# Article information:

(PDF) The Impact of Tax Policies on Economic Growth: Evidence from South-Asian Economies
<https://www.researchgate.net/publication/230859539_The_Impact_of_Tax_Policies_on_Economic_Growth_Evidence_from_South-Asian_Economies>

# Article summary:

1. The study examines the impact of tax policies on economic growth in Pakistan, India, and Sri Lanka.

2. The study finds that a rise in tax rates has a transitory and negative effect on economic growth in the short-term but no effect in the long-term.

3. Due to low tax rates, these countries heavily depend on bond financing and foreign debt, and the study suggests that most revenue requirements should be financed with tax increases to provide a guard against transitory shocks to the budget.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article "The Impact of Tax Policies on Economic Growth: Evidence from South-Asian Economies" by Ihtsham Ul Haq Padda and Naeem Akram explores the impact of tax policies on economic growth in Pakistan, India, and Sri Lanka. The authors use neoclassical and endogenous growth theories to test whether changes in tax structures have a transitory or permanent effect on economic growth. They find that tax rate changes have a negative and transitory effect on economic growth in the short-term but no effect in the long-term.

However, the article has several biases and limitations. Firstly, it only focuses on three South Asian economies, which limits its generalizability to other developing countries. Secondly, the authors do not consider other factors that may affect economic growth such as political stability, corruption levels, or access to education and healthcare. Thirdly, the study does not provide a comprehensive analysis of the different types of taxes (e.g., income tax, sales tax) and their impact on economic growth.

Moreover, the article lacks evidence for some of its claims. For instance, it states that low tax rates in these countries result in heavy dependence on bond financing and foreign debt without providing any data or sources to support this claim. Additionally, while the authors suggest that increasing tax revenue is necessary to finance development and social expenditures, they do not explore potential risks associated with higher taxes such as disincentivizing investment or reducing consumer spending.

Overall, while the article provides some insights into the impact of tax policies on economic growth in South Asian economies, it has several limitations and biases that should be taken into consideration when interpreting its findings.

# Topics for further research:

* Factors affecting economic growth in developing countries
* Political stability and economic growth
* Corruption levels and economic growth
* Impact of education and healthcare on economic growth
* Types of taxes and their impact on economic growth
* Risks associated with higher taxes on investment and consumer spending

# Report location:

<https://www.fullpicture.app/item/cf8f18fb4fe7c366520193d2bc431f97>