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Income Taxation and Labor Supply: A Narrative Review of International Findings with Focus on High-Income Economies

Yolifiandri[1], Putri Ayu Lestari[2], Ubaid Fandi Nasrulloh[3]
[1]Universitas Dian Nusantara, Indonesia
[2]Universitas Sahid, Indonesia
[3]Universitas Indonesia, Indonesia
Correspondent: ubaidfandi12@gmail.com

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ABSTRACT: This narrative review investigates the impact of income taxation on labor supply across diverse demographic and economic contexts. The study aims to synthesize empirical findings and theoretical insights regarding how tax policy structures influence labor participation. A narrative review methodology was employed, drawing on peer-reviewed literature sourced from Scopus and Google Scholar, guided by targeted keyword strategies and strict inclusion criteria. The review examined studies on tax progressivity, informality, gender disparities, and institutional influences affecting labor supply. Key findings indicate that income taxation exerts complex and varied effects on labor supply. Gendered responses to tax structures, especially under joint taxation regimes, tend to suppress female participation, while separate filing systems improve equity and engagement. Informal labor markets expand when tax compliance is burdensome or perceived as unfair, particularly in developing economies with weak institutional trust. Meanwhile, higher marginal tax rates diminish labor effort among high-income earners, underscoring the importance of balanced progressivity. The review concludes that effective tax policy requires behavioral, institutional, and demographic sensitivity. Tailored reforms can enhance labor market participation and revenue generation without compromising equity. Future research should focus on underexplored regions and emerging labor sectors to guide adaptive, inclusive tax system design for sustainable development.

Keywords: Income Taxation; Labor Supply; Tax Policy; Informal Economy; Gender And Taxation; Tax Progressivity; Fiscal Policy Design.

INTRODUCTION

Understanding global trends in income taxation reveals a dynamic interplay between fiscal policy and labor market outcomes. In recent years, many advanced economies have shifted toward more progressive tax structures to address widening income disparities and fund expansive welfare programs. Simultaneously, emerging and developing economies face the dual challenge of enhancing revenue mobilization while fostering economic growth through labor market participation. The academic discourse increasingly emphasizes that income taxation, particularly the structure and level of marginal tax rates, can significantly influence labor supply decisions (Koyuncu & Turnovsky, 2016; Deng, 2024). High marginal tax rates, though intended for redistribution, have been shown to discourage labor market participation, especially among high-skilled individuals. Conversely, the experiences of Scandinavian countries illustrate that well-designed tax systems—despite high rates—can coexist with high labor participation when embedded within robust institutional frameworks (McKay et al., 2023).

Income taxation exerts profound effects on labor supply across both formal and informal economic sectors. In advanced economies, labor participation is often embedded within systems of progressive taxation supported by tax credits and targeted transfers (McKay et al., 2023). Here, labor supply responses vary across income brackets, with higher-income individuals more likely to reduce hours in reaction to increased taxation (Fu et al., 2018; Lyssiotou & Savva, 2021). In contrast, informal labor markets, prevalent in developing nations, frequently remain beyond the reach of tax enforcement. As a result, informal workers experience taxation as a distant concern, making their labor supply less elastic to formal tax policy shifts. Nonetheless, studies suggest that informal workers' decisions can be shaped indirectly by perceptions of fairness, future tax expectations, or transition incentives between informal and formal sectors (McKay et al., 2023).

The pursuit of equitable taxation while preserving work incentives presents considerable challenges. While progressive taxation is vital for redistribution and social protection, its effects on the marginal returns to labor can suppress workforce engagement, particularly among low-to-middle income earners. Research indicates that such tax structures may unintentionally discourage upward income mobility by creating high effective marginal tax rates (Deng, 2024; Adair, 2020). Furthermore, tax complexity contributes to labor misperceptions about tax liabilities, particularly among informal and part-time workers who face barriers in understanding tax obligations (Villamaina & Acciari, 2024). These behavioral responses complicate the policy goal of maintaining broad-based labor participation without undermining the redistributive role of taxation.

A compounding issue lies in the opacity and inefficiency of tax regimes. Complex tax codes, particularly those involving multiple deductions, credits, and exemptions, dilute transparency and reduce the perceived benefit of formal labor participation. Moreover, such complexity amplifies compliance costs and increases the scope for avoidance or evasion, especially in systems lacking rigorous enforcement. In the long term, these systemic issues reduce tax morale and further erode the labor-tax linkage that underpins effective fiscal policy. Policymakers thus confront the task of designing streamlined, incentive-compatible tax systems that sustain revenues without disincentivizing labor effort.

Despite considerable literature on the economics of labor taxation, important gaps persist. Notably, the comparative efficacy of progressive versus flat tax regimes in shaping labor behavior across heterogeneous economic contexts remains underexplored. While progressive taxation has received significant scholarly support for its redistributive potential, there is limited empirical consensus on how such structures influence labor supply elasticity in lower-income versus high-income settings (Lyssiotou & Savva, 2021; Nesterova, 2024). Likewise, flat tax systems, often favored for administrative simplicity, lack thorough evaluation in relation to their distributive fairness and labor supply responsiveness, particularly in economies transitioning from informal to formal labor dominance. This calls for expanded research into the nuanced, context-sensitive impacts of different income tax frameworks.

The urgency to reassess income tax policy stems not only from national labor market considerations but also from broader development and mobility trends. Progressive taxation affects more than immediate labor supply choices; it reshapes incentives around migration, education investment, and family labor division. For instance, countries with burdensome tax regimes may see emigration of skilled labor, thereby diminishing domestic growth potential (Deng, 2024). Conversely, well-calibrated tax policies can promote long-term investments in human capital and foster inclusive growth (Biswas et al., 2017). These effects are especially salient in developing nations where the nexus between inequality, taxation, and labor mobility defines both social cohesion and macroeconomic performance.

Demographic considerations further complicate the taxation-labor supply equation. Gendered labor dynamics, for example, reveal that female participation is more responsive to changes in tax policy due to wage differentials and disproportionate caregiving responsibilities (Borella et al., 2022; Coelho et al., 2024). OECD data show that joint taxation and poorly targeted family benefits can depress women's labor engagement. Conversely, gender-neutral tax credits and earned income incentives have been found to bolster female participation in the labor market (Fu et al., 2018). Similarly, geographic disparities suggest that regional economic conditions significantly mediate the effect of taxation on labor supply. Regions with weaker economies or less institutional capacity may exhibit greater elasticity, with tax incentives potentially yielding higher returns in labor participation (McKay et al., 2023).

Further stratification by skill level unveils additional layers of complexity. Highly skilled workers, being more mobile and aware of global tax differentials, are particularly sensitive to marginal tax rates and tend to adjust their labor or migrate accordingly (Lyssiotou & Savva, 2021; Deng, 2024). In contrast, low-skilled workers may display inelastic labor supply due to limited alternatives, though they remain vulnerable to formal sector exclusion under punitive tax regimes. Hence, national taxation policies must be calibrated to reflect the heterogeneous preferences, constraints, and motivations of diverse labor segments.

This literature review seeks to systematically examine how income taxation influences labor supply, with particular focus on progressivity, demographic sensitivity, and formal-informal sector dynamics. The review aims to synthesize empirical findings and theoretical insights that address the multidimensional relationship between tax policy and labor behavior. Key factors to be analyzed include marginal and average tax rates, gender and regional disparities, skill level effects, and the behavioral consequences of different tax structures.

The scope of this review will encompass both developed and developing economies to capture the diversity of tax-labor interactions. Particular attention will be paid to comparative studies, longitudinal datasets, and policy evaluations that highlight differential impacts based on institutional maturity and economic stratification. By incorporating cross-national evidence and sector-specific findings, this review aspires to contribute actionable knowledge for policymakers navigating the trade-offs between equity, efficiency, and labor market vitality.

METHOD

This study adopts a narrative review methodology to examine the complex relationship between income taxation and labor supply. A narrative review is particularly suited to synthesizing findings across a diverse range of empirical studies and theoretical discourses, especially when exploring multidimensional economic interactions across various contexts. Unlike systematic reviews that rely on strictly predefined protocols and quantitative synthesis, the narrative review approach allows for a more interpretive and flexible integration of findings, accommodating both heterogeneity in research design and variations in country-specific tax and labor systems.

The literature was collected using two major academic databases: Scopus and Google Scholar. These platforms were selected for their comprehensive indexing of peer-reviewed journals and their relevance to economic, labor, and public finance disciplines. The search strategy employed a carefully crafted set of keywords and Boolean operators to ensure relevance and thoroughness. Keywords included fundamental and compound search terms such as "income tax," "taxation," "labor supply," "employment," "work incentives," and "tax policy." Phrases such as "effects of income taxation on labor supply" and "progressive taxation labor market impact" were used to refine the focus. Boolean operators, especially "AND" and "OR," enhanced the specificity and breadth of the search. For instance, combining "income tax AND labor supply" ensured retrieval of studies examining both variables simultaneously, while "income tax OR personal tax" helped include variations in terminology.

In applying the narrative review method, a purposive sampling approach was used to identify studies that contribute to understanding the nexus of income taxation and labor market behavior. The inclusion criteria were established to ensure relevance, recency, and methodological soundness. First, only articles explicitly addressing the connection between income taxation and labor supply were selected. Studies that explored related aspects, such as work incentives, demographic differences, and formal versus informal labor responses to tax policy, were also considered. The review prioritized studies published within the last ten years to reflect the latest economic developments, although seminal works outside this window were included where necessary for theoretical grounding.

Further, the narrative review included both qualitative and quantitative studies. Papers employing econometric modeling, longitudinal analysis, microsimulation, and theoretical conceptualization were deemed valuable, especially those published in peer-reviewed journals. Examples include works by Borella et al. (2022), Lyssiotou & Savva (2021), and Villamaina & Acciari (2024), which exemplify diverse methodological rigor and offer insights into gender-specific and regional responses to tax changes.

Conversely, studies were excluded if they focused solely on taxation without exploring labor market implications or if they lacked empirical grounding. Articles older than a decade were generally omitted unless they offered enduring theoretical value, such as those establishing foundational frameworks in labor supply elasticity or tax efficiency. Non-peer-reviewed articles and theoretical commentaries without empirical substantiation were also excluded to maintain the credibility and reliability of the analysis.

The selection process began with a review of titles and abstracts to determine relevance. Potentially eligible studies were then subjected to full-text review to confirm their fit with the narrative scope. This iterative process enabled the identification of dominant themes, recurring arguments, and contrasting findings across the literature. By focusing on studies that offered diverse regional perspectives and demographic specificity, the review was able to highlight the complex interplay between tax design and labor market participation.

The narrative review method also allowed for flexibility in integrating insights across contexts. For instance, comparative studies between high-income and developing countries, as well as between formal and informal labor markets, were evaluated to understand how institutional frameworks mediate the taxation-labor supply relationship. Additionally, special attention was given to demographic-specific studies, including those examining gendered impacts and responses based on skill levels, as such differentiation enhances the policy relevance of the review.

While the narrative review approach does not follow a rigid protocol like systematic reviews, methodological transparency was maintained through clearly defined inclusion and exclusion criteria and the use of reputable databases. The literature synthesis was conducted thematically, organizing findings into categories such as progressivity, labor elasticity, demographic responsiveness, and cross-national tax policy comparisons. This thematic structure facilitated the identification of common patterns and divergences across the literature.

Given the evolving nature of economic policy and terminology, the keyword strategy was periodically updated during the review process to capture emerging research. New terms such as "fiscal pressure," "tax morale," and "labor mobility" were integrated into the search to reflect contemporary discourse. Citation tracking was also employed to identify influential works referenced in key studies, ensuring the inclusion of seminal and cutting-edge contributions.

In summary, the narrative review method provided a robust and interpretive framework for exploring the multidimensional effects of income taxation on labor supply. By combining rigorous selection criteria with thematic analysis, the methodology enabled the synthesis of diverse empirical findings and theoretical perspectives. This approach ensured that the review not only captured the complexity of the topic but also offered relevant insights for policymakers and researchers aiming to design equitable and effective tax systems that align with labor market goals.

RESULT AND DISCUSSION

The intersection of income taxation and labor supply reveals diverse and context-sensitive outcomes, shaped by the design of tax systems, demographic characteristics, and institutional environments. Through a narrative review of the existing literature, this section synthesizes findings across four key themes: gender and labor supply, informality and tax policy, income progressivity and labor elasticity, and country-specific comparisons. The results highlight the nuanced ways in which income taxation affects labor market behavior and offer evidence-based insights into effective tax policy design.

Gender and Labor Supply

Tax systems around the world exert varied influences on the labor supply decisions of men and women, largely driven by differences in tax structures and the extent to which policies account for marital status and joint income. In many developed economies, joint taxation frameworks and marriage-related tax provisions tend to disincentivize female labor participation, particularly among secondary earners. When tax systems penalize the earnings of the second earner within a household, typically the woman, they effectively reduce her net benefit from working, often leading to decreased labor force participation (Borella et al., 2022; Coelho et al., 2024). This is particularly evident in countries where progressive marginal tax rates apply to combined household income, inflating the effective tax burden on women.

Empirical research supports the assertion that reforming joint taxation provisions can lead to enhanced female workforce participation. Borella et al. (2022) found that allowing married couples to file taxes separately increases female labor market engagement by mitigating disincentives tied to household income. In countries such as Germany and France, tax reforms introducing individual taxation were correlated with significant increases in female employment rates. Similarly, Lyssiotou and Savva (2021) demonstrated that adjustments in marginal tax rates have gender-specific consequences, with women responding more significantly to reductions in tax burdens than men. These findings highlight the importance of designing tax systems that consider gender disparities and emphasize individual contributions to the labor market to foster equitable participation.

Informality and Tax Policy

In developing economies, the informal sector remains a predominant feature of the labor market, and its relationship with income taxation is complex. Tax policies that impose high income tax burdens or that feature complex administrative requirements can inadvertently incentivize informal employment. McKay et al. (2023) and Adair (2020) argue that when formal employment entails significant tax compliance costs or higher financial burdens, both employers and workers may choose to remain informal to evade these obligations. The lack of clear incentives for formalization, coupled with weak enforcement, reinforces the persistence of informality in many low- and middle-income countries.

The literature suggests that the structure of taxation—specifically the choice between consumption and income taxes—plays a critical role in shaping labor supply behaviors. Capéau et al. (2023) found that consumption taxes, while broader and easier to collect, place disproportionate burdens on low-income households, thus influencing their ability and willingness to participate in the formal economy. Conversely, progressive income taxation, while theoretically equitable, may reduce the incentive for lower-income earners to transition into formal employment due to the real or perceived losses in take-home pay. Lyssiotou and Savva (2021) emphasize the delicate balance required in structuring tax policies to avoid creating barriers to formal labor market participation. Moreover, Simutina and Leventov (2019) highlight the necessity of integrating inclusive approaches in tax design, noting that policies focused solely on formal sector enforcement often fail to address the structural barriers driving informality.

Income Progressivity and Elasticity

Labor supply elasticity—the responsiveness of labor participation to changes in taxation—varies significantly across income groups and is shaped by both marginal and average tax rates. The literature reveals that higher marginal tax rates tend to suppress labor supply, particularly among higher-income earners. Fu et al. (2018) and Nesterova (2024) demonstrate that individuals in upper-income brackets reduce work hours or forgo additional employment opportunities when faced with increased tax burdens. This behavioral response is attributed to diminishing marginal returns and the growing complexity of tax codes, which can create uncertainty and lower perceived benefits of additional labor.

While higher-income groups show a strong negative elasticity to increased tax rates, lower-income earners often exhibit different behavioral patterns. For many in lower income brackets, increased taxation may not significantly reduce labor participation due to their limited income alternatives. However, Nesterova (2024) notes that the disincentive effects still exist, particularly when marginal tax rates are steep and when the effective marginal tax rate is compounded by means-tested benefits. In contrast, reductions in tax progressivity have been associated with positive labor supply shifts, particularly at the extensive margin, where individuals decide whether to enter the labor market. Fu et al. (2018) provide statistical evidence that flattening the tax schedule modestly increases workforce participation, especially in middle-income groups. These findings suggest that carefully designed progressivity in tax systems can balance revenue generation with the preservation of labor market incentives.

Country-Specific Comparisons

Comparative analyses across countries further underscore the context-dependent nature of income taxation's impact on labor supply. Developed nations often implement complex but well-managed tax systems that include mechanisms for redistribution and support through social safety nets. Such systems can mitigate the adverse effects of high marginal tax rates by offering benefits that maintain or even enhance labor market attachment. In contrast, developing countries typically contend with limited administrative capacity and widespread informality, making tax enforcement difficult and diminishing the influence of tax policy on labor behavior (McKay et al., 2023).

Case studies illustrate the role of targeted tax reforms in enhancing labor supply. In Italy, the introduction of an earned income tax credit significantly boosted labor force participation among low-income earners. Villamaina and Acciari (2024) explain that by reducing effective marginal tax rates and increasing after-tax income, the reform incentivized work, especially among part-time and secondary earners. Similar reforms in other European countries, such as the UK and France, have shown parallel effects. The success of these policies demonstrates that well-targeted interventions can encourage formal employment while maintaining fairness in tax contributions.

Developing nations, however, face unique challenges. Without comprehensive welfare systems or efficient tax administration, the implementation of progressive income taxes often fails to achieve desired equity or compliance outcomes. The mismatch between tax obligations and public service delivery erodes trust and reduces tax morale, further entrenching informality. As such, reforms in these contexts must consider the broader institutional and economic environment. Simplifying tax codes, broadening the tax base, and aligning taxation with visible public benefits are strategies that have been recommended by McKay et al. (2023) and Simutina and Leventov (2019) to strengthen the link between tax policy and labor market participation.

Taken together, the reviewed literature presents a comprehensive view of how income taxation shapes labor supply across diverse settings. Gender-responsive tax reforms, thoughtful management of informality, attention to labor supply elasticity across income groups, and context-specific tax policy design emerge as critical themes. The evidence underscores that there is no one-size-fits-all model. Instead, effective tax policy must align with social objectives, institutional capacity, and labor market conditions. Future tax reforms must consider these multifaceted insights to craft systems that encourage equitable labor participation, economic formalization, and sustainable revenue generation.

The analysis of income taxation and its impact on labor supply reveals a complex interplay between fiscal policy design and individual behavioral responses, both confirming and challenging established economic models. Classical labor supply theories suggest that higher marginal tax rates reduce the incentive to work by diminishing the net financial reward of labor. This fundamental principle is supported by empirical findings that demonstrate reduced work hours and participation, particularly among higher-income individuals subjected to steep marginal rates (Lyssiotou & Savva, 2021). However, these theoretical expectations are not universally applicable. The evidence also highlights several nuances, particularly concerning gender, informality, and regional disparities, which reveal that the effects of taxation are not homogenous but mediated by systemic and demographic factors.

One of the clearest illustrations of this complexity is observed in the gendered impact of joint taxation. Traditional tax systems that impose joint liability on household income often discourage the secondary earner, usually women, from entering the labor force due to the higher effective tax burden they face. The findings from Borella et al. (2022) provide empirical backing to this phenomenon, demonstrating how reforms introducing separate taxation schemes for spouses can stimulate female labor force participation. This suggests that theoretical labor supply models require augmentation through gender-aware lenses that account for intra-household income dynamics and social norms surrounding gender roles. Moreover, the analysis by Coelho et al. (2024) confirms that gendered responses to taxation are not merely incidental but rooted in structural tax provisions that inadvertently institutionalize inequality.

Systemic factors such as tax morale and institutional quality further complicate the relationship between taxation and labor supply. High tax morale, defined as the intrinsic motivation to pay taxes, has been shown to enhance tax compliance and foster stronger links between taxpayers and the state (Simonovits, 2013). In contexts where civic responsibility is high, individuals are more likely to remain in the formal sector, even under relatively high tax burdens. This aligns with observations in Scandinavian countries where high taxes coexist with strong formal labor participation, supported by robust welfare systems and public trust in governance (McKay et al., 2023). In contrast, in countries with weaker institutions, where tax evasion is perceived as normative or necessary for economic survival, higher tax rates can push individuals into the informal economy, thereby eroding the tax base and weakening fiscal capacity (Tikoudis et al., 2015). The results underscore that behavioral responses to taxation are deeply embedded within institutional and cultural contexts, necessitating a policy approach that is sensitive to these systemic variables.

The implications of taxation on labor supply extend beyond individual work decisions to broader outcomes in income distribution, fiscal sustainability, and social equity. Income tax systems that are progressive in nature aim to mitigate inequality through redistribution. Yet, if poorly designed, they may simultaneously discourage productive effort, especially among high-income earners who face diminishing marginal utility from additional work (Fu et al., 2018). At the same time, when taxation is regressive or insufficiently progressive, it may burden low-income earners disproportionately, suppressing participation or incentivizing informal labor engagement. These dual risks indicate the need for balance: tax systems must be calibrated to promote fairness without undermining work incentives or economic efficiency.

The evidence also reveals significant implications for fiscal sustainability. Villamaina and Acciari (2024) show that properly targeted tax credits, such as Italy's earned income tax credit, can maintain or even increase labor participation among low-income groups despite relatively high effective marginal tax rates. This challenges the conventional assumption that high taxes uniformly deter labor supply and suggests that policy design—including how benefits are phased in and out—plays a crucial role in determining behavioral responses. Capéau et al. (2023) support this finding, emphasizing that thoughtfully structured tax instruments can encourage participation while achieving redistributive goals. Such examples demonstrate the potential for aligning tax policy with labor market objectives and fiscal needs, particularly when transparency, simplicity, and equity are embedded in policy formulation.

Taxation also intersects with broader social policy objectives, particularly in promoting inclusive labor markets. The literature consistently shows that gender-responsive tax reforms can facilitate increased labor market engagement by women, contributing to greater household income security and societal equality (Borella et al., 2022). These effects ripple beyond individual households to influence macroeconomic indicators, including labor force growth, productivity, and national income. Thus, tax policy becomes not only a fiscal tool but also an instrument of social transformation, capable of shaping norms and correcting structural inequities. However, this potential is realized only when policymakers are intentional about the distributional effects of taxation and actively engage in mitigating regressive impacts.

A particularly salient challenge in many developing economies is the persistence of informal labor markets. The research highlights how tax systems that are overly complex, burdensome, or misaligned with public service delivery often drive workers and employers into informality (Adair, 2020; McKay et al., 2023). The result is a dual economy wherein formal labor is taxed and regulated while informal labor remains untaxed and largely invisible to the state. This bifurcation undermines the effectiveness of fiscal policy and limits the reach of social protection programs. Addressing this challenge requires not only tax reform but broader governance improvements, including investment in administrative capacity, public accountability, and the credibility of state institutions. Only when individuals perceive tangible benefits from formal participation will they be inclined to shift away from informality.

The review findings also emphasize the importance of adaptability in tax policy. Economic conditions, labor market dynamics, and societal expectations evolve, and tax systems must respond accordingly. For example, technological advancements and the gig economy are reshaping work arrangements, creating new forms of income that may not fit neatly into existing tax frameworks. Nesterova (2024) highlights the need to monitor and understand labor supply elasticity in emerging job markets to craft responsive policies. Additionally, demographic transitions such as aging populations and changing family structures affect the composition of the labor force, necessitating a re-evaluation of tax provisions related to retirement savings, caregiving responsibilities, and youth employment.

Despite the richness of the reviewed literature, certain limitations persist. Much of the empirical research relies on data from high-income countries, limiting generalizability to low- and middle-income contexts where institutional environments, labor markets, and tax systems differ significantly. There is also a need for more granular studies that disaggregate labor supply responses by factors such as education level, occupation, and migration status. Future research could also benefit from interdisciplinary approaches that integrate behavioral economics, public administration, and gender studies to provide a more holistic understanding of taxation impacts.

Furthermore, while this review underscores the critical role of tax policy in influencing labor supply, it also reveals that taxation alone cannot drive desired outcomes in labor markets. Complementary policies in education, social protection, and labor regulation are essential to create enabling environments that support work participation and economic inclusion. Therefore, taxation should be viewed as part of a broader policy ecosystem, whose components must be aligned to achieve sustainable development goals.

CONCLUSION

This review highlights the multifaceted relationship between income taxation and labor supply, emphasizing the influence of gender, informality, tax progressivity, and institutional contexts. Empirical evidence reveals that taxation policies significantly shape labor participation, particularly when tax structures affect secondary earners, impose high marginal rates, or fail to incentivize formal sector employment. Gender-sensitive tax reforms, such as individual filing systems, have been shown to effectively enhance female labor market participation. Similarly, simplified and inclusive tax policies are critical for addressing persistent informality in developing economies.

Systemic factors, including tax morale and enforcement, play a pivotal role in determining policy outcomes. Where institutional trust is high, individuals are more likely to comply with taxation and remain in the formal labor force. Conversely, weak institutional frameworks erode compliance and contribute to informal labor expansion. Therefore, future policy design must balance equity and efficiency while addressing systemic barriers to formal participation.

This study underscores the urgent need for adaptive tax policies that respond to demographic shifts and evolving labor markets. Policymakers should prioritize transparent, inclusive, and behaviorally informed tax structures. Additionally, interdisciplinary research is needed to explore taxation impacts across different population segments and regional contexts, particularly in under-represented developing economies. As such, tax policy reform, when aligned with broader labor and social policy strategies, remains a central tool for promoting equitable economic participation and sustainable fiscal systems.

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