth. The people would be ingaged in twing end niering backed by government encouragement and support. Hence, tax exemption to small business can generate renue through Exports contributing to economic growth. auconon mechan be improved to minimize corruption and generate expected revenue arrually that can be used for the we have Kwanda has emerged as a leader in efficient tay collection though sutomation and digitalisation. By traving e-tax filing



systems and mobile payment option the government can reduce phon and crease can compliance. This modernation of taxation system com booast revenue collection, enabling greater investment in public Sectors like healthcare and education Thus, these Sectors have the ability to produce healthy and reducated workforce that com contribute to conomic propersity of the country. The taxes on the poor has no con the up. It has increased the burden on government led initiatives to alleviate property. The citizes ability to save and in est iso clows down Along with this, the reduced purchasing power drop eonsumption mand leading to less revenue. Furthermore, the lower producivity impacted due to healbu issues causing suicides. Not only this, but crime name of surge up to meet the basic necessaties life. The social



unrest also increases as result this leading to unstable gramment preover, the education system suffer a because of increased school and college dropouts. And most significantly, brain alrain causes the fruitful resource to move out of the com be country. Ho toxes wide g the tax base, supporting The through tax credits and subsidies, granting tax everage to new susinus and improving and slifting to e-taxing systems: Therefore, this will led to equitable taxation system and generate potential revenue that can propel conomic growth. Well done very good efgorst

