

The Impact of Public Consumers' Life Satisfaction on Their Attitude Toward Tax Payment

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Abstract

We all need to live in a safe society where fair opportunities are provided, and we need to live with the trust of ordinary people. A good society means life satisfaction, and key components of this satisfaction include social safety, public trust, and the perception of social fairness. This study analyzed data from the Social Integration Survey conducted in 2021, 2022, and 2023, involving approximately 8,000 people (about 4,000 households) aged 19 and older nationwide, using AMOS18.

Keywords: life satisfaction, tax payment attitude, social trust, social fairness, social safety

I. Introduction

A society can be sustainable and prosperous when it is stable, trust is established among its members, and fairness is ensured. The United Nations (UN) has stated that governments and international organizations must invest in conditions that support happiness by integrating human rights, well-being, and environmental dimensions into policy frameworks such as the 17 Sustainable Development Goals (SDG). The efficiency of governments in maintaining peace and social order, including areas such as taxation, legal systems, and public service provision, is closely correlated with average life satisfaction. (Yeonara, 2024)

The World Happiness Index (WHI), published by the United Nations Sustainable Development Solutions Network (UN SDSN), measures the happiness levels of 156 countries. This index is calculated by considering six factors: Gross domestic product (GDP) per capital, life expectancy, social support, freedom, perception of corruption, life satisfaction, and social cohesion. In the 2023 WHI, Finland ranked first for the sixth consecutive year. Denmark and Iceland, also Nordic countries, ranked highly. South Korea rose two places from 55th in 2022 to 53rd, but ranked 35th among the 38 Organisation for Economic Co-operation and Development (OECD) countries, among 137 countries, South Korea ranked 57th, which is a two-step rise from 2022. (vlog, 2023).

Therefore, the relationship between taxes and life satisfaction is complex, with the quality of public services, the social safety net, and the perception of fairness playing important roles. The purpose of this study is to examine the perceptions of Korean citizens regarding safety, trust, and fairness in society and their impact on overall life satisfaction. Additionally, the study explores how overall life satisfaction influences attitudes toward paying taxes.

II. Theoretical Discussions

1. Overall Life Satisfaction

A good society is ultimately one where the quality of life and overall life satisfaction of its members are high. A society with high institutional trust, transparency, fairness, and well-established welfare systems can enhance the quality of life for its. Life satisfaction is inherently subjective and relative because it is often judged based on an individual's self-perception and evaluation,

particularly their current circumstances.

An individual's position in society, as well as their perception of Korean society, can influence their life satisfaction. Socio-structural attributes such as socio-economic security, fairness, and social trust are factors that contribute to differences in life satisfaction across countries (AbbottP., 2012) (HelliwellJ., 2016)

2. Social Safety

Safety refers to a state of being free from danger, while danger refers to the possibility or probability of harmful. From a social welfare perspective, community safety is often defined as social stability and is also used in the sense of social protection (Lee Seoyeon, 2022).

Residents' overall perception of "safety or danger in society" is considered a component of their quality of life and happiness. Satisfaction with public safety among residents affects sub-areas of financial, health, and family well-being, which in turn leads to improvements in community well-being (KimSunmi, 2019). Furthermore, social capital, including individuals' economic situations, family and friend networks, and trust (G.S.Park, 2002), cognitive capital related to trust among residents or common norms in the community, trust, civic participation, and social solidarity, is emphasized. These aspects of social capital have been shown to be directly related to life satisfaction. (KimSunmi, 2019).

3. Social trust

Trust refers to the degree of expectation that others' actions will be positive (Cummings & Bromiley, 1996). It also means having confidence in and relying on other individuals or groups. Trust is a component of social capital, comprising trust in the public, trust in institutions and systems, and perceptions of corruption. Specifically, trust in the public refers to the extent to which individuals have general trust in an unspecified majority (StatisticalInformation, 2023)

When the scope of trust is broad, individuals are more inclusive towards others, and higher trust in institutions reduces unnecessary transaction costs. Additionally, lower uncertainty about the future is associated with higher life satisfaction among citizens. Therefore, higher social trust and cohesion are likely to result in higher life satisfaction (Choiyuseok, 2020)

4. Social fairness

Before defining social fairness, it is important to understand the definition of "fairness." The concept of fairness, primarily used in the field of social psychology, was first defined in terms of "distribution" by Homans (1961). Social fairness is considered an important factor that can enhance the productivity and cooperative attitudes of members of society.

The belief that the government is not corrupt and that it operates fairly and efficiently with taxpayers' money is crucial for increasing tax compliance. According to the regression analysis results of this study, trust in the government is the most significant factor in fostering a positive attitude towards tax increases (YangJae-jin, 2021).

5. Tax Attitudes

As identified in previous research, citizens attitudes are determined by various factors such as ideological orientation, trust in the government, perception of tax fairness, gender, education level, marital status, and whether they have children. Trust in the government and the tax system influences citizens attitudes towards tax increases. (YangJae-jin, 2021). The more citizens believe that the government operates efficiently and fairly, the more favorable their attitudes are towards government spending and tax

burdens. The formulation and implementation of welfare policies and the securing of resources are the responsibilities of the government.

III. Problems and Challenges

1. Problems

Hypothesis 1: Social safety will have a positive (+) impact on overall life satisfaction.

Hypothesis 2: Social trust will have a positive (+) impact on overall life satisfaction.

Hypothesis 3: Social fairness will have a positive (+) impact on overall life satisfaction.

Hypothesis 4: Overall life satisfaction will have a positive (+) impact on attitudes towards tax compliance.

IV. Conclusions

The main characteristics of the analytical subjects are as follows: There was no significant difference between genders in terms of demographic characteristics, with young adults under the age of 30 (20-30s) accounting for 32.03%, and middle-aged to older adults aged between 40 and under 60 comprising the majority. In terms of educational attainment, 39.7% had a high school education or lower, while 44.2% had a university education or higher. Regarding occupation, it was observed that service sales, office work, and technical labor were the most common in descending order:

- Across the three years, social safety consistently shows a significant positive impact on satisfaction.
- Social fairness impact on satisfaction is significant only in 2021, 2023.
- Social trust's impact on satisfaction is significant only in 2022, 2023.
- Satisfaction's positive impact on tax attitude varies significantly: positive in 2021 and 2023 but negative in 2022.

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