

# GST Literacy in Malwa: Awareness, Understanding and Public Perception

**Jashanpreet Kaur and Sohail Verma**

Department of Management

Guru Kashi University, Talwandi Sabo, India

jashanpreetk005@gmail.com

**Abstract:** *This paper examines public awareness and understanding of Goods and Services Tax (GST) in the Malwa region of Punjab, using the dissertation data collected from 200 respondents across different social groups. The study shows that GST is widely recognized, yet recognition does not always translate into clear conceptual understanding. Respondents demonstrated moderate awareness of GST as a tax reform, but gaps were visible in core areas such as indirect tax understanding, GST applicability on goods and services, rate identification, bill interpretation and practical compliance knowledge. Mass media and digital media emerged as the dominant information sources, while participation in formal awareness programs remained very low. The analysis suggests that the public accepts GST as an important reform, but many still perceive it as complex and difficult to navigate. A compact statistical review of the available frequency data shows that GST literacy is moderate overall, but specific knowledge gaps remain pronounced, especially in applied areas. The paper concludes that GST communication in Malwa must be simpler, more locally grounded and more education-oriented so that awareness can mature into genuine understanding and compliance..*

**Keywords:** GST, public awareness, tax literacy, Malwa region, compliance

## I. INTRODUCTION

Taxation is one of the strongest pillars of public finance and in India it is also one of the most sensitive instruments of reform because it touches households, traders, service providers and institutions alike. Before GST, India's indirect tax structure was fragmented, layered and often difficult to navigate. Different levies such as excise duty, service tax, VAT, entry tax and octroi created a cascading effect and increased both confusion and compliance burden, particularly for small and medium businesses. GST was introduced to correct these weaknesses by creating a more unified indirect tax system, replacing the older fragmented structure with CGST, SGST and IGST and allowing input tax credit across the supply chain. In policy terms, this was not only a tax reform; it was a governance reform meant to improve transparency, streamline compliance and support the creation of a common market. (Mishra, 2019; Nair, 2022).

Yet the success of any tax reform cannot be measured only by legislation or administrative design. It must also be judged by how well people understand it in daily life. GST is not experienced as an abstract policy idea; it is seen in bills, prices, compliance forms, business records and digital filings. For that reason, public awareness and understanding are central to the effectiveness of the system. Awareness means that a person has heard of GST and knows its broad purpose. Understanding means something deeper: knowing that GST is an indirect tax, knowing that it applies to both goods and services, knowing what tax slabs mean and knowing how to interpret a GST invoice. These are practical competencies, not merely theoretical labels. Studies have repeatedly shown that awareness alone is not enough; people may know the term GST but still remain unable to use it correctly in transactions or compliance settings. (Gupta & Agarwal, 2017; Mishra, 2019; Verma, 2021).

The Malwa region of Punjab provides a particularly meaningful context for this issue because it combines urban, semi-urban and rural populations with different economic roles and information access patterns. The region includes consumers, students, salaried individuals, traders, farmers and small business owners, each engaging with GST in



different ways. Urban respondents and business-oriented groups are more likely to interact with GST through invoices and digital systems, while rural residents may encounter it more indirectly through prices and market transactions. This makes Malwa an important setting for studying not only whether people know about GST, but also whether they understand its operational logic. Such a regional lens is valuable because national tax reforms often look uniform on paper but behave unevenly on the ground. Regional socio-economic differences, educational levels and digital access can significantly shape GST literacy. (Sharma & Sharma, 2024; Yadav, 2024).

Another reason this topic matters is that GST is now deeply linked with digital compliance. Registration, return filing and tax payment are increasingly mediated by online platforms. That means tax literacy is now connected to digital literacy as well. The more complex the digital procedure appears, the more likely people are to rely on intermediaries such as accountants, shopkeepers, or tax consultants. This dependence may reduce errors, but it also prevents the public from developing independent understanding. In a reform-driven economy, that is a concern because a tax system becomes truly effective only when citizens can engage with it confidently, not passively. The present study therefore treats GST awareness as a practical public-policy issue, not merely an academic topic and examines how far the reform has been understood in everyday life in the Malwa area. (Mehta, 2021; Arora, 2023; Kapoor, 2024).

## **II. LITERATURE REVIEW**

The literature on GST awareness consistently begins with one strong conclusion: familiarity is not the same as understanding. Gupta and Agarwal (2017) found that although many consumers had heard of GST, their knowledge remained superficial and incomplete, particularly regarding tax rates, input tax credit and filing procedures. This distinction became a recurring theme in later studies as well. Mishra (2019) emphasized that awareness without comprehension is not enough for proper compliance, because taxpayers may still make errors, misread invoices, or misunderstand tax liability. In the same spirit, Kaur (2019) observed that traders in Punjab often knew GST existed, but could not clearly explain rates and procedural requirements. These studies collectively suggest that the central challenge is not introduction of the tax itself, but communication of its practical meaning. (Gupta & Agarwal, 2017; Kaur, 2019; Mishra, 2019).

A second stream of research focuses on demographic differences. Garg and Anand (2022) showed that GST perception and awareness vary with education and occupational exposure, while Sharma and Sharma (2024) reported that age, education and income shape awareness levels significantly. Singh and Kaur (2020) also found a positive relationship between education and GST awareness, supporting the idea that formal learning improves tax comprehension. Choudhary (2022) highlighted a similar occupational effect, showing that business owners and professionals generally exhibit stronger understanding than salaried or less exposed groups. Kumar (2018) widened this discussion by comparing urban and rural populations and reporting a pronounced divide in awareness, with urban respondents benefiting from better access to media and digital resources. These studies establish that GST literacy is socially stratified and that knowledge spreads unevenly across population categories. (Kumar, 2018; Singh & Kaur, 2020; Choudhary, 2022; Sharma & Sharma, 2024).

A third theme concerns the complexity of GST compliance and its effect on public perception. Veeravel (2018) found that traders, especially in the early years of GST, faced difficulties in understanding compliance procedures and input tax credit mechanisms. Reddy (2020) similarly noted that small business owners often depend on tax consultants because they find the system too complex to manage independently. Bansal (2023) reinforced this view by arguing that GST may increase transparency, but its procedural complexity continues to discourage deeper public understanding. Patel (2020) found that consumers initially experienced confusion regarding pricing and tax rates, even when they accepted the reform's transparency benefits. These findings are important because they show that complexity is not a minor inconvenience; it is a major barrier that shapes attitudes, behavior and trust. (Veeravel, 2018; Patel, 2020; Reddy, 2020; Bansal, 2023).

The fourth line of literature examines the role of information channels and digital literacy. Nair (2022) argued that government initiatives remain necessary but must be continuous and inclusive. Jain (2021) found that awareness



campaigns are more effective in urban areas than rural ones, suggesting uneven communication reach. Arora (2023) observed that digital media platforms are often more effective than traditional methods in spreading GST-related information. Mehta (2021) added that digital literacy is strongly linked with comfort in filing and registration. Sharma (2021) further showed that younger respondents tend to be more aware because of frequent use of the internet and social media. Together, these studies demonstrate that GST awareness is increasingly media-driven, but the success of that media depends on the user's digital capability and access. (Jain, 2021; Mehta, 2021; Sharma, 2021; Arora, 2023; Nair, 2022).

A fifth theme deals with satisfaction, trust and macro-level perception. Basavanagouda and Panduranga (2022) found that awareness is linked with satisfaction, because people who understand the system tend to accept it more easily. Verma (2021) showed that awareness improves consumer trust in billing practices, while Das (2022) reported that GST has improved compliance overall, even though understanding gaps remain among small taxpayers. Aggarwal (2023) identified confusion around tax slabs as a major issue and Kapoor (2024) concluded that awareness improves with practical exposure over time. Yadav (2024) emphasized that region-specific studies are important because local socioeconomic conditions influence tax understanding. This is especially relevant for Malwa, where the same tax reform can be interpreted differently by different communities. The broader literature therefore supports three main propositions: GST awareness is uneven, understanding is weaker than familiarity and regional context matters greatly. (Basavanagouda & Panduranga, 2022; Verma, 2021; Das, 2022; Aggarwal, 2023; Kapoor, 2024; Yadav, 2024).

#### Research Gap

Despite rich GST literature, most studies still focus on awareness, traders, or urban groups rather than the general public in a mixed rural-urban region. There is limited localized empirical work on Malwa and even fewer studies clearly separate awareness from practical understanding, especially in relation to digital literacy, bill reading and rate identification. This study therefore addresses a genuine gap by examining GST literacy as a grounded public issue in the Malwa area of Punjab.

#### Research Methodology

The study used a descriptive and analytical research design to assess public awareness and understanding of GST in the Malwa region of Punjab. Primary data were collected through a structured questionnaire from 200 respondents selected through convenience sampling, while secondary data were drawn from books, journal articles, government reports and published studies to build the conceptual base. The sample included consumers, students, salaried persons, traders and small business owners, allowing a broader social view of GST literacy. The main variables were awareness level, conceptual understanding, knowledge of tax slabs, rate identification, source of information, bill comprehension and attitudes toward GST's usefulness and complexity. Data were analyzed using percentage analysis, tabulation, comparative interpretation and a limited inferential review based on the frequency distributions available in the dissertation. Because the dataset is aggregated rather than item-level, the present paper uses exploratory statistical testing to examine whether response patterns are uniformly distributed or significantly skewed toward awareness, uncertainty, or confusion.

#### Data Analysis

The dissertation's 15 response tables show a clear pattern: GST is known, but not fully understood. Table 4.1 shows that 50% of respondents are fully aware of GST, while another 30% have only heard of it without clarity. Table 4.2 indicates that 36% fully understand the concept and 34% have only basic understanding. However, the deeper items expose the gap more sharply. Only 28% clearly know GST is an indirect tax and only 13% correctly understand that GST applies to both goods and services. Table 4.6 shows that 47% cannot identify GST rates at all and Table 4.12 reveals that 56% have never attended any GST awareness program. At the same time, 73% strongly agree that such awareness programs are needed, which is a strong policy signal that the public itself wants more guidance.



**Table 1. Key GST literacy indicators (N = 200)**

Indicator	Positive response	Mean score*	Interpretation
Heard about GST	80%	3.20 / 4	High recognition
Understand concept of GST	70%	2.96 / 4	Moderate understanding
GST is an indirect tax	60%	2.73 / 4	Conceptual weakness
Awareness of GST tax slabs	73%	3.02 / 4	Fairly strong awareness
GST applies to goods and services	13% correct	—	Major knowledge gap
Can identify GST rates	53% at least partial	2.17 / 4	Weak practical knowledge

\*Mean score is calculated on a 4-point coding where a higher score indicates stronger GST literacy. For the composite awareness score, the average of the five scored items is **2.82/4**, which is about **70.4% of the maximum possible score**. This suggests **moderate overall GST literacy**, but not deep mastery. The strongest areas are general awareness and tax-slab familiarity; the weakest area is rate identification. The 13% correctness on GST applicability is especially serious because it shows that a large section of respondents still misclassifies the basic scope of the tax.

**Table 2. Exploratory chi-square test of response concentration**

Item	$\chi^2$ value	p-value	Result
Heard about GST	88.00	<0.001	Significant skew
Understand concept	36.16	<0.001	Significant skew
GST is indirect tax	12.64	0.005	Significant skew
Awareness of slabs	54.88	<0.001	Significant skew
GST applicability	26.08	<0.001	Significant skew
Identify GST rates	20.44	<0.001	Significant skew

These tests are exploratory and compare the observed responses with an equal distribution benchmark. The result is consistent across all six indicators: response patterns are not random; they are strongly tilted toward partial knowledge, uncertainty, or confusion rather than uniformly strong awareness. In practical terms, this means the issue is not whether GST has reached people's minds; the issue is whether it has reached them with clarity. The answer, from the Malwa data, is only partly.

On perception items, respondents show mixed but not hostile attitudes. A combined 53% view GST as highly or somewhat beneficial, while 30% remain neutral and 17% say it is not beneficial. On prices, 45% believe GST has increased prices either a lot or slightly, while 39% remain neutral. On system simplicity, 78% describe GST as complex or very complex. On bill understanding, 54% report frequent or occasional difficulty. These numbers show that GST is not rejected; rather, it is perceived as administratively demanding. That is a very different policy problem. The reform is accepted in principle, but its presentation and execution appear too technical for broad public comfort.



### III. FINDINGS

The findings indicate that GST awareness in Malwa is visible but uneven and the gap between hearing about GST and truly understanding it remains substantial. Respondents are most comfortable with broad familiarity, but they struggle when the questions move toward indirect tax status, actual applicability, rate recognition, billing and compliance. The strongest informational channels are television, radio and the internet, which means the public is receiving GST messages mainly through mass and digital media rather than through structured education. At the same time, the extremely low participation in awareness programs suggests that formal outreach has not penetrated deeply enough at the grassroots level. The strong public demand for awareness programs is significant because it shows willingness, not resistance. People are not refusing GST; they are asking for clarity. That is an encouraging sign for policymakers because it means the system's weaknesses are still correctable through communication, simplification and local engagement.

### IV. CONCLUSION

The study leads to a clear and practical conclusion: GST in the Malwa region has achieved recognition, but not full comprehension. In policy language, this means the reform has travelled well, but it has not yet spoken clearly enough to every section of society. The public generally accepts GST as a significant tax reform and even sees its possible contribution to transparency and economic growth, yet many respondents still find the system difficult, especially in matters of bills, tax slabs, rate identification and actual applicability. The evidence also shows that information is reaching people through media, but not always through explanation. This distinction matters. A tax system does not succeed merely because people have heard of it; it succeeds when they can interpret it, trust it and use it confidently. The Malwa findings therefore support a reform agenda centered on simplification, regional communication, digital support and repeated awareness efforts. GST literacy must be treated as a public good, not an optional add-on. If India wants a tax system that is transparent, efficient and citizenfriendly, then the next phase of reform must focus on comprehension as seriously as it has focused on structure.

### Future Research Direction

Future studies may use larger samples, probability sampling and crosstabulation by education, occupation, income and urban-rural location to build a more rigorous GST literacy model. A comparative study across districts or states, or a pre-post awareness intervention design, would also help identify which communication strategies genuinely improve understanding.

### REFERENCES

- [1]. Aggarwal, P. (2023). Consumer confusion regarding GST rates and tax slabs. *Journal of Taxation Studies*, 6(2), 73–80.
- [2]. Arora, K. (2023). Effectiveness of digital media in spreading GST awareness. *International Journal of Digital Economy*, 4(2), 61–68.
- [3]. Bansal, M. (2023). Transparency and complexity issues in GST compliance. *Journal of Business Regulation and Governance*, 5(1), 27–34.
- [4]. Basavanagouda, M., & Panduranga, H. (2022). Consumer awareness and satisfaction towards GST in Karnataka. *Journal of Taxation and Economic Development*, 11(2), 60–68.
- [5]. Choudhary, R. (2022). Impact of occupation on GST awareness. *International Journal of Social and Economic Research*, 10(1), 44–50.
- [6]. Das, P. (2022). Impact of GST on tax compliance among taxpayers. *Journal of Financial Studies*, 18(2), 95–103.
- [7]. Garg, R., & Anand, S. (2022). Consumer awareness and perception of GST in urban areas. *Journal of Business and Economic Studies*, 14(1), 78–85.



- [8]. Gupta, A., & Agarwal, B. (2017). An empirical study on GST awareness among Indian consumers. *International Journal of Commerce and Management Research*, 3(2), 45–52.
- [9]. Jain, V. (2021). Effectiveness of GST awareness campaigns in urban and rural areas. *Journal of Public Administration and Policy Research*, 13(1), 33–39.
- [10]. Kapoor, T. (2024). Growth of GST awareness through practical exposure. *Journal of Economic Reforms and Policy*, 9(1), 112–118.
- [11]. Kaur, H. (2019). GST awareness among traders in Punjab. *Punjab Journal of Business Studies*, 7(1), 55–63.
- [12]. Kumar, S. (2018). A comparative study of GST awareness in urban and rural populations. *Indian Journal of Marketing*, 48(6), 34–40.
- [13]. Mishra, R. (2019). Awareness versus understanding of GST: A study on compliance issues. *Journal of Commerce and Accounting Research*, 8(4), 70–76.
- [14]. Mehta, S. (2021). Role of digital literacy in GST compliance. *Journal of Information Technology and Management*, 12(2), 66–72.
- [15]. Nair, S. (2022). Role of government initiatives in spreading GST awareness. *Journal of Public Finance and Policy*, 7(3), 58–64.
- [16]. Patel, D. (2020). Consumer perception and transparency under GST. *Journal of Economic Policy and Research*, 15(3), 41–48.
- [17]. Reddy, K. (2020). Challenges faced by small business owners in GST compliance. *International Journal of Business Analytics*, 6(2), 88–95.
- [18]. Sharma, N. (2021). Generational differences in GST awareness. *Indian Journal of Social Research*, 62(4), 210–216.
- [19]. Sharma, P., & Sharma, R. (2024). Impact of demographic factors on GST awareness in Yamuna Nagar district. *Indian Journal of Economics and Development*, 20(1), 102–110.
- [20]. Singh, A., & Kaur, P. (2020). Role of education in GST awareness. *International Journal of Education and Management Studies*, 10(2), 120–126.
- [21]. Singh, U. (2023). GST awareness among retailers and compliance challenges. *International Journal of Accounting and Finance Studies*, 5(1), 25–32.
- [22]. Srinivasan, R., & Kalaiselvan, M. (2017). GST awareness among rural traders. *Journal of Rural Development Studies*, 8(2), 90–97.
- [23]. Veeravel, K. (2018). GST awareness and compliance challenges among traders in Puducherry. *Asian Journal of Management*, 9(3), 150–156.
- [24]. Verma, R. (2021). Impact of GST awareness on consumer trust in billing practices. *Journal of Consumer Behaviour Studies*, 9(1), 15–22.
- [25]. Yadav, V. (2024). Importance of regional factors in GST awareness studies. *Journal of Regional Economic Studies*, 11(1), 50–57

