The sample size of each survey was 1,000 respondents over the age of 19. The surveys were conducted by Research & Research, and the margin of error is ±3.1% at the 95% confidence level. All surveys employed the Random Digit Dialing method for mobile and landline telephones.
KEY FINDINGS

▶ Japan Favorability: January 3.19 → May 2.93, July 2.96 → August 2.64

▶ Korea-Japan Relations: Competitive 71.3%, Cooperative 20.9%

▶ Awareness of Current Tax Reforms: Aware 81.0%, Unaware 17.6%

▶ Support for the Tax Reform Bill: Support 32.6%, Oppose 41.4%, Don’t know/No response 26.0%

▶ Understanding of Tax Reform Bill: Tax hikes 63.1%, Not a tax hike 17.8%, Don’t know/No response 19.1%

▶ Tax Burden of the Tax Reform Bill: Rich 9.5%, Middle class 37.2%, Working class 37.4%

▶ Willingness to pay increased taxes for welfare: Willing 44.4%, Unwilling 51.6%, Don’t know/refused 4.1%
  - By gender: Male, willing 52.7% > Female, willing 36.2%
     Male, unwilling 44.1% < Female, unwilling 58.9%
  - By party affiliation: Saenuri Party, willing 49.5 > Democratic Party, willing 39.9%
     Saenuri Party, unwilling 46.5% < Democratic Party, unwilling 57.3%

▶ Agenda for the provision of welfare funds
  - Tax hike on rich 55.1%
  - Legitimize underground economy 15.5%
  - Increase in corporate tax 9.6%
  - Increase in income tax 6.0%
  - Increase in value added tax 2.1%
### KEY ISSUES

<table>
<thead>
<tr>
<th>Date</th>
<th>Events</th>
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<tbody>
<tr>
<td>August 1st</td>
<td>Democratic Party (DP) lead outdoor rally to protest the blocked parliamentary investigation into National Intelligence Service’s (NIS) alleged election tampering</td>
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<td>August 5th</td>
<td>Kim Ki-chun appointed new Presidential Chief of Staff</td>
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<td>August 6th</td>
<td>President Obama vetoes an International Trade Commission ban on Apple from selling products that violate Samsung Electronics patents</td>
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<td>August 7th</td>
<td>President Park denounces the disappearance of the 2007 summit transcript as an attempt to “erase history”</td>
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<td>August 8th</td>
<td>South Korean government announces insurance payments worth 280bn won ($251m) for companies with operations at Kaesong</td>
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<td>August 8th</td>
<td>South Korean government accepts North Korean offer of 7th working-level talks on Kaesong</td>
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<tr>
<td>August 8th</td>
<td>South Korean government announces 2013 Tax Reform Bill, inciting intense middle class backlash over de facto tax hikes</td>
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<td>August 12th</td>
<td>President Park calls for a reconsideration of the Tax Reform Bill from square one</td>
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<td>August 12th</td>
<td>Professor Choi Jang-jip, policy maker and chairman of Ahn Cheol-soo’s think tank, resigns</td>
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<td>August 12th</td>
<td>Lawmakers agree to extend the special National Assembly investigation into the NIS scandal to August 23.</td>
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<tr>
<td>August 13th</td>
<td>South Korean government revises the Tax Reform Bill, raising the minimum income of those who will pay additional taxes to 55.5 million won</td>
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<tr>
<td>August 14th</td>
<td>7th working-level talks on Kaesong</td>
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How would you rate the favorability of Japan?
(Scale 0-10, Completely unfavorable = 0; Completely favorable = 10)

The impact of recent events in Japan (elections in Japan, comments by politicians, Yasukuni visit, et. al.) can be seen in polls on the favorability of Japan. Favorability towards Japan declined from January. In August, Koreans’ favorability of Japan was at 2.64, down from 3.19 in January. This downturn seems set to continue. In contrast, favorability toward North Korea increased in July and August with an uptick in inter-Korean dialogue.

Polling data on how respondents view Korea-Japan relations also reflect the deterioration of relations. From March to July, 2013, roughly 65% perceived Korea-Japan relations to be competitive. In August that number topped 70%.
On August 8th, the government announced the 2013 Tax Reform Bill. Most Koreans were aware of the bill, with 81% stating as such. This widespread awareness is likely due to the controversy surrounding the bill which many saw as tax hikes for the middle class.

The difference in awareness by generation is worth noting. While 87% of those in their thirties to fifties were aware of the bill, 71.4% of those in their twenties and 69.8% of those in their sixties stated the same.
A plurality (41.4%) opposed the bill with 32.6% in favor. Opposition was stronger among those in their twenties, thirties, and forties, while a plurality of those in their fifties and sixties or older approved. Nearly one-third of those in their twenties and sixties or older responded as “Don’t Know”, showing an overall lack of interest in the subject.

Notably, even among the taxpaying age groups, there is a significant divide between those in their thirties and forties and those in their fifties. Those in their thirties and forties, who tend to be economically less secure, were more likely to oppose the tax reform than those in their fifties (Opposition to tax reform bill: Thirties, 49.3%; Forties, 49.3%; Fifties, 39.3%).

In terms of occupation, more white-collar workers (56.3%) and blue-collar workers (47.2%) opposed the bill than people in other occupations.

While media outlets predicted a public uproar against the bill, in reality it was not a significant majority that opposed the bill.
While self-described progressives and moderates tended to oppose the tax reform bill, self-described conservatives were equally divided. Among progressives, 28.1% supported the bill with 48.7% opposing. Among conservatives there was a virtually even split, with 40.6% in support and 40.4% opposed. Among moderates, support was 28.3%.

**Party Affiliation**

The difference by party affiliation was also large. While 48.3% of Saenuri party supporters were in support—and 26.9% opposed—a majority of Democratic Party supporters (51.5%) opposed the bill. (22.9% supported it). For independents, 46.8% opposed the bill, with 25.6% supporting. Clearly, support for the tax reform bill seems less influenced by an individual assessment of the issue than by party lines.
There has been controversy as to whether the 2013 Tax Reform Bill is in fact a tax hike. The government has claimed the bill only reduces tax-exempt benefits without raising taxes, but several media outlets and politicians have criticized the government for deceiving the people while increasing their tax burden.

Polls show 63.1% of Koreans believed the bill would increase their tax burden, and only 17.8% believed the bill would not raise taxes because it did not add new tax items or increase tax rates. In particular, those in their thirties (76.2%) and forties (72.2%) tended to view the bill as a tax hike. Among other age groups, in descending order, 65.4% of those in their twenties, 59.2% of those in their fifties, and 41.0% of those 60 or older viewed the bill as a tax hike.
Koreans believed that the middle class and working class would bear the brunt of the tax burden from the Tax Reform Bill. When asked, 37.4% responded that the “working-class” and 37.2% the “middle-class” would bear the greatest burden. A mere 9.5% responded that the bill would increase the burden of the rich. The polls may reflect the framing effect of the news media coverage and portrayal of the Tax Reform bill as a middle class tax hike.

Party Affiliation
The opinion that the middle class and working class will shoulder the tax burden was shared among Saenuri Party supporters, Democratic Party supporters, and independents. However, more than twice as many Saenuri Party supporters (15.2%) responded that the rich will bear the burden than Democratic Party supporters (5.3%) and independents (6.2%).
Willingness to Pay Increased Taxes to Fund Social Welfare

Are you willing to pay additional taxes to fund social welfare?

A slim majority were unwilling to pay more to fund welfare. While 51.6% of Koreans had no desire to pay more taxes for social welfare, 44.4% were willing.

Men and women differed slightly in opinion, with women more critical of tax hikes. Among men, 52.7% were willing to pay more taxes—44.1% were unwilling—while just 36.2% of women were willing to pay more taxes versus 58.9% who were unwilling. Women have tended to be more conservative on economic and financial policies, and this may be reflected in attitudes on tax hikes.

Also noteworthy is the difference by party affiliation. While Saenuri Party supporters were almost equally split (willing, 49.5%; unwilling, 46.5%), Democratic Party supporters were more reluctant to pay more taxes (willing, 39.9%; unwilling 57.3%). Ironically, Progressives and opposition party supporters oppose taxation for social welfare while conservatives and ruling party supporters support it.
AGENDA FOR THE PROVISION OF WELFARE FUNDS

August 12-14, %

What is the most pressing issue on the agenda for the provision of welfare funds?

55.1% believe welfare funds should come from a tax hike on the rich, while 15.5% selected the legitimization of the underground economy, a primary agenda item for President Park. Other choices were an increase in corporate tax (9.6%), an increase in income tax (6.0%), and an increase in value added tax (2.1%).