

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".

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