



PAKISTANI PERCEPTIONS ON TAXATION SYSTEM

FINDINGS FROM NATIONAL SURVEYS

Submitted by



May 19th, 2011

Disclaimer: Gallup Pakistan is not related to Gallup Inc. headquartered in Washington D.C. USA. We require that our surveys be credited fully as Gallup Pakistan (not Gallup or Gallup Poll). We disclaim any responsibility for surveys pertaining to Pakistani public opinion except those carried out by Gallup Pakistan, the Pakistani affiliate of Gallup International Association. For details on Gallup International Association see website: www.gallup-international.com



Table of Contents

	Page #
INTRODUCTION	3
SECTION 1: VIEWS ON TAXES: IS IT FAIR OR UNFAIR?	4
SECTION 2: WHO BENEFITS FROM THE TAXES?	8
SECTION 3: VIEWS ON REFORMED GENERAL SALES TAX (R.G.S.T)	11
SECTION 4: METHODOLOGY	16



INTRODUCTION:

Pakistan is the sixth largest country of the world with a population of approximately 174 million.⁽¹⁾ Despite its large human resource, Pakistan is an under developed country with GDP per capita of \$26,00 which is on the rank 171 in the whole world.^{**}⁽¹⁾ Unemployment is widespread (*15% approximately*). According to 2006 estimates, 24% of the population was living below the poverty line.⁽¹⁾ A large proportion of the population is illiterate. The literacy level in age 15 and above is 50%. This is 63% for males and 36% for the female population. (*2005 estimate*)⁽¹⁾ Majority of the population lives in rural areas (64%)⁽¹⁾

Collection of taxes is an important aspect of Government policies on Economy. This Report is based on some of the surveys carried out by Gallup Pakistan over the last three decades. They represent the views of a common man about the tax system in the country.

These are opinion of Pakistani Public and do not necessarily reflect the views of our institution

** GDP per capita (PPP)

1. Country Profile, The World Fact book, Central Intelligence Agency

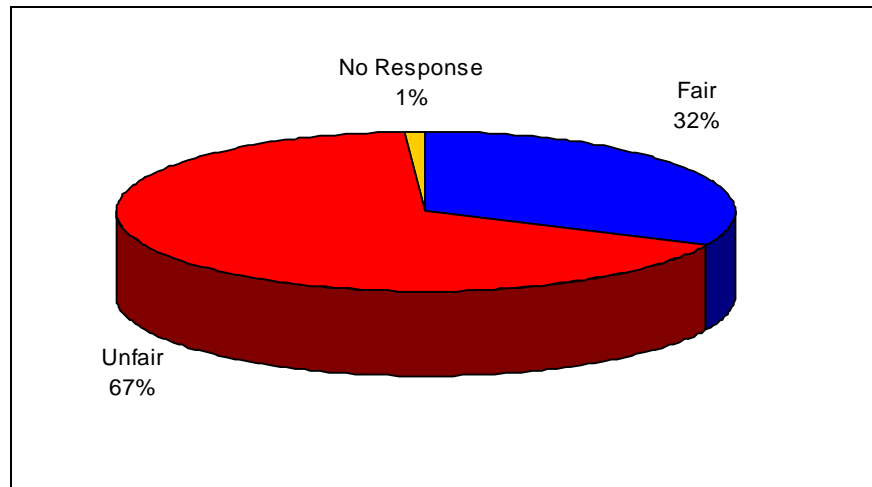


SECTION 1:
VIEWS ON TAXES: IS IT FAIR OR UNFAIR?



IS IT FAIR OR UNFAIR TO IMPOSE TAX?

Question: Some people think that the taxes that the Government collects from us are fair. Others consider them to be unfair. What do you think?



Source: Gallup & Gilani / National Surveys, 2010

COMPARATIVE DATA

	2002	2003	2005	2006	2007	2009	2010
Fair	45%	42%	64%	37%	38%	27%	32%
Unfair	54%	56%	34%	63%	60%	72%	67%
Don't Know/ No Response	1%	2%	2%	-	2%	1%	1%

Source: Gallup & Gilani / National Surveys, 2002, 2003, 2005, 2006, 2007, 2009 and 2010

Today fewer people consider the Taxes to be fair as compared to a few years ago

Note: Caution should be taken while interpreting comparative data. Please read the note on Comparative Data in Methodology



IS IT FAIR OR UNFAIR TO IMPOSE TAX?

Question: Some people think that the taxes that the Government collects from us are fair. Others consider them to be unfair. What do you think?

SEGMENT ANALYSIS

Rural / Urban Breakdown

	Fair	Unfair	Don't Know/ No Response
Rural	35%	65%	-
Urban	27%	71%	2%

Source: Gallup & Gilani / National Surveys, 2010

Province-wise Distribution

	Fair	Unfair	Don't Know/ No Response
Punjab	33%	66%	1%
Sindh	30%	70%	-
NWFP	31%	69%	-
Balochistan	49%	50%	1%

Source: Gallup & Gilani / National Surveys, 2010

Socio-Economic Distribution

Monthly Household Income	Fair	Unfair	Don't Know/ No Response
Upto 7000 Rs.	35%	64%	1%
7,001-15,000 Rs.	24%	75%	1%
15,001-30,000 Rs.	27%	72%	1%
More than 30,000 Rs.	25%	74%	1%

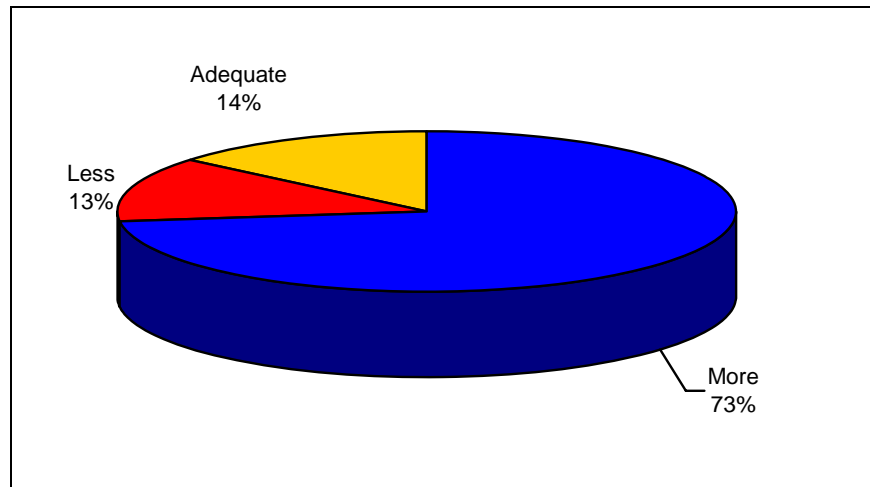
Source: Gallup & Gilani / National Surveys, 2010

Note: Due to smaller sample size in some of the segments; the findings are subject to greater sample error.



IS TAX AMOUNT ADEQUATE?

Question: Do you think the number of taxes in our country adequate, more or less than required?



Source: Gallup & Gilani / National Surveys, 2010

COMPARATIVE DATA

	2002	2003	2005	2006	2007	2009	2010
More than required	56%	63%	61%	66%	59%	59%	73%
Less than required	5%	3%	6%	-	15%	15%	13%
Adequate	38%	32%	32%	30%	25%	25%	14%
Don't Know/ No Response	1%	2%	1%	4%	1%	1%	-

Source: Gallup & Gilani / National Surveys, 2002, 2003, 2005 2006, 2007, 2009 and 2010

Majority of the people consider the amount of the Tax to be more than what is desired. The trend has remained the same over last few years

Note: Caution should be taken while interpreting comparative data. Please read the note on Comparative Data in Methodology

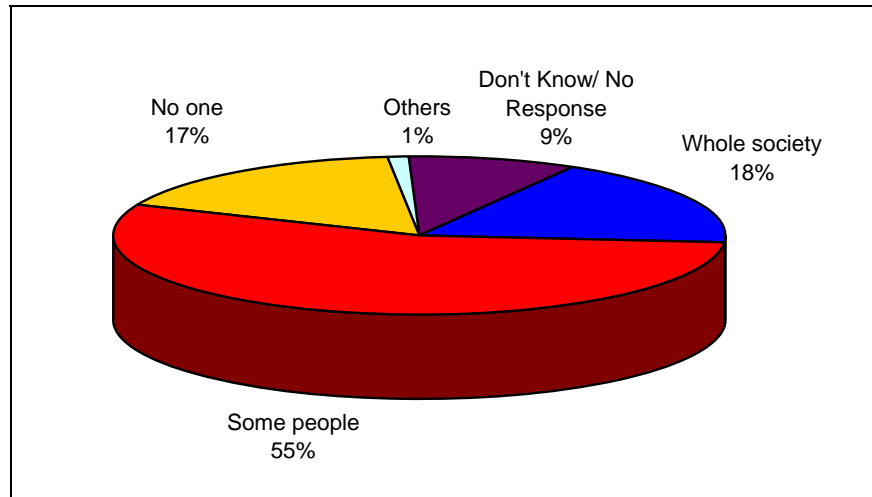


SECTION 2:
WHO BENEFITS FROM THE TAXES?



WHO IS THE BENEFICIARY OF TAX REVENUE?

Question: Whenever Government imposes a new tax then who benefits from the money obtained from this tax?



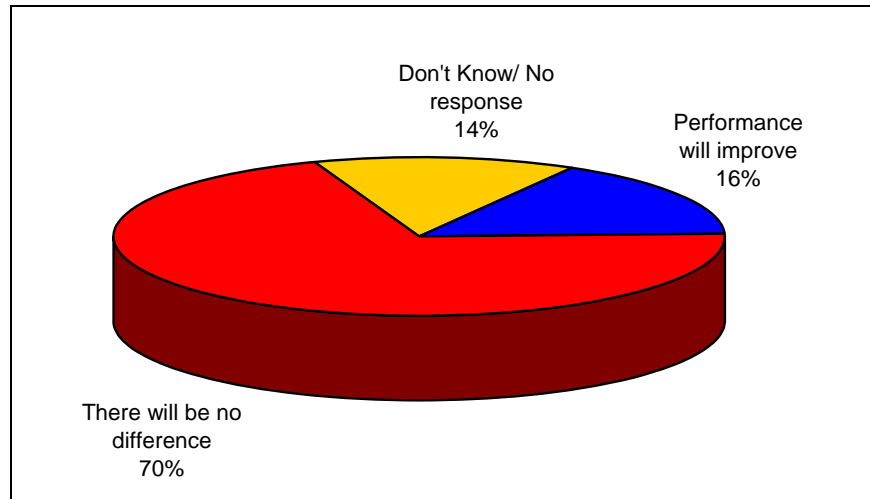
Source: Gallup & Gilani / National Surveys, 2004

Majority believed that the taxes are beneficial for only a small section of society



CAN TAX REVENUE IMPROVE GOVERNMENT'S PERFORMANCE?

Question: In your opinion, if the Government gets more Tax Revenue, will it improve Government's performance and administration or the performance will remain the same despite more revenue?



Source: Gallup & Gilani / National Surveys, 2011

Only 16% say that generating more tax can improve Government's performance



SECTION 3:
VIEWS ON R.G.S.T



VIEWS ON REFORMED GENERAL SALES TAX (R.G.S.T)

Are People aware of it?

Question: Recently Government has imposed a new Tax called R.G.S.T. Have you heard or read something about it?

	Yes	No
Heard about it	59%	41%
Read about it	34%	66%

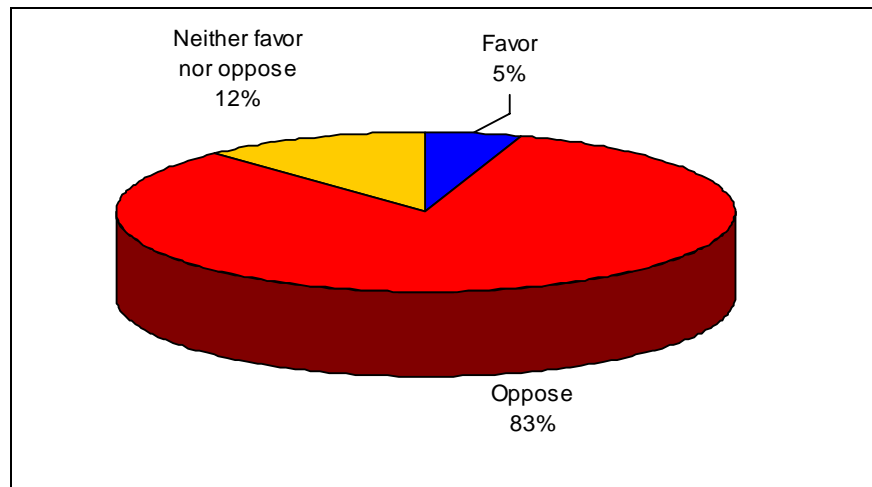
Source: Gallup & Gilani / National Surveys, 2010



VIEWS ON REFORMED GENERAL SALES TAX (R.G.S.T)

Do people favor or oppose it?

Question: Do you favor or oppose R.G.S.T (tax)?*



Source: Gallup & Gilani / National Surveys, 2010

Majority oppose new Tax

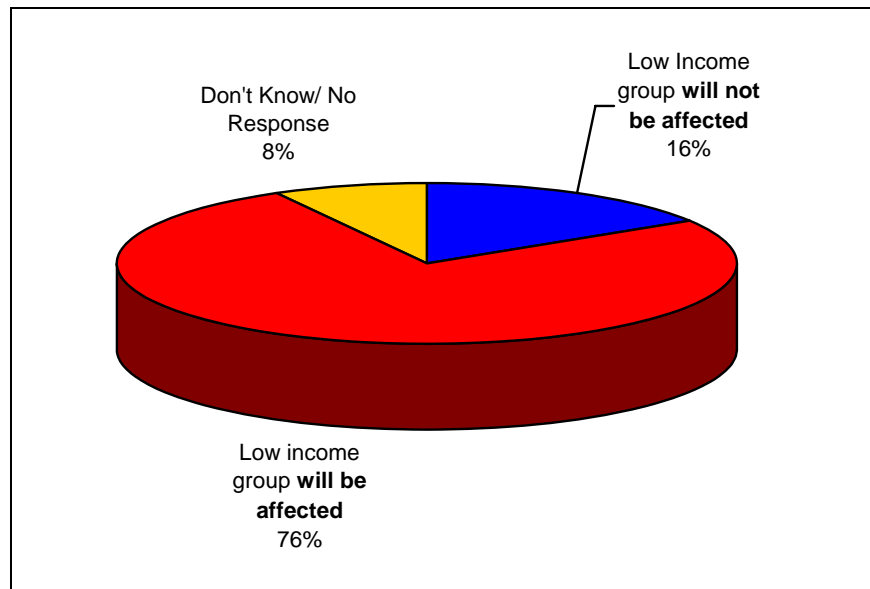
* Only those who have heard or read of R.G.S.T



VIEWS ON REFORMED GENERAL SALES TAX (R.G.S.T)

Will it affect poor people or not?

Question: Some people say that R.G.S.T will not affect a common man i.e. it won't affect people with low income whereas others say that it will also affect low income group. What is your opinion?*



Source: Gallup & Gilani / National Surveys, 2010

People oppose new Tax and believe that it will affect the poor people

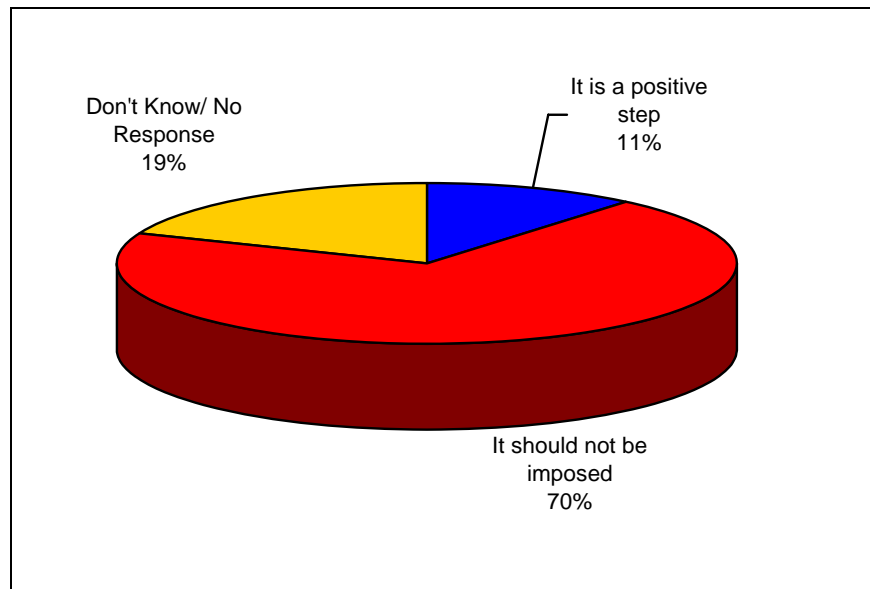
* Only those who have heard or read of R.G.S.T



VIEWS ON REFORMED GENERAL SALES TAX (R.G.S.T)

Will it strengthen Economy?

Question: Recently Government is thinking of imposing a tax called R.G.S.T. Some people think that it is a positive step for Pakistan's Economy whereas others think it is not. What is your opinion?



Source: Gallup & Gilani / National Survey, 2011

Majority does not support the new Tax and think that it will not improve the economy.



SECTION 4:
METHODOLOGY



METHODOLOGY

The results presented here are from multiple **nation wide house hold surveys** carried out by Gallup and Gilani over the last three decades (1980-2010)

- **SAMPLE PROFILE:**

The respondents in these surveys range from **1000-2500 men and women of age 18 years and above** spread across the **rural and urban** areas of the **four provinces** of the country. They represent different age groups, education status and socio economic profile

- **INTERVIEWING MODE:**

Face to Face, in-house interviews

- **SAMPLING METHODOLOGY:**

Multi-stage area probability sampling

- **SAMPLING TOLERANCE:**

Error margin is estimated to be $\pm 2-3\%$ at 95% Confidence level

- **WEIGHTING:**

The data have been weighted to correspond with census distribution of population for the rural and urban areas of all four provinces

- **SURVEY DATES:**

The respective year in which these surveys were carried out has been mentioned at the bottom of all charts and tables

- **VALUES/ PERCENTAGES:**

All values given in this report are percentages unless otherwise specified



- **NOTE ON COMPARATIVE SECTIONS:**

Caution should be taken in interpreting results in comparative sections of the report. The purpose of having comparative data is to show a broad trend in timeline rather than providing a statistical difference in opinions. This caution is based on following major considerations:

- The exact question wordings may vary across the years where comparison is drawn
- The methodology and sample size may vary
- The timeline is not uniform, we have provided data at two or more points in time as available

DISCLAIMER:

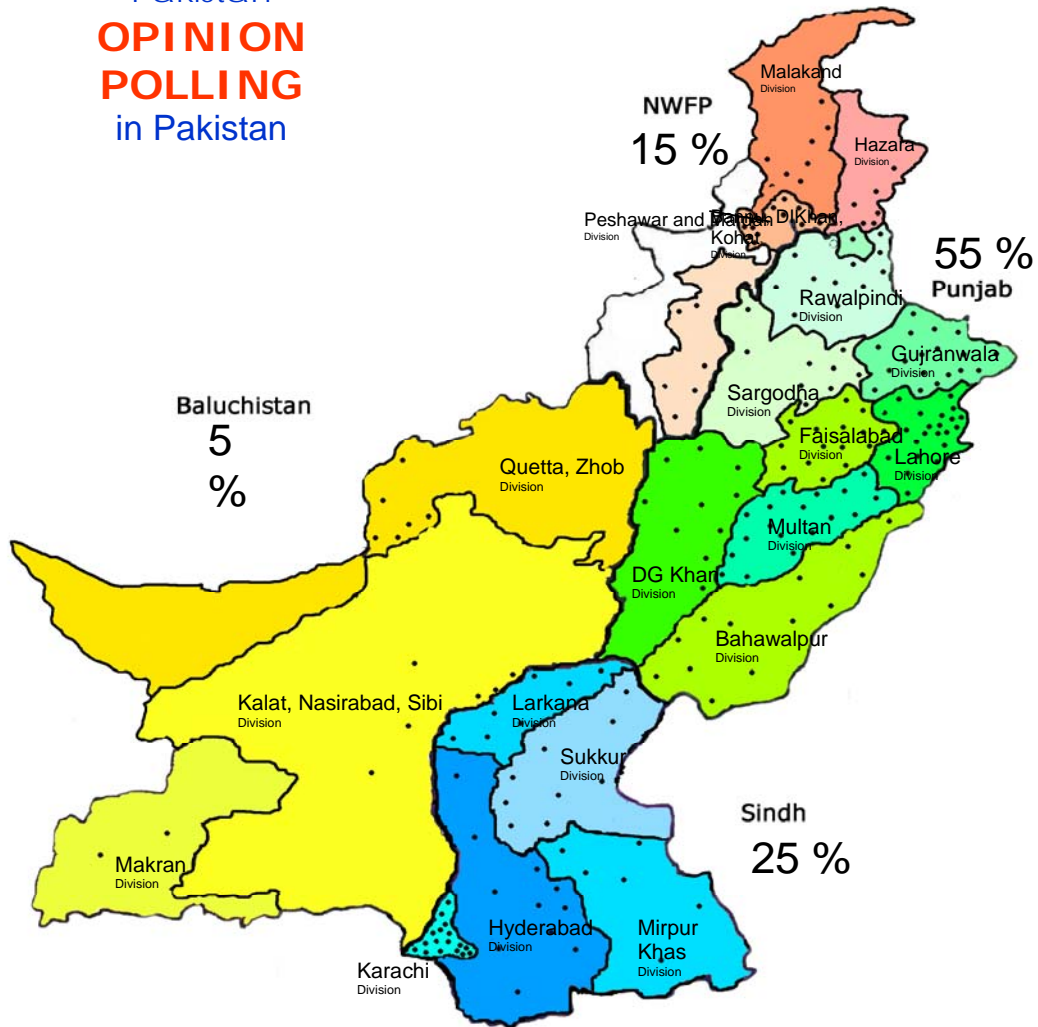
This report is for Public Debate and not for strict policy measures or decisions. Gallup and Gilani does not take any responsibility for any loss or profit arising out of Public or Private use of this report or its findings

PROPRIETARY INFORMATION:

The Data quoted and used in this report is the property of Gallup & Gilani Pakistan



Gallup & Gilani
Pakistan
**OPINION
POLLING**
in Pakistan



REPRESENTS

Statistical Cross-section: Gender, Age, Income, Education, Region & Language

Universe: ~45,000 villages; 60,000 Urban Census Blocks



For more information:

Ms. Fatima Idrees
Project Manager
Gallup Pakistan

Contact details:

Islamabad:

H.45, St. 52, F-7/4,
Islamabad Pakistan
Phone: +92-51-2655630
Fax: +92-51-2655632
Email: isb@gallup.com.pk
www.gallup.com.pk

Gallup International Association:

Ringstrasse 7, P.O.Box 149, CH-8603 Schwerzenbach, Zurich
Switzerland
Phone: +41-(0)44 806 6650 Fax: +41-(0)44 806 6660
Email: info@gallup-international.com
www.gallup-international.com