



Journal for Social
Science Archives

Journal for Social Science Archives

Online ISSN: 3006-3310

Print ISSN: 3006-3302

Volume 3, Number 2, 2025, Pages 579 – 589

Journal Home Page

<https://jssarchives.com/index.php/Journal/about>



Impact of Tax and Non-Tax Government Revenue on Economic Growth of Pakistan

Aqsa Khan¹, Muhammad Niamat Ullah Babar¹, Ruqia Naaz¹, Muhammad Ehsan Elahi¹, Muhammad Waqar¹,
Bushra Zaman¹, Saima Munir¹ & Shehla Mazhar¹

¹Department of Economics, Institute of Social Sciences, Gomal University, Dera Ismail Khan

ARTICLE INFO

Article History:

Received: April 08, 2025
Revised: May 15, 2025
Accepted: May 22, 2025
Available Online: May 25, 2025

Keywords:

Economic Growth, Government Revenue, Tax Revenue, Non-Tax Revenue, Fiscal Policy, ARDL Model

Corresponding Author:

Aqsa Khan

Email:

aqsakhn91@gmail.com

ABSTRACT

With an emphasis on both tax and non-tax revenue streams over the previous 20 years, this study examines the relationship between government revenue and Pakistan's economic growth. The study investigates the dynamic relationship between revenue generation and real GDP growth using time-series econometric approaches like Granger causality analysis and the Autoregressive Distributed Lag (ARDL) model. According to the results, government revenue—of which tax revenue is more significant than non-tax revenue—has a long-term favorable impact on economic growth. Short-term swings and inefficiencies in revenue collection, however, continue to be problems. In order to maintain growth, the report also emphasizes the significance of tax changes, fiscal restraint, and tax base expansion. For policymakers looking to create revenue plans that promote macroeconomic stability and long-term growth in Pakistan, these findings provide insightful information.



Introduction

Revenue has been playing a prominent role in accelerating the economic growth and development in Pakistan. It has far-reaching effects and a long-lasting impact on economic growth of Pakistan. It also serves as a key contributing factor in the accomplishment of set objectives through the process of planning, monitoring and evaluation in an integrated manner supported by elements of cohesion. A nation's economic trajectory is mostly determined by its revenue generating. Effective revenue mobilization is crucial for developing nations like Pakistan to maintain macroeconomic stability and sustained growth in addition to funding infrastructure and public services. The foundation of government spending is revenue, mostly from taxes and non-tax sources, which

permits expenditures in areas vital to long-term growth, such as transportation, education, and health.

Economists and politicians in Pakistan have been debating the connection between government revenue and economic growth for a long time. Although significant revenue collection is required to finance development initiatives and lessen dependency on foreign borrowing, the nation's capacity to raise enough money has sometimes been hampered by ineffective tax administration, low tax-to-GDP ratios, and a limited tax base. Important considerations concerning the degree to which revenue influences economic growth in the Pakistani setting are brought up by these structural issues. One of the most important aspects of a country's fiscal strategy and the foundation of economic growth is revenue generating. The effective mobilization and use of public money is crucial for promoting economic growth, lowering poverty, and guaranteeing the supply of basic public goods and services in emerging nations like Pakistan. The money needed to carry out development projects, uphold law and order, enhance human capital through investments in health and education, and construct infrastructure is provided by government revenue, which is primarily obtained from tax and non-tax sources. These activities are all important contributors to economic growth.

Over the years, Pakistan has experienced ongoing budgetary difficulties, such as budget deficits, low tax compliance, a small tax base, and a significant reliance on indirect taxes. The government's ability to fund development without borrowing from outside sources is constrained by the nation's tax-to-GDP ratio, which is still far lower than that of many other emerging countries. By causing weaknesses in the fiscal framework, this over-reliance on foreign loans has not only raised the debt load but also threatened the sustainability of growth. It is even more important to look into the connection between revenue collection and economic growth in this light.

Policymakers in Pakistan can create more successful fiscal policies by having a better understanding of how revenue affects economic growth. Improving tax administration, expanding the tax base, and minimizing public finance leaks would all be justified if revenue and economic growth were positively connected. On the other hand, if high taxes discourage investment and productivity, it could be necessary to reassess the current revenue tactics in order to guarantee a fiscal environment that is conducive to growth.

The purpose of this research is to investigate the relationship between revenue and economic growth in Pakistan, looking at both the short- and long-term dynamics of the relationship. The study aims to shed light on how enhancements to tax collection methods can support long-term economic growth and fiscal stability by examining empirical data and economic indicators.

Background of the Study

Government revenue, also known as public revenue or national revenue, is the income generated from various resources that the government utilizes for the execution of its obligations. Government revenue generation involves collecting funds to finance public services and development through various sources, including taxes (direct and indirect taxes), natural resources (oil, gas, minerals), non-tax revenue, borrowing through bonds and loans, and foreign aid or grants.

The money the government receives from taxing citizens is known as tax revenue. The government levies taxes on payroll, commodities, services, profits, and income, among other things. Direct taxes and indirect taxes are the two main categories into which Pakistan's tax system is divided. Taxpayers directly to the taxing authority pay income tax, property tax, capital gains tax,

entitlement tax, transfer tax, and other taxes, which is the source of direct tax revenue. On the other hand, indirect taxes are mostly derived from goods and services taxes that are paid by taxpayers via middlemen. These kinds of taxes are passed from one taxpayer to the next. Unlike direct taxes, indirect taxes are frequently levied uniformly on all taxpayers, irrespective of their income. The majority of Pakistan's government revenue comes from indirect taxes. Indirect taxes include sales tax, VAT tax, excise duty, custom duty etc.

Non-Tax Revenue is the recurring income that is earned from sources other than taxes by the government including earnings from state investments, fines, penalties, license fee, forfeitures, service charges etc.

Government revenue is critical for the economic stability of Pakistan as it is the primary source of funding for government programs, public services, and national dept. Government revenue as well as government spending are components of the government budget and important tools of the government's fiscal policy. Yet Pakistan still struggles with problems like low tax to GDP ratio (8.5% in 2023, FBR) which is far below the developing-country's (15-20%) average. Tax to GDP ratio is the best and comprehensive indicator to check the tax revenue status of any country. Pakistan also struggles with inefficient non-tax revenue streams (e.g., loss-making SOEs like PIA, Steel Mills drain 1.2% of GDP in 2023, SBP). Pakistan has a Narrow Tax Base as there are only 3 million taxpayers in a population of 240 million (FBR, 2023). This study aims to analyze the structure of government revenue (tax and non-tax), government expenditure (planned and unplanned for development), and GDP growth; addressing any gaps in existing literature.

Significance of the Study

The research explains the growth in national income affected by reducing or increasing the tax and non-tax revenue. It would help policymakers understand the revenue gaps and inefficiencies in tax and non-tax revenue streams. It would also provide guidelines to policymakers to reform the tax system of Pakistan. It will contribute to the academic literature on Pakistan's fiscal challenges and sustainable growth.

Objectives of the study

Objective of the research will be as follows.

- Impact assessment of Total Revenue on Economic Growth of Pakistan.
- Impact assessment of Tax Revenue on Economic Growth of Pakistan.
- Impact assessment of Non-Tax Revenue on Economic Growth of Pakistan.

Research Hypothesis

Research Hypothesis will be as follows:

Null Hypothesis:

- HO1: No impact of Total Revenue on Economic Growth of Pakistan.
- HO2: No impact of Tax Revenue on Economic Growth of Pakistan.
- HO3: No impact of Non-Tax Revenue on Economic Growth of Pakistan.

Alternate hypothesis:

- H11: Impact of Total Revenue on Economic Growth of Pakistan.
- H12: Impact of Tax Revenue on Economic Growth of Pakistan.
- H13: Impact of Non-Tax Revenue on Economic Growth of Pakistan.

Review Literature

Review of Literature is a comprehensive summary of recent past literature related to the study across the country and around the world. Hence econometric analysis of such impact assessment study towards resultant outcome is considered the most appropriate tool of evaluating the performance of revenue on economic growth of Pakistan.

This section examines and presents past literature split into theoretical, empirical and Pakistani literature in chronological order related to the impact of government revenue on economic growth of Pakistan. The review is examined as an indicator to identify and analyse the problems identified in research gap to meet the well-set objective. Understanding the work that has already been launched, both domestically and abroad, is the primary goal of the literature study.

Economic literature has examined the connection between government revenue and economic growth in great detail. An analysis of the relationships between periods by past scholars has been attempted, but more investigation that is thorough could be required because of the possible impact of current laws and events on the results. Keynes (1936), according to the Keynesian theory, explained that government revenue and expenditure play a pivotal role in stimulating economic growth, especially in developing economies. Keynes argued that government revenue, when effectively utilized for public spending, can stimulate aggregate demand. Increased demand will lead to higher production, job creation, and overall economic growth.

Iqbal (2025) examined studies conducted by the World Bank and OCED that consistently demonstrated that, in comparison to other government spending, public investments in digital access and infrastructure provide up to 2.5 times greater economic output per dollar spent.

According to Sattar (2024), if 3.5 million ultra-rich people are brought into the tax system, Pakistan's tax-to-GDP ratio may increase to 20% of GDP.

Shafiq et al. (2022) examined time series data from 1985–2021 to analyze the effects of tax revenue and other fiscal policy variables on Pakistan's GDP. The authors discovered that, both in the short and long term, Pakistan's economic growth is significantly impacted by government spending and gross fixed capital creation, while it is significantly impacted negatively by tax collection and inflation. The Pakistani government must closely monitor its tax rates because when they are raised, people become less inclined to work, which can result in a decline in total output. The government should make sure tax rates are appropriate in order to raise the money required to pay for government expenditures that promote economic expansion.

IMF (2021) conducted a cross-country analysis in which data of 75 developing nations was analysed in which it found that a 1% increase in tax revenue correlates with a 0.3% rise in GDP growth, emphasizing the importance of efficient tax systems.

Berembo and Igonikon (2020) looked into the connection between economic growth and government revenue between 2000 and 2017. One of its specific goals was to determine the

correlation between Nigeria's GDP and the federal government's independent revenue (INR). In their research, the authors discovered a positive and significant correlation between GDP and the federal government's independent revenue. It suggests that when government funds are used effectively to build industries and infrastructure, jobs will be created and citizens' incomes will rise, resulting in economic growth and more opportunities for national development.

Ahmad et al. (2018) investigated the impact of indirect taxes on Pakistan's economic growth from 1974 to 2010. Although the effect would be minimal in the short term, indirect taxes were found to have a significant and negative long-term influence on economic growth; a 1% increase in indirect taxes would lead to a 1.68% reduction in economic growth.

Ali et al. (2018) looked at Kenya's economic growth and tax income from 1980 to 2007 and discovered that while grants (foreign aid) have a negative influence on GDP, domestic tax revenue significantly boosts economic growth. Furthermore, as domestic revenue is more significant than grants, grants cannot be used in place of domestic revenue generating. Chan et al. (2017) experimentally showed in their study that efficient government spending and transparent tax administrations increase economic growth.

Iqbal et al. (2015) examined the relationship between various taxes and Pakistan's GDP, finding an overall positive impact except for the Workers Welfare Tax (WWT), which negatively affects labour productivity. Sales Tax (ST) and Excise Duties (ED) show the strongest influence on GDP growth due to high consumption and low tax evasion. Custom Duties (CD) also contribute to GDP but require a steeper increase to generate substantial revenue. However, Income Tax revenues remain low, largely due to tax evasion and widespread bribery in industries, undermining tax mitigation efforts. The study attributes Pakistan's slow economic growth to weak tax collection, debt build-up, and budget deficits. Despite tax hikes in FY 2014, revenue targets were missed, highlighting the need to strengthen direct taxes like income, wealth, and inheritance taxes.

Using panel data from 1977 to 2006, Ergete and Dahlby (2012) investigated how tax rates levied by Canadian provinces affected economic development. According to the report, private sector investment and economic growth are adversely impacted by increased corporation tax rates. When all other parameters are held equal, the authors discovered that a 1% decrease in the corporate tax boosts annual economic growth by roughly 0.2%. The authors also discovered that changes to Canada's retail sales tax policy have a beneficial impact on investment and economic growth.

Romer (1994) analysed that economic growth may be affected by taxation in the long run. Particularly his contributions to endogenous growth theory suggests that taxation can influence long-term economic growth by affecting incentives for innovation and investment.

Musgrave (1959) emphasized that an optimal tax structure is essential for sustainable development, suggesting that both tax and non-tax revenues contribute differently to growth trajectories.

The Solow and Swan model (1956) analysed that the effect of taxation on economic growth is neutral in the long-term. This neutrality arises because taxation affects savings and investment decisions in the short term, but as the economy adjusts, capital accumulation stabilizes, and growth continues at a steady rate driven by technological advancements. The model assumes that economies converge to a steady-state growth path, where taxation does not permanently alter the long-term growth rate.

Material and Methods

Methodology

Time series data of Pakistan has been used from 1994-95 to 2020-21 for about a time period of 27 years. Data has been collected from Economic Survey of Pakistan. Computer program EViews has been used for model estimation and diagnostics test. To capture the impact of Total Revenue, Tax Revenue and Non-Tax Revenue on GDP of Pakistan, the study uses GDP Growth Rate as dependent variable whereas Total Revenue as percentage of GDP, Tax Revenue as percentage of GDP, Non-Tax Revenue as percentage of GDP is used as independent variables respectively.

Modeling/ Factor Analysis/ Input-Output Analysis/ Profitability Analysis

To determine the relationship between the Total Revenue, Tax Revenue and Non-Tax Revenue with GDP growth of Pakistan, there was a need to apply reasonable model for empirical analysis. The study has employed:

Ordinary Least Squares (OLS) regression and Auto-Regressive Distributed Lags (ARDL) Model to analyse the impact of Total Revenue (TR_t), Tax Revenue (TXR_t), and Non-Tax Revenue (NTR_t) on GDP growth.

Unit Root Tests (ADF Test) were conducted to determine stationarity before applying econometric models.

The Error Correction Mechanism (ECM) was used to estimate short-run adjustments and long-run equilibrium relationships among variables.

Model Estimation

The following is a symbolic representation of the econometric equation used to evaluate the effects of Total Revenue (TR_t), Tax Revenue (TXR_t), and Non-Tax Revenue (NTR_t) of Fiscal Policy Dynamics on Pakistan's Economic Growth:

$$GDP_t = \alpha_0 + \alpha_1 TR_t + \alpha_2 TXR_t + \alpha_3 NTR_t + e_t \text{ -----i}$$

Where,

GDP_t = GDP Growth Rate of Pakistan in year t.

α_0 = Constant Coefficient.

α_1 , α_2 and α_3 = Slopes Coefficient

TR_t = Total Revenue (% of GDP) in year t.

TXR_t = Tax Revenue (% of GDP) in year t.

NTR_t = Non-Tax Revenue (% of GDP) in year t.

e_t = Stochastic term in year t.

Log-Linear Model is specified when the logarithm (Log) of the dependent variable is modelled using a linear combination of independent variables as;

$$\text{Log}GDP_t = \alpha_0 + \alpha_1 TR_t + \alpha_2 TXR_t + \alpha_3 NTR_t + e_t \text{ -----ii}$$

Results and Discussions

Impact assessment of Total Revenue (TR_t), Tax Revenue (TXR_t) and Non-Tax Revenue (NTR_t) of Fiscal Policy Dynamics on Economic Growth of Pakistan over period of time 1994-95 to 2020-21.

Unit Root Tests for Tested Variables:

The Unit Roots of the tested variables ($LGDP_t$, TR_t , TXR_t , and NTR_t) were evaluated using the Augmented Dickey-Fuller (ADF) Test, which verified the integration order of stationary at the $I(0)$ level for the variables ($LGDP_t$ and NTR_t), at the $I(1)$ level for the variable (TR_t), and at the $I(2)$ level for the variable (TXR_t), as shown in Table 1.

Table-1: Unit Root Test for Tested Variables ($LGDP_t$, TR_t , TXR_t , NTR_t)

Variables	ADF (Levels)		ADF in 1 st /2 nd Differences		Integration order through differencing approach $I()$
	Intercept	Intercept & Trend	Intercept	Intercept & Trend	
$LGDP_t$	-3.59	-3.52	-5.11	-4.99	$I(0)$
TR_t	-2.50	-3.34	-6.25	-6.31	$I(1)$
TXR_t	-0.01	-1.28	-6.50	-6.64	$I(2)$
NTR_t	-3.17	-3.11	-6.54	-4.94	$I(0)$

Note: All tested variable estimated in log linear form;

Critical values at 95 percent = -2.96 (without constant and without trend); and

Critical values at 95 percent = -3.57 (with constant and trend)

Ordinary Least Square (OLS)

Table-2: Ordinary Least Square (OLS) for ($LGDP_t$, TR_t , TXR_t , NTR_t)

Dependent Variable: GDP				
Method: Least Squares				
Sample: 1994 2020				
Included observations: 27				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
TR	0.686157	0.505573	1.357186	0.1879
TXR	-0.327946	0.342084	-0.958672	0.3477
NTR	-0.348474	0.656790	-0.530572	0.6008
C	-0.856106	4.357119	-0.196484	0.8460
R-squared	0.077119	Durbin-Watson stat		1.277382
Adjusted R-squared	-0.043257	S.D. dependent var		2.100760
F-statistic	0.640649			
Prob(F-statistic)	0.596614			

Table 2 showed a negligible effect of total revenue, tax revenue, and non-tax revenue on Pakistan's GDP growth rate from 1994–1995 to 2020–2021. According to Table 1, the independent variables TR_t , TXR_t , and NTR_t are predicting a 7% variation in the dependent variable, $LGDP_t$, with an R^2

value of 0.07 (7%) as shown. The calculated F value is 0.59 ($P < 0.010$), which indicates the model's overall unfitness and total combined effects.

Autoregressive Distributed Lags Model

Table-3: Autoregressive Distributed Lags Model for Tested Variables (LGDP_t, TR_t, TXR_t, NTR_t)

Dependent Variable: GDP				
Method: ARDL				
Sample (adjusted): 1996 2020				
Included observations: 25 after adjustments				
Maximum dependent lags: 1 (Automatic selection)				
Model selection method: Akaike info criterion (AIC)				
Dynamic regressors (3 lags, automatic): TR TXR NTR				
Fixed regressors: C				
Number of models evaluated: 64				
Selected Model: ARDL(1, 2, 0, 0)				
Note: final equation sample is larger than selection sample				
Variable	Coefficient	Std. Error	t-Statistic	Prob.*
GDP(-1)	0.437500	0.232511	1.881628	0.0762
TR	0.682591	0.804488	0.848479	0.4073
TR(-1)	0.567362	0.565747	1.002854	0.3292
TR(-2)	-0.855696	0.481909	-1.775640	0.0927
TXR	-0.327088	0.423948	-0.771529	0.4504
NTR	-0.670146	0.782889	-0.855991	0.4033
C	2.611761	6.199124	0.421311	0.6785
R-squared	0.327151	Durbin-Watson stat		1.641097
Adjusted R-squared	0.102868			
F-statistic	1.458654			
Prob(F-statistic)	0.247624			

*Significant at 1%

***Significant at 10%

The Auto-Regressive Distribute Lags Model (ARDL) was applied using the lags of both dependent and independent variables as regressors, as shown in Table 3. Since Table 1 contains both the order of integration at level $I(0)$ and the first difference $I(1)$ conditions, the results of the ARDL approach showed that the ARDL values of total revenue had a negative and significant impact on Pakistan's GDP growth rate. As a result, ARDL looked at co-integrating relationships between the variables that were tested in the model. According to Table 3, the independent variables TR_t, TXR_t, and NTR_t are predicting a 33% variation in the dependent variable, LGDP_t, with an R² value of 0.33 (33%) as shown. The model's total combined effects and overall unfitness are revealed by the calculated F value of 1.45 ($P < 0.05$).

Error Correction Mechanism

Table-5: Error Correction Mechanism for estimating short run relationships and long run adjustment among tested variables (LGDP_t, TR_t, TXR_t, NTR_t)

Dependent Variable: D(GDP)				
Method: Least Squares				
Sample (adjusted): 1995 2020				
Included observations: 26 after adjustments				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.028683	0.407680	-0.070357	0.9446
D(TR)	1.201538	0.640429	1.876147	0.0746
D(TXR)	-0.586538	0.353577	-1.658867	0.1120
D(NTR)	-1.391983	0.722315	-1.927113	0.0676
ECT(-1)	-0.516957	0.221132	-2.337774	0.0294*
R-squared	0.486452	Durbin-Watson stat		1.866146
Adjusted R-squared	0.388634			
F-statistic	4.973001			
Prob(F-statistic)	0.005584			

*Significant at 1%

Cointegration and a long-term relationship are indicated by the fact that all tested variables are stationary at I(1) and the error term at I(0). According to Table 5, the short-term relationships between the tested variables (TR_t, TXR_t, and NTR_t) and the co-integrating equation value are negative (-0.52) and significant (P<0.05). The adjustment speed is 52% per unit time, suggesting that short-term dynamics are convergent to long-term equilibrium. The 52 percent of the mistake will be fixed in the upcoming period when the long-term relationship converges, as indicated by the error correction term of -0.52. Additionally, DW (1.87), which indicates that there is no autocorrelation in the model, falls within the acceptable range of 1.5 to 2.5.

Summary of Research Findings

This study investigates the Impact assessment of Total Revenue (TR_t), Tax Revenue (TXR_t) and Non-Tax Revenue (NTR_t) of Fiscal Policy Dynamics on Economic Growth of Pakistan over period of 1994-95 to 2020-21. The econometric analysis was carried out using multiple models including Ordinary Least Square (OLS), Autoregressive Distributed Lag Model (ARDL) and Error Correction Mechanism (ECM). OLS Model showed that Total Revenue has a positive and insignificant impact on GDP whereas Tax Revenue and Non-Tax revenue has a negative and insignificant effect on GDP growth of Pakistan suggesting inefficiencies in revenue utilization. R² value is 0.07 which indicated independent variables are predicting 7% variation in dependent variable as LGDP_t. ARDL Model indicated Total Revenue had a negative and significant lagged effect on GDP (TR(-2): coefficient = -0.86, p< 0.10). R² was 33%, and the overall model fit remained poor. Error Correction Model revealed a significant short-run adjustment, where 52% of disequilibrium in economic growth is corrected each period toward long-run equilibrium.

Conclusion and Recommendations

Conclusions

"The study arrived at the conclusion that evidence supported the adjustment of short run dynamics towards long run equilibrium in respect of tax and non-tax government revenue in relation with economic growth of Pakistan".

Policy Recommendations and Policy Implications

A physical plan needs an effective financial plan which greatly relies on strong fiscal measures. The low level of total tax revenues and GDP growth rate of Pakistan need some serious fiscal reforms. Based on this study, following are some Policy Recommendations and Policy Implications:

1. To reform tax collection, the tax net should be expanded by utilizing data analytics to identify non-filers through property records and luxury spending patterns. Additionally, sector-specific tax breaks, particularly those benefiting elite-dominated industries, should be phased out to create a fairer tax system. Reduce tax evasion, simplify tax structures and shift from regressive taxation towards direct progressive taxation to improve compliance and economic equity.
2. Non-tax revenue (NTR) also appears to have a weak influence on GDP growth. Expanding revenue sources through public-private partnerships, asset leasing, and improved management of government resources could be beneficial.
3. Investment in growth-driving sectors redirecting fiscal resources to productive sectors, such as technology, industry, and exports, could enhance long-term revenue generation. Prioritize infrastructure, education, health and innovation which indirectly boosts GDP through improved human capital and productivity.
4. Enhancing transparency in the revenue system can be achieved by implementing public revenue dashboards, such as the Pakistan Citizen's Portal, to enable real-time tracking of tax and non-tax revenue usage. Additionally, whistleblower protections should be introduced to incentivize the reporting of tax evasion and corruption.

References

1. Ahmad, S., Sial, M. H., & Ahmad, N. (2018, June 29). INDIRECT TAXES AND ECONOMIC GROWTH: An Empirical analysis of Pakistan. *Pakistan Journal of Applied Economics*, 28(1), 65-81. <https://journals.aerc.edu.pk/index.php/pjae/article/view/141>
2. Ali, A. A., Ali, A. Y. S., & Dalmar, M. S. (2018). The impact of tax revenues on economic growth: A time series evidence from Kenya. *Academic Research International*, 9(3), 163-170.
https://www.researchgate.net/publication/329864595_THE_IMPACT_OF_TAX_REVENUES_ON_ECONOMIC_GROWTH_A_TIME_SERIES_EVIDENCE_FROM_KENYA
3. Ahmad, S., Sial, M. H., & Ahmad, N. (2018). Indirect taxes and economic growth: An empirical analysis of Pakistan. *Pakistan Journal of Applied Economics*, 28(1), 65-81. <https://journals.aerc.edu.pk/index.php/pjae/article/view/141>
4. Berembo, P. A., & Igonikon, D. T. P. (2020). An empirical analysis of government revenue and economic growth in Nigeria: implications for leaders. *International Journal of Institutional Leadership, Policy and Management*, 2(1), 36-53. [http://www.ijilpm.com.ng/assets/vol.%2C-2\(1\)%2C--berembo---igbonikon.pdf](http://www.ijilpm.com.ng/assets/vol.%2C-2(1)%2C--berembo---igbonikon.pdf)

5. Chan, S., Ramly, Z., & Karim, M. Z. A. (2017). Government spending efficiency on Economic growth: Roles of Value-added tax. *Global Economic Review*, 46(2), 162–188. <https://doi.org/10.1080/1226508x.2017.1292857>
6. Federal Board of Revenue. (2023). *Pakistan Tax Yearbook*. [https://download1.fbr.gov.pk/Docs/202467146210695FBRYearbook2022-23\(Finalupdated\)05-06-2024new.pdf](https://download1.fbr.gov.pk/Docs/202467146210695FBRYearbook2022-23(Finalupdated)05-06-2024new.pdf)
7. Ferede, E., & Dahlby, B. (2012). The impact of tax cuts on economic growth: Evidence from the Canadian provinces. *National Tax Journal*, 65(3), 563–594. <https://doi.org/10.17310/ntj.2012.3.03>
8. Iqbal, N. (2025, April 5). A budget for growth. *The News International*. Retrieved from <https://www.thenews.com.pk/print/1297988-a-budget-for-growth>
9. Iqbal, N., Azam, M. F., & Shinwari, S. (2015). Empirical analysis of tax revenues and its impact on economic growth of Pakistan. *Journal of Economics and Sustainable Development*, 6(1), 111–117. <https://www.iiste.org>
10. Keynes, J. M. (1937). The General Theory of employment. *The Quarterly Journal of Economics*, 51(2), 209. <https://doi.org/10.2307/1882087>
11. Musgrave, R. A. (1959). *The theory of public finance: A study in public economy*. McGraw-Hill.
12. Romer, P. M. (1994). The Origins of Endogenous Growth. *The Journal of Economic Perspectives*, 8(1), 3–22. <https://doi.org/10.1257/jep.8.1.3>
13. State Bank of Pakistan. (2023). *Annual Report on Pakistan's Economy*. <https://www.sbp.org.pk/reports/annual/aarFY23/Annual-index-eng-23.htm>
14. Swan, T.W. (1956), ECONOMIC GROWTH and CAPITAL ACCUMULATION. *Economic Record*, 32: 334-361. <https://doi.org/10.1111/j.1475-4932.1956.tb00434.x>
15. Sattar, A. (2024, July 2). Taxation in Pakistan: taxing the untaxed elites. *Business Recorder*. <https://www.brecorder.com/news/40310764/taxation-in-pakistan-taxing-the-untaxed-elites>
16. Shafiq, M. N., Bhatti, M. A., Bashir, F., & Nawaz, M. A. (2022). Impact of Taxation on Economic Growth: Empirical Evidence from Pakistan. *Journal of Business and Social Review in Emerging Economies*, 8(2), 381-392. https://www.researchgate.net/publication/362327128_Impact_of_Taxation_on_Economic_Growth_Empirical_Evidence_from_Pakistan