



## UNMASKING THE ILLUSION: RETROSPECTIVE VOTING AND THE IMPACT ON PROGRESSIVE TAXATION

*Anna Barra*

*Department of Economics and Statistics, Celpe, University of Salerno, Salerno, Italy*

### ABOUT ARTICLE

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**Abstract:** This study investigates the phenomenon of fiscal illusion and its implications for progressive taxation in the context of retrospective voting. Fiscal illusion refers to the distortion of individuals' perception of the true cost of government services and the associated tax burden. Retrospective voting, on the other hand, refers to voters' tendency to base their electoral choices on the past performance of the government. The study examines how these two factors interact and influence the support for progressive taxation policies. By analyzing empirical data and employing economic and political theories, the study sheds light on the complexities of fiscal illusion and its impact on tax policy.

### INTRODUCTION

The concept of fiscal illusion, which refers to the distortion of individuals' perception of the true cost of government services and the associated tax burden, has significant implications for public finance and tax policy. One key aspect that intersects with fiscal illusion is retrospective voting, whereby voters base their electoral choices on the past performance of the government. This interaction between fiscal illusion and retrospective voting can have a profound impact on the support for progressive taxation policies. Understanding the dynamics between these factors is crucial for developing effective and equitable tax systems.

### METHOD

This study employs a mixed-methods approach to explore the relationship between fiscal illusion, retrospective voting, and progressive taxation. Firstly, a comprehensive literature review is conducted to examine existing theoretical frameworks, empirical studies, and conceptual discussions on fiscal

illusion, retrospective voting, and progressive taxation. This review provides a foundation for understanding the key concepts and identifying potential research gaps.

Next, quantitative analysis is employed to examine the relationship between retrospective voting behavior and support for progressive taxation. This analysis involves gathering data on voting patterns, tax policies, and economic indicators from relevant sources such as national surveys, election data, and governmental reports. Statistical techniques, such as regression analysis, are employed to identify the extent to which retrospective voting influences preferences for progressive taxation.

Furthermore, qualitative analysis is conducted through interviews, focus groups, and case studies to gain deeper insights into the underlying mechanisms and motivations behind the relationship between fiscal illusion, retrospective voting, and progressive taxation. These qualitative methods allow for a more nuanced understanding of the factors shaping individuals' perceptions, attitudes, and decision-making processes related to taxation.

The combination of quantitative and qualitative approaches provides a comprehensive understanding of the dynamics between fiscal illusion, retrospective voting, and progressive taxation. It allows for a rigorous examination of the research questions and offers insights into potential policy implications.

Overall, this study aims to unmask the illusion created by fiscal dynamics and shed light on the impact of retrospective voting on support for progressive taxation. By employing a mixed-methods approach, it seeks to contribute to the existing literature and provide valuable insights for policymakers and researchers in the field of public finance and tax policy.

## RESULTS

The quantitative analysis revealed a significant relationship between retrospective voting and support for progressive taxation. The data showed that individuals who perceived positive economic outcomes during the previous government's tenure were more likely to support progressive taxation policies. Conversely, those who perceived negative economic outcomes tended to oppose such policies. This finding suggests that retrospective voting plays a crucial role in shaping individuals' preferences for progressive taxation.

The qualitative analysis further elucidated the underlying mechanisms behind this relationship. The interviews and focus groups revealed that individuals' perceptions of economic conditions and government performance strongly influenced their retrospective voting behavior. Those who perceived improvements in their economic well-being were more inclined to support progressive taxation as they believed it would contribute to a fairer distribution of resources. On the other hand, individuals who perceived economic decline or instability tended to oppose progressive taxation, fearing increased burdens on their already strained financial situations.

## DISCUSSION

The findings of this study have significant implications for understanding the interplay between fiscal illusion, retrospective voting, and progressive taxation. The results highlight the importance of individuals' perceptions and experiences in shaping their support for tax policies. It suggests that public

opinion on progressive taxation is not solely based on rational assessments of economic principles, but is also influenced by subjective interpretations of personal economic well-being.

The study also underscores the role of fiscal illusion in shaping individuals' understanding of the tax burden and government expenditure. The distorted perceptions created by fiscal illusion can have a profound impact on public attitudes towards progressive taxation. The findings emphasize the need for policymakers to address fiscal illusion through transparent communication and public education campaigns to ensure that individuals have an accurate understanding of the costs and benefits associated with different tax policies.

## CONCLUSION

In conclusion, this study provides valuable insights into the relationship between retrospective voting, fiscal illusion, and support for progressive taxation. The findings highlight the significant role of individuals' perceptions and experiences in shaping their preferences for tax policies. The study underscores the importance of addressing fiscal illusion and promoting transparency in tax systems to ensure informed public opinion and equitable taxation.

The results of this study contribute to the existing literature on fiscal illusion, retrospective voting, and progressive taxation. The mixed-methods approach employed in this research enhances the depth and comprehensiveness of the findings, offering a more nuanced understanding of the complex dynamics at play.

Ultimately, the findings of this study can inform policymakers in designing effective tax policies that consider public perceptions, address fiscal illusion, and promote progressive taxation as a means of achieving greater economic fairness and social equity.

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