

ARE HAPPIER CITIZENS WILLING TO PAY HIGHER TAXES?

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Abstract

This paper aims to study the relationship between taxation and citizens' behaviour and happiness, through the analysis of a questionnaire, focused on identifying whether or not citizens would be willing to pay higher taxes to benefit from better public services offered by the government. We observed the main characteristics of the tax system in Romania compared to other countries, making a comparison and explaining the best scenarios in each country through the latest taxation trends, and we studied the impact of taxation on the citizens' behaviour, feelings, and well-being. We observed how progressive taxation influences people's well-being, satisfaction, and happiness. The analysis was built upon 114 questionnaire responses and the results are described through descriptive statistics and correlations. The main result indicated that indeed, citizens would pay higher taxes to receive better public services, and the answer to the question "Are happier citizens willing to pay higher taxes" is undoubtedly affirmative. Accordingly, citizens would pay higher taxes as long as the government will keep them safe, ensuring an increased level of satisfaction and well-being.

Keywords: taxation, happy taxpayers, well-being, public services, satisfaction

JEL Classification: H2, H3, I31

Acknowledgment: This work was cofinanced from the European Social Fund through Operational Programme Human Capital 2014-2020, project number POCU/380/6/13/125015 "Development of entrepreneurial skills for doctoral students and postdoctoral researchers in the field of economic sciences".

Introduction

The first part of the paper presents several theoretical aspects of taxation. In fact, in every section of this paper, there will be reference to taxation and psychology or economic growth and well-being. Starting with the hypothesis, we would like to introduce the first theoretician, Benjamin Radcliff, who in 2013, drew a parallel perspective between happiness and taxes, describing that higher levels of taxation would provide higher levels of life satisfaction, and therefore more happiness. Also, an

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important component of the system, progressive taxation, is highly impacting people's behaviour over the long run.

Throughout this paper, we will discuss each concept mentioned before by contrasting taxation in Romania with tax systems in other countries. Well-being represents an important step in this paper as we will discuss how taxation and other economic activities influence citizens' well-being.

The empirical section of this paper embodies the most important part, being based on a sample of 114 people who responded to a questionnaire with 20 questions. The overall questionnaire was meant to answer the final question of this paper: Are happier citizens willing to pay higher taxes? To receive better public services. We used instruments such as statistics and correlations to study the behavior of people nowadays, with an age range between 18 and 55 years old. Their professional areas were mostly related to banking, accounting, education, and IT. Going further, we studied their awareness about the Romanian Fiscal System and their satisfaction. By this we introduced the consumers into the questionnaire, followed by the way they feel about their financial status, how they react to losses and gains, also collecting feedback regarding the public services in Romania (health system, education system, transportation system, and infrastructure). We finalized the survey by asking the citizens about their professional life on a scale of 1 to 5 (1 being the less satisfied with their professional life and 5 being the most satisfied). The last question of the survey represented the consumers' view on their income and if the income can satisfy their needs and desires.

To sum up, this paper embodies psychological taxation, theoretical taxation, the behaviors of the consumers, and the relationships between taxation and happiness. We will observe how they can be correlated by examining the literature on this topic and by analysing the questionnaire responses.

1. The concept of taxation and principles of the Romanian fiscal system

Taxation is one of the most fundamental and dominant concepts in modern society (Gaisbauer, et. al., 2015). Taxes represent the main source for financing public services to secure social welfare, public order, and national defense. A large range of public goods such as education, healthcare or infrastructure, cannot be properly provided without government and taxation. Most people do not like paying taxes. However, they pay for their goods and services and these prices include taxes, and citizens might feel the tax aversion as a widespread phenomenon (Sussman & Olivola, 2011). People may dislike taxes for either economic or political reasons. For many of them, taxes are described as a loss of financial freedom, without a fair return. Regardless, the population is obliged to pay its duties imposed by law.

Going further, the taxation system has particular principles (governed by the Romanian Fiscal Code from Law no. 227/2015, Chapter 2, Art. 3) which are required to compute and establish the taxes regarding a country's system. We will present the specific principles, mentioned in the Fiscal Code:

- Neutrality of taxes, which measures the various categories of investors and capital, forms of ownership, by ensuring equal circumstances for investors.

- Certitude of taxation, by emerging clear legal norms, which does not lead to arbitrary interpretations, whereas the deadlines, manner, and amounts payable are the same for every taxpayer.
- Fiscal equity at the level of natural persons which, through different taxation of revenues, is based on the size of the incomes earned.
- Efficiency of taxation, which ensures the long-term stability of the necessities of the Fiscal Code so that those necessities will not lead to unfavourable backdated effects for natural and legal persons, in comparison with taxation in force on the date of major investments decisions adoption.
- Predictability, which regards the assuring of the government that the mandatory taxes and fees will not be changed for at least one year.

The concept of progressive taxation may be defined as a tax which is levied at a rate that increases as the tax base increases. Therefore, a tax is progressive when the marginal tax rate exceeds the average tax rate, while it is regressive when the average tax rate exceeds the marginal tax rate. If the average tax rate increases with income for all income levels, the tax system is viewed as uniformly progressive (Roed and Storm, 2002).

Tax systems play an important role in any country, establishing the framework for providing the financial resources needed to fulfill the role of the state in the economy while carrying an important influence on imbalances. After Romania became a member of the European Union, the country went through certain governmental reforms, including in terms of the tax system, to achieve the requirements of the E.U. membership. Romania has a market with excellent potential, a strategic location, and a solid business climate. We will further describe the main taxes paid or supported by Romanian citizens.

The personal income tax concerning incomes from salaries is ruled by the Fiscal Code (Law 227/2015). At this moment, incomes obtained by individuals are taxed with 10%, but there are certain categories exempted from the income taxes, like the following:

- IT specialists - the tax exemption process is based on a very high level of documentation and it must respect a set of provisions;
- employees with disabilities - the tax exemption is granted only after a very strict inspection realised by the Superior Commission for the Assessment of Adults with Disabilities;
- employees who work in the Research & Development or Technological Development Area;
- employees carrying out activities based on a labour contract concluded for a period of one year.

The standard VAT rate in Romania is 19%. The rate decreased from 24% to 20% from January 1, 2016, and from January 1, 2017 decreased again from 20% to 19%. There are two reduced rates: 9% for products from the food and beverage industry, or for medical services, and 5% for the books, newspapers, magazines, and different admission fees for cultural activities. Concerning the indirect taxes in Romania, according to the European Commission (2020) report on taxation trends, the VAT

brings the largest contribution to GDP, after social contributions, of 6,4% of GDP in 2018 (in 2015 it was 8,1% of GDP). Taxes on products, except VAT and import duties, represent 3.3% of the GDP, which is one of the highest contributions in GDP in terms of taxes and social contributions. According to these numbers, we conclude that the Romanian tax system is based on indirect taxation.

Going further to the direct taxes, the personal income taxes used to be around 3.6% of GDP before the transfer of the contributions from the employers to the employees. Accordingly, from 2018, when the new regulations related to social contributions came into force, the level of personal income taxes decreased to 2.4% in GDP. This gap was covered by the major increase in the social contributions supported by employees, which were 3.2% of GDP in 2017 and raised to 9.5% of GDP in 2018.

Considering the analysis reviewing the relationship between happiness and taxation, we also observed other countries from the same report prepared by the European Commission, to overview the tax system in developed countries. According to the Taxation Trends in the E.U., Norway is way further than Romania in terms of the level of taxes in GDP, with a VAT of 8.4% in the GDP, a level of personal income taxes of 10% in GDP, and 4.2% in GDP from the social contributions supported by employees. In contrast with Romania, Norway is indeed a multi-developed country, with an average salary per month of 2,900 euros, but also with very high tax rates. We chose this comparison because Norwegians are happier and more satisfied, and their well-being is higher than the Romanian citizens, and most of the EU countries too, as it has always been at the top of the ranking related to happiness.

Referring to the less developed countries, more exactly to Bulgaria, in 2018 the level of the VAT in the GDP was 9.1%, and taxes on products, except VAT and import duties were 4.6%. Going further to the direct taxes, the personal income taxes was 3.3% in the GDP, and employees' social contributions were 3.4% in GDP, which are even less than in Romania, in terms of direct taxation.

2. The concept of well-being

According to the Oxford English Dictionary, the synonyms of the term “well-being” concern the comfort, safety, security, prosperity, profit, and prosperousness of the citizens. Therefore, every term mentioned before would be a result of good status, wealth, and large incomes.

A subject that is significantly important to people's happiness is “progressive taxation”. A lot may think that a flat tax system, in which everyone pays to the public budget an amount based on the same percentage of revenues, might satisfy everyone, but the real effects are the opposite. Citizens who are paying taxes in a country with progressive tax rates are happier than those who are living in a country with flat tax. Thus, some research has compared the progressiveness of a nation's tax system with various measures of happiness, demonstrating that progressive taxes are positively associated with subjective wealth. In conclusion, citizens are happier when they pay higher taxes and higher tax rates (Association for Psychological Science, 2011). This fact stands on statistical analyses of national factors, such as GDP per capita and income inequality, as well as gender, age, or marital status. Deaton and Kahneman (2010)

demonstrated that income and happiness increase simultaneously until a certain point is reached, and then the terms of satisfaction are progressively diminished. According to OECD Better Life Indexes, life satisfaction measures how people evaluate their life rather than their current feelings. When they were asked to rate their general satisfaction with life on a scale from 0 to 10, people from the OECD countries evaluated it with a score of 6.5. A few countries – Greece, Portugal, and Turkey – have a moderately low degree of life fulfillment, with normal scores of 5.5 or less. On the opposite side of ranking, scores achieve 7.5 in Denmark, Finland, Iceland, Norway, and Switzerland. As previously mentioned, Norway is one of the happiest countries. In this country, although tax rates are higher, the level of wages is high or sufficient to cover normal living standards and therefore people can easily meet their needs. In addition, the public services provided are in line with expectations. Going back to the hypothesis of our research, and the question of this paper, we expect that happier people are willing to pay higher taxes.

Harry Truman, former US President once said: “It is a recession when your neighbour loses his job; it is a depression when you lose yours”. The unemployment status affects your material well-being, but also your level of satisfaction, carrying psychological and physical implications. Thus, anxiety and deterrence rates have risen since the financial crisis. Europeans revealed in 2010 that they were feeling “increasingly negative” compared to 2005-2006, and studies even linked the increase in suicide rates to the 2008 recession, with almost 5,000 suicides above normal next year. All these aspects have drastic effects on the well-being of the population, psychological well-being being a determining factor related to how strong individuals are in their lives and how happy they are.

Being unemployed affects your physical and psychological well-being, and how satisfied you are with your life. There have been numerous indicators that rates of anxiety and discouragement have been rising since the financial crisis. Europeans revealed feeling “increasingly negative” in 2010 compared to 2005-2006, and studies even connected the ascent in suicides to the 2008 downturn, with almost 5,000 suicides over the normal level in the next year. This has drastic effects on the welfare of the population, with psychological wellbeing being a primary determinant of how strong individuals are in their lives and how happy they are. For example, normal life fulfillment declined in Greece by more than 20% from the deepening of the crisis until 2012, in Italy by about 12%, and in Spain by 10%; all these nations experienced significant increases in unemployment rates.

An OECD project explained that psychological wellness has enormous repercussions on financial profitability. There are people with severe psychological illnesses, and they are likely to die younger (20 years) or become unemployed and poor. This translates into considerable expenditures for countries, with expenditures of mental sick health hitting an estimated \$2,493 billion in 2010. In England, the general loss of income due to suffering was estimated at £5.8 billion in 2007 and by 2026 it is projected to increase to £6.3 billion. The World Health Organization characterises being intellectually sound as “a condition of prosperity in which the individual understands their capacities, can adapt to the typical worries of life, can work profitably and productively, and can make a commitment to their location”. But in case they do not

have an occupation, they would become increasingly discouraged. Sadly, in most countries, mental health care is still not a priority given a tremendous health, social and economic costs generated by mental illness.

“Will money make you happy? A certain level of income is needed to meet our needs, and very poor people are frequently dissatisfied with life” (Diener and Seligman, 2004). In any case, having increasingly more cash has unavoidable losses – ever more elevated salaries have less and less effect on satisfaction. Affluent countries will in general have higher normal life fulfillment than poor countries. Yet, the United States has not encountered an increase in life fulfillment over the previous decades, although pay has multiplied. The objective is to realise the level of salary that you can live with and be satisfied. If one’s desire is to keep increasing his or her earnings, with this goal he or she will generally feel poor, regardless of how much they earn. Cash can help in feeling fulfilled, but when an excessive number of other significant things are relinquished to win a great deal of cash (for example, connecting to certain people or undertaking a less interesting activity), the quest for cash can reduce our joy.

Stutzer (2003) provides insights into compulsory payments and their relationship with satisfaction. Relative income is another concept in the financial system, which underlines another aspect of how the economy sees the human spirit, how necessary it is, and what benefits the general public is getting. Before, people would focus only on their personal wealth, and not on the economy or society's profits. That is one of the fundamental reasons why there were so many problems with wages in the past, but these days, given that people are not so egotistical and reconsider differences in wages and other payments, the problems related decreased.

According to Akay et al. (2012), the main impact of tax collection on satisfaction should be negative, reflecting the decline in individual salaries. On the other side, they relate to a favorable outcome of happiness by analysing tax revenues that finance public goods for the general use of people. State intervention and satisfaction in Europe's modern voting-based systems is a positive one because those specific majority-ruling governments can still maintain some soundness between evaluations and satisfaction just when the political opportunity is not unreasonably high. However, the investigation suggested that people are moving towards increasingly political incentives and gradually democratic rights; therefore, the government needs to have a positive influence on satisfaction. The literature studying the relationship between taxes and happiness described that the ideal tax system would be more probable in a competitive environment than in an altruistic one.

Trommelen (2013) presented an empirical investigation of the relationship between globalization and job satisfaction in the European Union. To sum up his examination, globalization is adversely identified with work fulfillment. Another conclusion is that the connection between globalization and fulfillment related to occupation does not essentially vary between the employees. Rather, when making a qualification among low and high instructed laborers, it appears that globalization is contrarily identified with work fulfillment for high trained laborers, while there is no fundamentally negative connection for less-qualified laborers. This examination additionally explored whether the negative connection between globalization and

employment fulfillment is brought by a decline in professional stability. Overall, it seems that globalization is identified with fulfillment through professional stability. Roznowski and Hulin (1992) emphasised the enormous amount of research accomplished on job satisfaction. They commented that employment fulfillment has been around in logical research for such a long time that it gets treated by certain specialists as an agreeable 'old shoe', one that is unfashionable and shameful (p. 124). Be that as it may, in the worldwide changing conditions, other research in this field would bring more insights. The reason for this investigation is to fill the gap in the literature concerning how citizens' satisfaction and fulfillment would be affected by tax system. It appears that independently employed individuals have more elevated levels of occupation fulfillment than employees (Blanchflower, 2000).

3. The contrast between the tax systems in Romania and other countries

Recent studies evidenced that the taxes and fees in Norway, Denmark, Iceland, and Finland are higher, but people are a lot happier, as the happiness index values suggest in the United Nations' World Happiness Reports. Norway, which is the richest country by its GDP per capita, is in the top 5 countries overviewed in the United Nations study, and we observe it as part of the European Economic Area. These happy countries have one thing in common: they are all highly taxed.

According to the World Happiness Report in 2020, the happiest country in the world is Finland. From the Taxation Trends in the European Union in 2020, we observe that Finland is at a higher level of fiscal pressure, compared to Romania, with a VAT of 9.1% in the GDP, and taxes on products, except VAT and import duties, which are 4.9% in GDP. For this Nordic country, the personal income taxes are 12.2% in GDP, and social contributions supported by employees are 4.3% in GDP.

Going back to the less developed countries, except for Bulgaria, which we referred to in the first section related to taxation, we also mention Poland. The percentage of the VAT in GDP increased from 7% to 8.1% from 2015 until 2018. Further, taxes on products except for VAT and import duties were 4% in GDP. Direct taxes were at a steady increase over years, from 6.7% in GDP to 7.8%. The total amount of social contributions from employees also counts for a significant part in GDP, of 8.1%.

Moving our attention to the Czech Republic, Poland's neighbor, we can observe that in 2018, the VAT was 7.7% out of the total GDP of the country and the total indirect taxes were 12.5% in GDP. The total direct taxes in the Czech Republic were above Poland's total direct taxes, with 8%, but a smaller level of contributions from employees (5.5% in GDP).

In 2013, in South-Eastern Europe, only 14% of individuals were satisfied with the system of taxes and fiscal obligations. For instance, the lowest level of satisfaction in Europe was registered by Romania and Serbia. The value-added tax increased from 19% to 24% in 2010, and the contributions were 45%, the highest rate in Europe. Slovakia had the lowest VAT rate in the European Union – 20%. Going back to our Southern neighbors, Bulgaria, they had the lowest income and profit tax. Starting with 2007-2008, the flat tax rate for income taxes was 10%.

Referring to happiness and well-being, marriage should make people happier, but in Canada, 3,7% out of the population is living in a common-law relationship. The main reason is taxation. Being married in Canada impacts the taxable income and may render you eligible to receive additional benefits. For instance, in 2018, if you have earned under \$45,282 in taxable income, the tax rate would have been 15%. If you have earned from \$45,283 to \$90,563, the rate goes up to 20,5%. Being married in Canada and sharing the income and expenses, taxable income could decrease based on the transfer of tax benefits from one partner to the other.

Another fundamental idea according to the book written by Lymer and Hasseldine (2002) is the future of tax collection. According to them, later on, there will be various changes in the national and universal tax collection framework. Due to these changes, the Government ought to be set up to raise the funds needed to cover future holes in the tax assessment framework. A few business analysts express that at a national level, estimating the corporate benefits can turn into a beneficial choice to cover the sudden future gaps that can develop, yet on a global level issues may be revealed because the tax assessment frameworks have disparities. Correspondingly, the future tax assessment frameworks will be influenced without a doubt due to the innovation, not really in an antagonistic way, yet it ought to be analyzed cautiously to ensure that everything was considered.

4. Results and discussions

To complete our study we formulated a questionnaire with 20 closed questions, which was sent for completion through the Google Form platform, chosen for its user-friendly interface and its ability to synchronize all answers in Google Drive. In total, 114 respondents completed our questionnaire and we found out information about their age, gender, the environment in which they live, their field of work, and their general opinion on the current Fiscal System in Romania. Going further, we asked the citizens about their net income, referring to three margins (1,000-1,500 lei, 1,500-2,500 lei, and 2,500-4,000 lei). We also wanted to reveal their reactions to losses and gains, what their feelings are in terms of their financial status, and whether or not they are satisfied with their lives. The last three questions concerned the income: how satisfied they are in terms of their monthly net income, how satisfied they are with their professional life (1 being not satisfied at all and 5 being very satisfied), and the last question is regarding the opinion of people on whether or not their income levels satisfy their needs and desires.

The responses to the questionnaire were coded and for the analysis we employed correlations in SPSS, a software package appropriate for analysing questionnaire data, and recommended for research in Social Sciences.

We can observe in Table no. 1 that the correlation is statistically significant at 1% level, indicating that it is certainly true that if a citizen is satisfied by the level of his income, this allows him to satisfy his needs and desires, to some extent. We add this final detail because the Pearson correlation coefficient (0.576) does not indicate a very strong correlation, but rather an average one. This means that even though some citizens

are satisfied with their incomes, their level does not offer them the possibility of satisfying all their needs, and especially their desires.

Table no. 1. Correlation between the level of satisfaction with the income and the citizens' necessities (referring to their incomes, needs, and desires)

		19. On a scale of 1 to 5 how satisfied are you with your salary?	20. Is your monthly salary enough for you to satisfy all your needs and desires?
19. On a scale of 1 to 5 how satisfied are you with your salary?	Pearson Correlation	1	0.576***
	Sig. (2-tailed)		0.000
	N	114	114
20. Is your monthly salary enough for you to satisfy all your needs and desires?	Pearson Correlation	0.576**	1
	Sig. (2-tailed)	0.000	
	N	114	114

**. Correlation is significant at 1% level

Source: results obtained after processing the data by the authors

Additionally, we present in Table no. 2 the relationship between satisfaction in life and the satisfaction related to accomplishing your needs and desires based on the income earned. Once again we observe that the level of satisfaction is not directly proportional. Although there is a statistically significant correlation between the two aspects of satisfaction, they increase based on each other's levels, but not in the same proportion (as the correlation coefficient is 0.531).

Table no. 2. Correlation between the satisfaction in life and the satisfaction in accomplishing all your needs and desires based on the monthly income

		11. . Are you satisfied with your lifestyle?	20. Is your monthly salary enough for you to satisfy all your needs and desires?
11. Are you satisfied with your lifestyle?	Pearson Correlation	1	0.531**
	Sig. (2-tailed)		0.000
	N	114	114
20. Is your monthly salary enough for you to satisfy all your needs and desires?	Pearson Correlation	0.531**	1
	Sig. (2-tailed)	0.000	
	N	114	114

**. Correlation is significant at 1% level

Source: results obtained after processing the data by the authors

The correlation results presented in Table no. 3 indicate a relationship which is statistically significant at 1% level. In this case, we have the age margins from 18 years old to 55+ years old, while the elements of the second variable refer to whether respondents feel calm, stressed, calculated, or thinking of another financial strategy (noted from 1 to 4 in this order). We can see that the more you age, citizens feel calmer regarding their financial status and, of course, more satisfied with their well-being, earnings, and other financial aspects in their lives. Although the coefficient is not very high (-0.256), we hypothesize that as much as we grow older in life, the more stable we become in terms of our financials. And regarding our jobs and incomes in the second part of our life, we tend to feel more secure and more calculated, offering us more confidence.

Table no. 3. Correlation between the age and the feeling of the citizens regarding their financial status

		1. Age	10. How would you describe yourself when you think about your financial status?
1. Age	Pearson Correlation	1	-0.256**
	Sig. (2-tailed)		0.006
	N	114	114
10. How would you describe yourself when you think about your financial status?	Pearson Correlation	-0.256**	1
	Sig. (2-tailed)	0.006	
	N	114	114

** Correlation is significant at 1% level

Source: results obtained after processing the data by the authors

In Table no. 4 we have a positive correlation, statistically significant at 1% level, between the satisfaction in the respondent’s professional life and the satisfaction related to the income level. Certainly, there is a correlation between these two variables because the more satisfied you are with your professional life, the more satisfied you should be with your income. The value of the coefficient suggests that the dependence between the profession and salary level is not extremely strong, although we expected incomes to increase when the professional life offers you satisfaction, as you would be more efficient at work.

Table no 4. Correlation between the level of satisfaction related to the citizen's professional life and the satisfaction about his/her income

		2. On a scale of 1 to 5, how satisfied are you with your professional life?	19. On a scale of 1 to 5 how satisfied are you with your salary?
2. On a scale of 1 to 5, how satisfied are you with your professional life?	Pearson Correlation	1	0.545**
	Sig. (2-tailed)		0.000
	N	114	114
19. On a scale of 1 to 5 how satisfied are you with your salary?	Pearson Correlation	0.545**	1
	Sig. (2-tailed)	0.000	
	N	114	114

***. Correlation is significant at 1% level*

Source: results obtained after processing the data by the authors

In Table no. 5 we observe that the environment in which we are living (urban or countryside), and the knowledge of the Tax System are not correlated in terms of the statistical significance of the Pearson correlation coefficient. Accordingly, we cannot confirm that people living in cities are more aware of the Tax System in Romania than those living in the countryside, although most respondents (95%) lived in urban areas.

Table no 5. Correlation between the environment where the citizens are living and their awareness regarding the Fiscal System in Romania

		2.Urban environment/Country side?	5. Are you aware of the current Fiscal System in Romania?
2.Urban environment/Country side?	Pearson Correlation	1	-.158**
	Sig. (2-tailed)		.093
	N	114	114
5. Are you aware of the current Fiscal System in Romania?	Pearson Correlation	-.158**	1
	Sig. (2-tailed)	.093	
	N	114	114

***. Correlation is significant at 1% level*

Source: results obtained by processing the data by the authors

Conclusions

To sum up our research, we mainly focused on the impact of taxation on citizens' happiness and behavior. In the beginning, in the theoretical part of this paper, we provided information about general aspects of taxation. After that, we made a comparison between the Romanian tax system and other European countries. Furthermore, we discussed the main links between taxation and well-being, observed worldwide through the articles published on the topic. This research proved that citizens are willing to pay higher taxes to receive better public services from the government: education, health, infrastructure, or transportation. We also evidenced certain behaviors, feelings, and attitudes of people towards the current tax system.

All the countries mentioned in this paper, Norway, Sweden, Finland, The Netherlands, have qualitative public services, which satisfy citizens at a greater level. According to many researchers and studies mentioned in the literature review, people tend to feel happier, and their well-being is increased because of higher taxes and fees collected, and also because of progressive taxation, which refers to tax systems in which the tax rate increases as the taxable amount increases. The term "progressive" refers to the way the tax rate progresses from low to high, with the result that a taxpayer's average tax rate is less than the person's marginal tax rate. "The more progressive the tax policy is, the happier the citizens are", according to psychologist Shigehiro Oishi (Association for Psychological Science, 2011).

We observed that 70% out of 114 respondents, namely 80 respondents, declared that they would pay higher taxes to get better public services. According to the responses of the questionnaire, the highest percent goes to female respondents (80%). Going further, we received 18% responses from people of 18-25 age range, 39% of respondents were between 25 and 35, 32% in the 35-45 age range, and 21% in the 45-55 age range. 95% of the respondents were from the urban environment. We observed that half of the respondents are working in the Finance and Accounting field, and 10% are working in IT (which is significant for our research, as the tax system regulates zero income tax for this category). Additionally, there is a high percentage of people (72% of our respondents) who are aware of the current Fiscal System in Romania. Only three of the 114 respondents answered to our questions related to public services quality that they are very satisfied with all the public services mentioned above, which means only 1% of the citizens surveyed.

We demonstrated through a series of correlations the relationships between various indicators, some being unexpected. For example, people who are calculated are the ones between 25 and 35 years old. The young people these days tend to control much better their finances or they need to feel safer when it comes to their earnings. Going further, people between 45 and 55 years old tend to feel calmer. When you grow old, you tend to start a savings account, your lifestyle is more settled, people usually have a stable job, which automatically increases their well-being. Another aspect was the one related to satisfaction in life and the satisfaction on the level of income, or satisfaction on fulfilling the needs and desires. Although our results indicate statistically significant relationships, the level of satisfaction is not influenced only by the level of earnings or the fact that income could cover all needs and desires, as coefficient values

do not indicate a total or very strong dependence between these aspects. Accordingly, we expect for citizens' happiness to be influenced by more than the materialistic side of life.

To end this paper, we can say that the citizens would certainly be willing to pay higher taxes, fees, and contributions to receive more and better public services from the state. They want to feel safer, more satisfied, and in this way, their well-being and their happiness will be higher, as a better society may be created through increased quality of public services. We need a better health system to make citizens feel safe and willing to live in a country. We need a better and innovative educational system to raise our children in a good environment and offer the best knowledge. Also, we need a better transportation system, and to travel safely. The Romanian infrastructure also needs improvements. All these variables contribute to the same governmental goal: to make citizens happier and more satisfied. To our questions regarding public services, only three from 114 respondents declared that they are very satisfied with all the public services previously mentioned, which means only 1% of the citizens questioned.

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