



Policy Brief

TRUST IN STATE AND POLITICS: EVALUATING THE CIVIC ENGAGEMENT AND COMPLIANCE AMONG CITIZENS OF PAKISTAN

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(CGP # 07-097)

(This document is unedited author's version submitted to RASTA)

INTRODUCTION

One of the crucial elements for stability of political governance is social capital. By building upon the trust in State institutions and politics, the sense of citizenship improves. Formal institutions act as enabler for growth of social capital via trust in the State and politics. Trust in institutions is filtered through social learning and experiences. Another important aspect is the locally accepted norms, association with politics, and communication that help to grow social capital via reciprocity of trust building among communities. The causal flow between social capital and good governance is two-way. The demand-side arise from community via awareness about politics and the supply-side thrives from threat of being monitored. So, citizens get an intrinsic right to good governance that feeds back to responsible citizenship. Another plausible supply-demand perspective is that the likelihood of government's policy orientation towards community well-being increases when social capital articulates a common interest. The elite-challenging situations and perceived misuse of public office results into informal civic engagement as a deterrence to perceived distrust on institutions and the rent seeking behaviour of political elites. Such behaviour inculcates an indirect sense of inclusiveness among citizens.

In this study, the citizens' perceptions about politics, quality of governance and State's responsibility is evaluated on civic engagement and policy compliance. A comprehensive view on attitudes of formal and informal civic engagement is provided along with the compliance attitude. The study adds to growing body of literature on state-society relationship by examining the interplay between different dimension of trust, civic attitude and compliance behaviour specifically in the context of Pakistan.



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METHODOLOGY

The study has used mixed-method approach. The analysis has contextualized the individual-level responses from the World Values Survey (WVS) within broader structural conditions. The clustered data at micro-level is analyzed using a two-level hierarchical regression. The hierarchical modelling allows an elaborative understanding on how both individual-level and macro-level factors jointly shape civic behaviour and compliance. The rationale for using this technique is existence of dependency among micro units (Level-1) within a time period i.e., respondent's perceptions would tend to be more similar in one time period as compared to the other time period due to the country's changing socio-political and economic conditions at macro level (Level-2). The model estimations are followed by cross-validation of empirical insights through qualitative data collection. Three focus group discussions (FGDs) are conducted with citizens and representatives from selected public offices. This enabled to collect perspectives from both the demand and supply-side of governance. In addition, eleven key informant interviews (KIIs) with community representatives helped to capture variation across socioeconomic segments.

FINDINGS AND CONCLUSIONS

The findings of the study observed that citizens with greater life satisfaction, financial control, and political awareness are more likely to attach with formal groups. This gives them a sense of empowerment, collective response, and ideological expression despite low social trust. Amid high institutional distrust, the informal civic engagement may remain limited if individuals do not perceive an infringement on their personal autonomy. The broader economic discontent in terms of disparities in income plays a significant role in driving informal civic engagement in Pakistan rather than mere worries about food insecurity. Education disparities act as a form of social insecurity that demoralize trust in state and increase the likelihood of civic dissent. The generalized social trust may support social cohesion but does not necessarily translate into moral obligation toward the State. Even if generalized trust may be high within communities, the norms of compliance get weak as institutional skepticism has a stronger and more consistent effect on tax evasion behaviour among Pakistani citizens.

The analysis supports a statistically significant link between subjective well-being and moral reasoning for tax compliance in Pakistan. Those who feel greater empowerment in terms of freedom and control over their life choices are less likely to justify tax cheating even if institutional skepticism is high. Evidence from qualitative responses reinforces the argument that general public tends to remain indifferent to broader policy matters when their basic needs are met and they feel in control of their personal decisions. When people feel secured, treated fairly, and not feeling disadvantaged then civic responsibility becomes stronger and compliance with state obligations becomes more voluntary.

An apparent trust paradox is observed for Pakistan as higher inter-personal trust does not correlate in reducing the immoral behavior of tax cheating via subjective norms, but strongly relate to



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institutional skepticism. The tax morale of Pakistani citizens is also linked with their perceptions about the quality of public service delivery as well as on the use of public funds specifically within their local communities. The study further revealed that citizens' attitudes toward taxation vary across social groups which is strongly influenced by perceptions of fairness and life satisfaction. Furthermore, the tax amnesty schemes in Pakistan have not been able to raise the tax-to-GDP ratio significantly. These schemes are seemingly considered as informal relief to non-tax payers of their past evasions and injustice to honest taxpayers. This sends a powerful signal that cheating can pay off later that weakens the tax morale. Pakistan requires a comprehensive institutional reform for raising the tax-to-GDP ratio that must address the tax evasion attitude.

The strong relationship of civic defiance also sends a signal of disconnection between State and the citizens whereas empowered citizens less likely to justify tax evasion. In Pakistan, only peaceful civic engagement strengthens tax compliance norms, while protest-driven participation and boycotts often morally legitimize tax evasion. Trust deficit weakens tax compliance among citizens through ethical justification mechanism of reciprocating the perceived unfairness of political institutions. Citizens internalized the dishonest behaviour due to perceived distrust which is beyond merely following the enforcement measures.

The study finds that trust is closely related to perceived fairness, transparency and efficient working of the institutions. At local level, a stronger association with perceived corruption builds due to greater public dealing. However, perceptions shifted toward higher-level offices when the assumed scale of payment shift to higher value due to presumed power shift. The findings from primary collection highlights that citizen's corruption perception is more visible at local level where the citizen-institution interactions are more frequent. The respondents have quoted procedural delays, inefficiencies and escape route through informal payments as the main reasons that erode public confidence on the institutions. Political governance, improved service delivery of public institutions and procedural efficiency of government offices can contribute in rebuilding public trust. The trust in local electoral processes does not appear to be correlated with the tax compliance attitudes. This could be due to weaker links in Pakistan between local elections and perceived tax benefit delivery. Historically, there has always been weak institutional linkages between local government structure and fiscal autonomy to directly influence the tax policies or visibly deliver public services through local tax revenue collection. Thus, citizens do not perceive a tangible connection between tax payments and local public service delivery.

The reflections from primary data collection points out that erosion of trust in institutional legitimacy rationalizes rule breaking and non-compliance behaviour. Some respondents have expressed concern over the normalization of this behavioral tendency, to be justified as a practical strategy rather than considering it a moral failure. A collective change, as well as a stronger social trust, is required for transforming the community mindset towards an ethical and responsible civic behaviour. Based on citizens' account of personal experiences, the major policy gap is limited accessibility and procedural delays that hinder effective service delivery of public offices. It was emphasized that State-Citizen interaction needs to be improved via enhanced accountability across



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all tiers of government that would reciprocate responsible citizenship behaviour towards tax compliance.

POLICY IMPLICATIONS

- Tax compliance strategies in Pakistan must target voluntary behavioral nudges. This can be achieved through norm-building campaigns and civic education to increase the tax morale of citizens.
- By bringing more awareness about transparent electoral process and strengthening the institutional trust, the tax evasion attitude can be reduced.
- Army has always attained higher public trust due to its strong visible image among citizens. However, strengthening the confidence in civil institutions particularly the judiciary, civil services and the government is also necessitated for long-term sustainable governance. This will support the overall positive image of State institutions that can lead to reciprocity among citizens towards responsible civic behaviour and tax compliance.
- An integrated governance reforms are required to restore public trust in institutions. This should include a participatory mechanism for a more constructive engagement of citizens with the State, combined with procedural transparency and improved accessibility. This will ensure that politically engaged citizens feel represented rather than alienated that will reduce the moral justification for tax evasion. The confidence on institutions can continue to grow with greater transparency and accountability.
- A follow-up tax compliance measure is required rather than introducing a short-term measure in the form of amnesty schemes. Enhancing digital governance and transparent information-sharing on public spending can improve service delivery which may play a role in reducing perceptions of corruption. An improved civic awareness can strengthen trust and encourage voluntary compliance among citizens.