Policy Brief

Textual Insights into Fiscal Narratives: An Analytical Study of Pakistan's Federal Budgets (2010–2024)

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Executive Summary

This Brief conducts a systematic analysis of Pakistan's federal budget documents from 2010 to 2024 using a text mining approach. Despite significant shifts in domestic and global economic conditions, the focus of these documents has remained on recurring economic challenges such as energy, taxation, and development across successive political regimes, viz. PPP, PML-N, and PTI. This continuity shows that Pakistan's structural economic issues have remained largely unresolved, reflecting the deep institutional inertia that shapes the country's fiscal discourse.

In Pakistan, successive governments have repeatedly engaged with IMF stabilisation and reform programs. However, progress on structural reforms has remained limited. Commitments to broadening the tax base and pursuing fiscal consolidation have yet to translate into sustainable development outcomes.

The findings of the text analytics highlight that the area of tax and revenue is the most frequent discussed issue from FY 2010 to FY 2024. The empirical data further shows that between 2010 and 2024, there was marginal change in economic fundamentals of the country. Over the last decade, Pakistan's tax-to-GDP ratio has stagnated at around 10% as well as the revenue structure of the country remained largely unchanged. From 2010 to 2025, real GDP growth averaged approximately 3.5% across multiple political regimes. This Brief concludes that the **federal budget is used as a compliance document for external creditors, particularly the IMF, rather than a strategic national development tool.** Fiscal policy has been reactive, focusing on immediate crises like oil price shocks, the COVID-19 pandemic, or external account deficits, while neglecting structural reforms in taxation, productivity, and state capacity.

Policy Recommendations

- The government may link any annual increases in budget to development and productivity growth to prevent fiscal leakages, particularly in health, education, and energy, thereby promoting better resource utilisation.
- The government may implement a formal accountability system that requires each ministry to submit a mid-year and end-of-year performance report publicly.

Introduction

The budget serves as a key policy instrument through which the government conveys its economic priorities, allocates public resources, and outlines strategies for revenue generation[1]. Over the years, its role has been extensively debated due to its significant implications for macroeconomic stability, fiscal governance, and development planning. Some economists argue that budgets play a significant role in restoring macroeconomic equilibrium. However, others call it a repetitive, procedural document that lacks transformative impact[2].

In Pakistan, despite the considerable time and resources invested in the budget-making process, there is limited empirical evidence that the budget plays an effective role in driving structural reforms. Many economists in Pakistan also cite the budget as a repetitive accounting exercise that is unable to bring about major reforms in the economy or make a significant impact on the country's development indicators[3].

However, few studies have examined the role of budgets in Pakistan over time. The present study fills this literature gap by applying a 15-year textual analysis to Pakistan's budgets to explore whether there was any evolution or innovation.

A Brief overview of the literature

Traditionally, the focus of budgetary analysis has been on cross-sectional, quantitative indicators such as fiscal deficits, inflation rates, and GDP growth. These metrics, however, give valuable insights regarding macroeconomic conditions. They nonetheless fail to capture the underlying institutional and political narratives that shape long-term fiscal policies.

Recently, scholars have increasingly adopted contemporary techniques like Natural Language Processing (NLP) to examine textual data within budget documents. These methods allow for the identification of rhetorical patterns, thematic shifts, and the evolution of discourse over time.

Salman (2020) applied NLP in South Asian context. The study employed computational text analysis to compare the discursive framing of India and Pakistan's water policies.

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[1] Sulasmi, E., Prasetia, I., & Rahman, A. A. (2023). Government Policy Regarding Education Budget on The Posture of The State Budget (APBN). Journal for Lesson and Learning Studies, 6(1), 142-151.
2 OECD (2020). Budgeting and Public Expenditures in OECD Countries 2020.
[3] https://tribune.com.pk/story/2546400/same-slides-new-fiscal-year https://www.dawn.com/news/1694580

The study finds that linguistic analysis can help in providing significant policy insights that are often overlooked in conventional analyses. Building on this approach, Salman and Shah (2023) applied NLP tools to Pakistan's "Charter of Economy," depicting the rhetorical construction of economic consensus and identifying the frequency and positioning of key themes across economic cycles.

In a broader regional context, Allen and Krause (2013) examines how institutional factors shape resource allocation processes. The study argues that institutional inertia (resistance to change or conflict among stakeholders), stems from path dependency when past policy choices and procedural frameworks limit the scope for future change, including the way fiscal priorities are articulated.

The World Bank (2017) likewise analysed development planning documents across South Asia and concluded that such documents often replicate donor-driven vocabulary and frameworks. This replication, according to the study, reduces local ownership and raises concerns about the authenticity of national planning discourse.

Similarly, Hashim and Nazmuzzaman (2018) observe that in South Asian countries, efforts to implement modern budgeting tools such as performance-based budgeting frequently encounter institutional resistance, as ministries and finance departments revert to traditional incremental practices. These institutional features affect fiscal outcomes as well as influence the way budgets are narrated. They as a result reproduce the same rhetorical structures year after year.

Raheem (2020) states that budgeting practices in many developing countries are shaped more by administrative continuity than by strategic fiscal planning, resulting in persistent patterns of budgeting inertia. This inertia, often driven by strict bureaucratic norms and rigid classification systems, limits the capacity of governments to restructure expenditure priorities even in response to emerging needs.

In India, Bhagwati (2021) finds that budget speeches regularly reflect donor language and technocratic jargon, suggesting a lack of nationally rooted narrative development. The notion of path dependency observed in India as well. The study also emphasises how early institutional choices in public financial management can generate self-reinforcing processes.

In Canada, Cochrane et al. (2022) employed quantitative sentiment analysis to examine the content of political speeches using annotated transcripts and video data. Among various computational techniques tested, sentiment dictionaries based on word embeddings outperformed traditional methods. Their accuracy was sensitive to the selection of seed words and corpus size.

These observations highlights that the linguistic structure of budget documents is a matter of policy emphasis. Despite the important contributions of NLP methods to the analysis of fiscal discourse, their application in low- and middle-income countries remains limited. In particular, there is a notable absence of longitudinal studies that examine the evolution of language in federal budget documents over time especially in developing countries like Pakistan, where institutional continuity and rhetorical repetition often shape budget narratives.

This Brief aims to fill this literature gap by conducting a comprehensive NLP-based analysis of Pakistan's federal budget documents from 2010 to 2024. It explores discursive trends, institutional continuities, and shifts in fiscal discourse that may inform the understanding of policy priorities and governance structures.

Methodology

Based on Slaman & Shah (2023)[4], the present study performs an analysis of Pakistan's budget documents using text analytics techniques. The dataset comprises of annual budget speeches delivered between 2010 and 2024. The source of the documents is the official website of the Ministry of Finance, Pakistan. For the text analytics, the study used R-studio (software version: February 2025) and applies Natural Language Processing (NLP) methods, including stemming, tokenisation, normalisation, stop-word removal, and frequency extraction. With the help of such tools, it identifies key terms and recurring themes in the budget speeches.

This study also ranked the terms based on their raw frequency and relative frequency. The raw frequency shows how often a term appears in a document or speech. However, it does not accounts for the term's occurrence in proportion to the overall text length or total term/word count. The relative frequency shows the occurrence of a word relative to the overall text length or size of the document, hence enabling more robust comparisons

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across texts of different sizes or content. In this Brief, visual representation of the documents using Text/Word Clouds are also provided for visual representation.

Word clouds are however limited in that they highlight word frequency but ignore the context in which words are used. As a result, they offer a limited view of language patterns without deeper interpretive value. Nevertheless, to overcome this issue the frequent terms as well as their contexts are explored in this study using recent empirical data.

Detailed Yearly Analysis with Term Frequency and Relative Frequency:

Fiscal Year 2010 and Fiscal Year 2011

In 2009 the PPP government presented its federal budget for the Fiscal Year (FY) 2010. The most frequent terms in the Budget were Proposed (35), Government (32), Tax (30), Energy (18), Economy (18), Development (14) and Fiscal (13). The most frequent words in terms of thier relative frequencies (RF) were "proposed", "government" and "tax" with a RFs of 0.006.

Likewise, the budgets for FY 2010 and FY 2011 also show emphasis on revenues. the most frequent terms in the FY 2011 budget were Government (31), Tax (29), Economic (19), Development (18), and Energy (17). The relative frequency of "tax" was 0.00489. Table 2 and Figure 2 shows no significant deviation from the FY2010 budget. The word clouds, word frequencies as well as RFs of the budgets provided hereunder:

Table 1: Word Frequency FY 2010

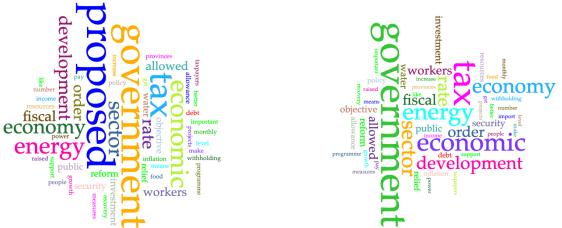| Term	Count	Relative Frequency	Term	Count	Relative Frequency
proposed	35	0.006	inflation	8	0.002
government	32	0.006	debt	8	0.001
tax	30	0.006	allowance	8	0.001
economic	18	0.004	provinces	8	0.001
development	14	0.003	projects	8	0.001
sector	14	0.003	means	8	0.001
fiscal	9	0.002	increase	8	0.001
energy	9	0.002	income	8	0.001
allowed	9	0.002	important	8	0.001
agriculture	8	0.002	gst	8	0.001
Poor	8	0.002	growth	8	0.001
				Source: Own depiction based on Figure 1	

Figure 1: Word Cloud for FY 2010   **Figure 2: Word Cloud for the FY 2011**

Source: Own depiction based on budget documents

Table 2: Word Frequency FY 2011					
Term	**Count**	**Relative Frequency**	**Term**	**Count**	**Relative Frequency**
government	32	0.009	inflation	7	0.001
tax	31	0.007	debt	7	0.001
development	30	0.007	allowance	7	0.001
economic	28	0.007	provinces	7	0.001
energy	27	0.005	projects	6	0.001
sector	21	0.003	means	6	0.001
fiscal	13	0.002	increase	6	0.001
growth	13	0.002	income	6	0.001
allowed	9	0.002	important	6	0.001
agriculture	8	0.001	gst	6	0.001
Poor	7	0.001	growth	6	0.001
				Source: Own depiction based on Figure 2	

FY 2013 and FY 2014

In FY 2013, the most frequent words were Tax (59), Government (59), sector (26), Income (20). The Relative Frequency of "tax" was 0.00828.

The new government of PML-N presented its 1st budget (FY14 budget) on June 12, 2013. In their budget, there was again high frequency of "tax" and "economic development". Tax (95), Government (53), Income (33), Development (25) were the most frequent words. The relative Frequency of "tax" was 0.00796.

FY13 and FY14 highlights that despite changes in economic conditions, the similar distribution of key terms across both years points to a pattern of rhetorical stability, showing the same budgetary priorities such as tax and proposals.
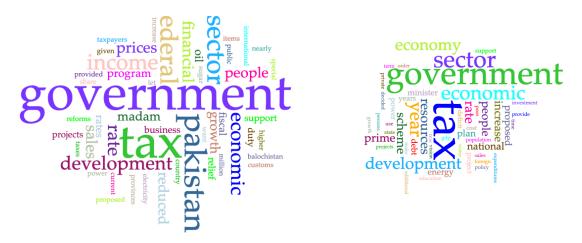

Figure 3: Word Cloud for FY 2013   **Figure 4: Word Cloud for FY 2014**

Source: Own depictions based on the budget documents

Table 3: Word Frequency FY 2013					
Term	**Count**	**Relative Frequency**	**Term**	**Count**	**Relative Frequency**
tax	59	0.00827722	rates	13	0.00182379
government	59	0.00827722	projects	12	0.0016835
sector	26	0.00364759	duty	12	0.0016835
federal	25	0.0035073	public	11	0.00154321
income	20	0.00280584	taxes	10	0.00140292
rate	19	0.00266554	increase	10	0.00140292
economic	18	0.00252525	higher	10	0.00140292
development	18	0.00252525	provinces	9	0.00126263
financial	17	0.00238496	power	9	0.00126263
prices	16	0.00224467	customs	9	0.00126263
oil	14	0.00196409	taxpayers	8	0.00112233
Source: Author's					

Table 4: Word Frequency FY 2014					
Term	**Count**	**Relative Frequency**	**Term**	**Count**	**Relative Frequency**
tax	95	0.00796379	deficit	16	0.00134127
government	53	0.00444295	cost	15	0.00125744

sector	38	0.00318551	projects	14	0.00117361
income	33	0.00276637	investment	14	0.00117361
economic	29	0.00243105	water	13	0.00108978
developement	25	0.00167659	sales	13	0.00108978
increase	20	0.00167659	poor	13	0.00108978
energy	17	0.0014251	vision	12	0.00100595
debt	17	0.0014251	private	12	0.00100595
power	16	0.00134127	mw	12	0.00100595
Source: Author's					

FY 2018 and FY 2019

The most frequent word frequencies were Tax (145), Sector (85), Development (54), and Income (39). The Relative Frequency of "tax" was 0.00898. Pre-2018 election and post 2013 election budgets were almost the same with some populism led to rise in relief and subsidy rhetoric. However, implementation lags were prevalent. (No significant digression was observed in FY 2012, FY2015 to FY2017 budgets. (For detailed term frequencies and word clouds for FY 2012 and FY2015 to FY2017, see the Appendix at the end of this Brief).

In FY 2018 and FY 2019, he dominance of administrative and macroeconomic vocabulary, coupled with the absence of strong social-sector language, also suggests the same top-down approach to fiscal discourse during this period.
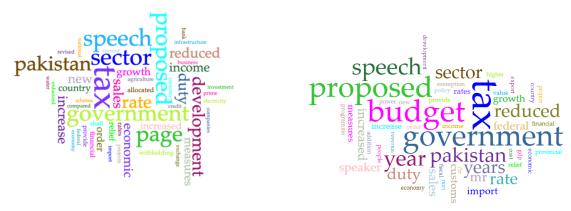

Figure 5: Word Cloud FY 2018   **Figure 6: Word Cloud FY 2019**
Source: Own depiction based on the budget documents

In 2018 the PMLN presented its last (sixth) budget for the FY 2019. The most frequent terms were *Tax (124), Government (77), Proposed (77), Income (21)*. The relative

frequency of "tax" was 0.011. Macro-economic stability after 2008 crises was achieved. However, structural reforms that were presented in 2013 were again in jeopardy.

Term	Count	Relative Frequency	Term	Count	Relative Frequency
tax	145	0.00898278	customs	24	0.0014868
sector	85	0.00526577	import	22	0.0013629
government	76	0.00470821	electricity	21	0.00130095
rate	62	0.00384091	water	17	0.00105315
development	54	0.00334531	investment	16	0.0009912
duty	49	0.00303556	energy	15	0.00092925
increase	44	0.00272581	power	13	0.00080535
economic	40	0.00247801	banks	13	0.00080535
income	39	0.00241606	revenue	12	0.0007434
growth	35	0.00216826	reserves	12	0.0007434
increased	34	0.00210631	filers	12	0.0007434
rates	27	0.00167266	loans	11	0.00068145
withholding	26	0.00161071	taxpayers	8	0.00112233

Table 5: Word Frequency FY 18

Source: Author's

Term	Count	Relative Frequency	Term	Count	Relative Frequency
tax	124	0.01060826	provincial	14	0.00119771
government	77	0.00658739	health	13	0.00111216
rate	42	0.00359312	energy	13	0.00111216
duty	39	0.00333647	water	12	0.00102661
increased	31	0.00265207	investment	12	0.00102661
customs	27	0.00230986	exports	12	0.00102661
income	21	0.00179656	deficit	12	0.00102661
export	20	0.00171101	filers	11	0.00094106
development	19	0.00162546	revised	10	0.00085551
economic	17	0.00145436	inflation	10	0.00085551
revenue	16	0.00136881	electricity	10	0.00085551
power	16	0.00136881	mian	9	0.00076995
fbr	15	0.00128326	taxes	8	0.0006844

Table 6: Word Frequency

Source: Author's

FY 2020

In 2019, the PTI government presented its first budget (FY21 budget) before the parliament. In their budget the most frequent terms were also *Tax (207), Government (53), and Income (53). The* relative frequency of "tax" was 0.01834.

The focus of the budget was again on the collection of revenues to fulfil the IMF conditionalities. Discussion on some reforms were carried out (like the property tax) however the implementation lag percisted.

Figure 6: Word Cloud FY 2020
Source: Own depiction based on Finance Division (2012)

Table 7: Word Frequency FY 2020					
Term	**Count**	**Relative Frequency**	**Term**	**Count**	**Relative Frequency**
tax	207	0.01834131	revenue	18	0.0015949
income	53	0.00469608	return	18	0.0015949
government	53	0.00469608	present	18	0.0015949
rate	48	0.00425306	cost	18	0.0015949
sales	37	0.0032784	import	17	0.00150629
sector	30	0.00265816	debt	17	0.00150629
increase	29	0.00256956	credit	17	0.00150629
duty	27	0.00239234	taxed	16	0.00141769
rates	26	0.00230374	development	16	0.00141769
property	24	0.00212653	addition	16	0.00141769
taxes	19	0.0016835	customs	15	0.00132908
electricity	19	0.0016835	increased	15	0.00132908
economic	19	0.0016835	law	14	0.00124047
Source: Author's					

FY 2021 and FY 2022

In FY2021's budget, Tax (133), Proposed (91), Government (38), and Income (28) were the most frequent terms. The Relative Frequency of "tax" was 0.01276. Narrative of post-pandemic recovery as well as repetition of older themes such as tax, development, and revenue, were dominant. Likewise, In FY 2022, Tax (141), Government (68), Growth (42), Income (40) were the most frequent terms. The relative frequency of "tax" was 0.01051. Despite slight variations, the FY 2021 and FY 2022 discourse shows repeated emphasis on tax, growth, debt, and inflation. This again suggests rhetorical consistency and a discursive reinforcement of fiscal measures.

Figure 7: Word Cloud FY 2021   Figure 8: Word Cloud FY 2022

Source: Own depiction based on Finance Division (2022)

Table 8: Word Frequency					
Term	**Count**	**Relative Frequency**	**Term**	**Count**	**Relative Frequency**
tax	133	0.01275657	economy	12	0.00115097
government	38	0.00364473	duty	12	0.00115097
income	28	0.00268559	taxpayers	11	0.00105505
sales	22	0.00211011	taxes	11	0.00105505
increased	22	0.00211011	exempted	11	0.00105505
economic	21	0.0020142	deficit	11	0.00105505
withholding	19	0.00182237	debt	11	0.00105505
sector	17	0.00163054	customs	11	0.00105505
reforms	14	0.0013428	corona	11	0.00105505
import	14	0.0013428	revenue	13	0.00124688

Table 9: Word Frequency					
Term	Count	Relative Frequency	Term	Count	Relative Frequency
tax	141	0.01050514	agriculture	19	0.00141559
government	68	0.00506631	exports	18	0.00134108
sector	54	0.00402325	debt	17	0.00126658
pakistan	40	0.00298018	customs	17	0.00126658
income	40	0.00298018	taxpayers	16	0.00119207
economy	32	0.00238415	tariff	15	0.00111757
development	31	0.00230964	power	15	0.00111757
increase	30	0.00223514	cost	15	0.00111757
rate	27	0.00201162	withholding	14	0.00104306
import	26	0.00193712	water	14	0.00104306
covid	22	0.0016391	imran	13	0.00096856
duty	21	0.0015646	prices	12	0.00089405
exemption	20	0.00149009	health	12	0.00089405
foreign	12	0.00089405	taxes	12	0.00089405
Source: Author's					

FY 2023 and FY 2024

In FY2023's budget, the most frequent words were Tax (74), Government (59), economic (26), and development (15). The Relative Frequency of "tax" was 0.001. However, emphasis on welfare terms in FY 2023's Budget increased.

In FY 2024's Budget the most frequent terms were Government (74), Tax (62), Development (27). The Relative Frequency of "tax" was 0.001. Moreover, the same prescriptions are repeated also in 2024 budget.

In FY 2023 and FY 2024, terms like tax, increase, loans, economy, imports, and foreign again featured prominently, reflecting ongoing concerns around external financing and macroeconomic stability. The recurrence of the same prescriptions over the years, as observed in both term frequencies and word clouds, reinforces the notion of dependency on same solutions in budgetary language, where structural constraints and limited policy space shape both content and expression.

Figure 9: Word Cloud FY 2023   **Figure 10: Word Cloud FY 2023**

Source: Own depiction based on the budget documents

Table 10: Word Frequency FY 2023					
Term	**Count**	**Relative Frequency**	**Term**	**Count**	**Relative Frequency**
tax	74	0.00885909	development	15	0.00179576
government	59	0.00706333	power	14	0.00167604
agriculture	12	0.00143661	debt	12	0.00143661
economic	26	0.00311265	fbr	9	0.00107746
sector	25	0.00299294	reforms	8	0.00095774
economy	24	0.00287322	interest	8	0.00095774
income	22	0.00263378	expenditure	8	0.00095774
proposed	19	0.00227463	energy	8	0.00095774
rate	18	0.00215491	taxation	7	0.00083802
taxes	17	0.0020352	taxes	11	0.00081955
Source: Author's					

Table 11: Word Frequency FY 2024					
Terms	**Count**	**Relative Frequency**	**Terms**	**Count**	**Relative Frequency**
government	74	0.00970365	deficit	18	0.00236035
tax	62	0.00813008	growth	13	0.00170469
country	29	0.00380278	debt	13	0.00170469
rate	28	0.00367165	loans	11	0.00144243
increase	28	0.00367165	inflation	11	0.00144243
development	27	0.00354052	import	10	0.0013113
economic	26	0.00340939	rates	9	0.00118017
proposed	24	0.00314713	exports	9	0.00118017
economy	22	0.00288487	energy	9	0.00118017

program	20	0.00262261	duty	9	0.00118017
foreign	20	0.00262261	pension	7	0.00091800
income	19	0.00249148	oil	7	0.00091800
taxes	6	0.00078700	imposed	7	0.00091800
Source: Author's					

Discussion

This section provides a detailed discussion of the budget debate. It is important to highlight that many critiques of text analytics argue that this approach is simply a mechanical method that cannot capture the complexities of an economic phenomenon. To address this, this section also examines the most common themes that appeared in word clouds.

Revenue Structure of Pakistan

The most frequent words in the budgets from 2010 to 2023 were Tax, Income, and revenues. The following table provides a detailed analysis of Pakistan's tax revenues over the last decade.

Table 12: Structure of Pakistan's Federal Tax RevenueFY 2016-FY2025 (in Rs. billion)								
Year	Tax Rev as % of GDP	Direct Taxes	Indirect Taxes				Indirect Taxes % of total	Total
			Customs	Sales	Excise	Total (Indirect)		
FY2016	10%	1,217.30	404.6	1,302.70	188.1	1,895.40	60%	3112.7
FY2017	10%	1,344.20	496.8	1,329.00	197.9	2,023.70	60%	3367.9
FY2018	10%	1,536.60	608.4	1,485.30	213.5	2,307.20	60%	3843.8
FY2019	9%	1,445.50	685.6	1,459.20	238.2	2,383.00	62%	3828.5
FY2020	8%	1,523.40	626.6	1,596.90	250.5	2,474.00	62%	3997.4
FY2021	9%	1,731.30	748.4	1,988.30	277	3,013.70	64%	4745
FY2022	9%	2,284.90	1,010.70	2,532.20	320.7	3,863.60	63%	6148.5
FY2023	9%	3,269.80	930.9	2,593.30	369.8	3,894.00	54%	7163.8
FY2024	9%	4,530.70	1,104.10	3,086.80	577.5	4,768.30	51%	9299
FY2025	10%	5,512.00	1,591.00	4,919.00	948	7,458.00	58%	12970
Source: PES (2025)								

Table 12 shows shows that the nominal value of total tax revenues has increased significantly, from Rs. 3.1 trillion in FY2016 to Rs. 12.97 trillion in FY2025. However, this

growth has not translated into meaningful development outcomes. The tax-to-GDP ratio has largely stagnated, remaining around 9 to 10% over the past decade, which is considerably below regional peers and the threshold required to fund development and sustainably.

Moreover, much of the revenues have come from indirect taxes, particularly sales tax, which were Rs. 1.3 trillion in FY2016 (now Rs. 4.9 trillion in FY2025). Meanwhile, customs and excise duties have also grown. This also suggests that the reliance on taxation has been prioritised over structural reforms during the last decade. The share of indirect taxes does not shift the overall revenue composition significantly (from 60% in FY16 to 58% in FY25). Even in FY2025, indirect taxes still constitute a larger share of the revenue mix than direct taxes (Rs. 7.5 trillion vs Rs. 5.5 trillion)[5].

This composition supports the hypothesis of this paper that policy continues to favour short-term fiscal targets (often under IMF pressure) rather than structural adjustments, such as taxing wealth, agriculture, or the informal sector.

As the textual analysis highlighted, buzzwords like "broadening the tax base" and "reforms" frequently appear in budget speeches. Table 12, however, shows that, in terms of development, concrete outcomes, and shifts in approach there is no change.

Pakistan's Development Indicators

Other recurring theme in Pakistan's budget discourse were development, economy, and growth. Table 13 highlights Pakistan's average real GDP growth across multiple periods is almost the same. The average real GDP growth was 3.3% from 2010-2015. From 2016-2020 it was 3.6%. And 3.7% was observed from 2021-2023. These figures reinforce the previous findings provided by the text analytics technique.

Table 13: Pakistan's GDP Growth Rates (2020-2025)	
Period	**Average Real GDP Growth Rate**
2010-2015	≈ 3.3 %
2016-2020	≈ 3.6 %
2021-2023	≈ 3.7 %
Source: Author's based on World Bank (2025)[6]	

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[5] https://www.finance.gov.pk/survey/chapter_25/Highlights.pdf
[6] Word Bank (2025). https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=PK

Challenges in Pakistan's Budgeting Discourse

Salman (2025), Amin (2025), and Zaidi (2022)[7] provide reasons behind lack of reforms and an insignificant impact of multiple budgets on development. They state that when budget strategies rely on short-term fixes such as tax hikes and inappropriate liberalisation efforts (without addressing deep-rooted structural weaknesses), they fail to resolve long-standing economic challenges.

This Policy Brief study also highlights that, despite changes in government, the discourse around key issues such as economic shocks, oil prices, the COVID-19 pandemic, and repeated IMF engagements has remained largely unchanged[8]. Repeated emphasis on short-term measures such as "increasing taxes" has translated into higher indirect taxation, disproportionately affecting lower and middle income groups (or the salaried class) while failing to address more deeper issues like public debt and undocumented economy.

The fiscal space theory provides further insights into Pakistan's constrained economic performance. According to the theory, a government's capacity to fund development measures depends on the availability of fiscal space. That is, its ability to increase spending without putting a risk on its debt sustainability. In Pakistan's case, persistently rising public debt and a high debt-to-GDP ratio have significantly eroded this space. As a result, the government faces increasing limitations in financing new development initiatives or absorbing macroeconomic shocks without resorting to additional borrowing. This shows the presence of fiscal space theory in Pakistan. As the fiscal space narrows, government become less able to pursue coherent medium or long-term fiscal consolidation strategies[9].

Countries such as South Africa, India, Bangladesh, and Vietnam have more dynamic, reform-driven budget narratives over the recent years. Sanyal (2021) states that in South Africa, departments submit quarterly performance reports linked to budget execution, reinforcing oversight and policy discipline. Since 2015, in India, outcome-linked union

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[7] https://www.dawn.com/news/amp/1916314
[8] https://download1.fbr.gov.pk/Docs/2024123118124139401Annualreport2023-24-31Dec2024.pdf
[9] https://www.sbp.org.pk/reports/annual/aarFY24/Complete.pdf

budgets are regularly presented. The Fiscal Responsibility and Budget Management Act (FRBM) in India imposes multiple constraints by capping deficit targets and requiring justification for any fiscal expansions.

Similarly, Bangladesh has incorporated medium-term budgetary frameworks with clear emphasis on inclusive growth, climate resilience, and social protection, signifying a discursive evolution aligned with long-term development planning (ADB, 2022). Vietnam also ties recurrent spending growth to medium-term development planning to ensure coherence between spending and results.

These countries show how reform-oriented governments leverage budget discourse not just as a financial document but as a policy signaling instrument. However, compared to these examples, the recurrence of similar prescriptions in Pakistan's recent budgets reflects fiscal stress with rigidity that limits innovation in both policy formulation and communication.

In Pakistan, another major issue is the institutional inertia, where weak public sector capacity leads to reliance on incremental budgeting and repetitive language. Budget officers often lack the technical expertise or autonomy to reframe fiscal priorities. Political constraints also play a central role, as governments avoid significant structural changes due to electoral pressures (appeal their voters) and the need to preserve political alliances. Additionally, the absence of robust data systems (such as lack of provincial GDPs based on which resources are located globally) limits evidence-based planning, making it difficult to link budgets with outcomes/performance. These challenges collectively reinforce a stagnant fiscal narrative, preventing the budget from serving as a dynamic policy instrument.

Critiques of budgetary processes argue that in Pakistan budget officers often rely on traditional templates and incremental allocations, lacking the analytical tools to propose substantive changes. This is further reinforced by political constraints, where short-term political considerations such as coalition pressures, electoral cycles, and patronage discourage long-term reform or reallocation of resources. As a result, governments often repeat familiar prescriptions to maintain political continuity rather than pursue disruptive fiscal adjustments. This absence of performance-linked information flows constrains innovation and accountability, reinforcing routine-based decision-making. Together,

these factors create a self-reinforcing cycle of rhetorical and allocative repetition that limits the capacity of Pakistan's budgeting institutions to adapt to evolving development challenges.

Conclusion

Budgets in Pakistan from 2010 to 2024 have shown remarkable similarity/consistency. Across 15 years, the word "tax" is the most frequent word appearing between 60 and 207 times annually. Other recurring words include "government", "development", and "revenues".

The analysis shows that despite changing governments and economic crises, budget speeches employ the same vocabulary, frame the same issues, and propose the same remedies without meaningful reforms or improvements in compliance.

Pakistan's budgets appear more as rhetorical rituals than instruments of transformation. The documents as well as the measures taken are not serving as solutions but rather as repetitive exercises in fiscal management. Structural problems like revenue base, unsustainable debt, and dependence on imports are acknowledged but never tackled. Until Pakistan adopts a reform-oriented, outcome-based budgeting framework, the annual budget will remain more of a ceremonial document than a blueprint for progress.

In summary, Pakistan's budgets serve more as instruments of fiscal narrative than as tools for reform. The persistent use of the same issues across governments illustrates not just rhetorical inertia, but also institutional inability to confront structural constraints. While the form of the budget evolves slightly in response to political demands or external shocks, its substance remains limited by short-termism, low implementation capacity, and a narrow policymaking lens.

Policy Recommendations

1. **Accountability and Oversight**

   The government may institutionalise a formal accountability mechanism requiring each ministry to submit mid-year and end-of-year budget performance reports to both Parliament and the public.

   These reports may detail spending outcomes, deviations from approved allocations, and reasons for unmet targets. Failure to meet defined key

performance indicators (KPIs) may trigger parliamentary review or adjustments in future budget ceilings.

2. **Fiscal Discipline and Efficiency**

The government may consider linking annual increases in current expenditures particularly salaries, subsidies, and operational costs to improvements in development outcomes or sectoral productivity particularly in health, education, and energy.

3. **Transparency and Public Communication**

The government may publish citizen-friendly budget briefs and sectoral scorecards online, tracking progress against annual targets. Public access to timely, comprehensible budget performance information is crucial for trust and legitimacy.

Appendix

FY 2015

Term	Count	Relative
tax	122	0.00785728
government	76	0.0048947
sector	67	0.00431506
pakistan	53	0.00341341
rate	38	0.00244735
development	38	0.00244735
new	23	0.00148129
increased	21	0.00135248
cost	21	0.00135248
public	20	0.00128808
power	20	0.00128808
taxes	18	0.00115927
fiscal	18	0.00115927

FY 2016

Term	Count	Relative
government	41	0.00321468
scheme	42	0.00274869
tax	125	0.00818063
government	67	0.00438482
proposed	63	0.00412304
rate	61	0.00399215
pakistan	56	0.00366492
sector	50	0.00327225
development	45	0.00294503
increase	44	0.00287958
projects	31	0.0020288
program	31	0.0020288
growth	29	0.00189791
local	9	0.00058901
loan	9	0.00058901

FY 2017