

AN EMPIRICAL STUDY OF ETHICAL OPINION IN TURKEY

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ABSTRACT

This study surveyed business students at a university in Turkey to determine their views on six ethical issues. A ten-point Likert scale was used to determine the extent of their agreement or disagreement with each statement. The survey found that the extent of agreement differed by issue. Females were significantly more opposed to the act than males in three of six cases.

INTRODUCTION

Most articles written on tax evasion are published in tax practitioner journals and take a practitioner or legal perspective. However, some authors have taken a philosophical approach (McGee, 1994). One of the most comprehensive analyses on tax evasion from a philosophical perspective was a doctoral thesis written by Martin Crowe in 1944. The *Journal of Accounting, Ethics & Public Policy* published a series of articles on tax evasion from various religious, secular and philosophical perspectives in 1998 and 1999. Most of those articles were also published in an edited book (McGee, 1998a). Since the publication of that book a few other articles have addressed the issue of tax evasion from an ethical perspective.

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The ethics of tax evasion can be examined from a number of perspectives. Some of these are of a religious nature while others are more secular and philosophical. One approach is to examine the relationship of the individual to the state. Another is the relationship between the individual and the taxpaying community or some subset thereof. A third is the relationship of the individual to God. Martin Crowe (1944) examined the literature on these approaches, which are the three main approaches that have been taken in the literature over the past five centuries.

One empirical study on the ethics of tax evasion was conducted by Nylén (1998), who distributed a survey soliciting the views of Swedish chief executive officers (CEOs). McGee (1998e) commented on this study. A study by Reckers, Sanders and Roark (1994) presented participants with a case study and asked them whether they would be willing to evade taxes. Englebrecht et al (1998) did a study involving 199 subjects who replied to 29 ethical orientation questions, some of which had to do with tax evasion. Inglehart et al (2004) conducted a large survey of more than 200,000 people in more than 80 countries that asked more than one hundred questions, one of which was about tax evasion. That group of surveys was updated in 57 countries a few years later (World Values Survey, 2008). McGee and Tyler (2007) used the Inglehart data to examine the views on tax evasion of 33 countries.

The present study asked six ethical questions that were used in the World Values Surveys (2008) to students in a German university. Two of those statements addressed the issue of tax evasion. The tax evasion questions were asked for two reasons, first, to learn their opinion on the ethics of tax evasion and second to compare those views to their views on four other ethical issues to determine where tax evasion ranked in relative terms compared to some other ethical issues.

REVIEW OF THE LITERATURE

Although many studies investigated issues about tax compliance, very few have examined tax or levies compliance, or rather noncompliance, primarily from the perspective of ethics. A significant number of studies on tax evasion look at the issue from the perspective of public finance or economics, with ethical issues mentioned briefly, if at all. The most comprehensive twentieth century work on the ethics of tax evasion was a doctoral thesis written by Martin Crowe (1944), titled *The Moral Obligation of Paying Just Taxes*. This thesis reviewed the theological and philosophical debate that had been going on, mostly within the Catholic Church, over the previous 500 years. Some of the debate took place in the Latin language. Crowe introduced this debate to an English language readership. A more recent doctoral dissertation on the topic was written by Torgler (2003), who discussed tax evasion from the perspective of public finance but also touched on some psychological and philosophical aspects of the issue. Alfonso Morales (1998) examined the views of Mexican immigrant street vendors and found that their loyalty to their families exceeded their loyalty to the government.

There have been a few studies that focus on tax evasion in a particular country. Ethics are sometimes discussed but, more often than not, the focus of the discussion is on government corruption and the reasons why the citizenry does not feel any moral duty to pay taxes to such a government. Ballas and Tsoukas (1998) discuss the situation in Greece. Smatrakalev (1998) discusses the Bulgarian case. Vaguine (1998) discusses Russia, as do Preobragenskaya and McGee (2004) to a lesser extent. A study of tax evasion in Armenia (McGee, 1999b) found the two main reasons for evasion to be the lack of a mechanism in place to collect taxes and the widespread opinion that the government does not deserve a portion of a worker's income.

A number of articles have been written from various religious perspectives. Cohn (1998) and Tamari (1998) discuss the Jewish literature on tax evasion and on ethics in general. Much of this literature is in Hebrew or a language other than English.

McGee (1998d, 1999a) commented on these two articles from a secular perspective.

A few articles have been written on the ethics of tax evasion from various Christian viewpoints. Gronbacher (1998) addresses the issue from the perspectives of Catholic social thought and classical liberalism. Schansberg (1998) looks at the Biblical literature for guidance. Pennock (1998) discusses just war theory in connection with the moral obligation to pay just taxes, and not to pay unjust or immoral taxes. Smith and Kimball (1998) provide a Mormon perspective. McGee (1998c, 1999a) commented on the various Christian views from a secular perspective.

The Christian Bible discusses tax evasion and the duty of the citizenry to support the government in several places. Schansberg (1998) and McGee (1994, 1998a) discuss the biblical literature on this point. When Jesus is asked whether people should pay taxes to Caesar, Jesus replied that we should give to Caesar the things that are Caesar's and give God the things that are God's (Matthew 22:17, 21). But Jesus did not elaborate on the point. He did not say what we are obligated to give to the government or whether that obligation has limits. There are passages in the Bible that may be interpreted to take an absolutist position. For example, Romans 13, 1-2 is read by some to support the Divine Right of Kings.

A few other religious views are also addressed in the literature. Murtuza and Ghazanfar (1998) discuss the ethics of tax evasion from the Muslim perspective. McGee (1998b, 1999a) comments on their article and also discusses the ethics of tax evasion under Islam citing Islamic business ethics literature (McGee, 1997). DeMerville (1998) discusses the Baha'i perspective and cites the relevant literature to buttress his arguments. McGee (1999a) commented on the DeMerville article. McGee (2004) discusses these articles in a book from a philosophical perspective.

A few empirical studies have been conducted that solicit views on the ethics of tax evasion. McGee and Cohn (2006) surveyed the views of Orthodox Jews. The views of international

business academics (McGee, 2005a) and various groups in Romania (McGee, 2005b), Thailand (McGee, 2006), Poland (McGee & Bernal, 2006), Hong Kong (McGee & Ho, 2006) and China (McGee & Noronha, 2007) have used survey instruments different from the one used in this study.

THE PRESENT STUDY

Methodology

Wave 5 of the World Values Survey (2008) asked hundreds of questions to participants in 57 countries. One of those questions asked whether it was justifiable to evade taxes if one had the opportunity to do so. Another question asked whether it was justifiable to pay cash to avoid paying tax. It also asked questions on other ethical issues such as bribery, avoiding a fare on public transport, claiming government benefits, accepting a bribe and buying stolen goods. The present study included those questions in a survey.

The survey was translated into Turkish and distributed to 399 students and faculty at Zonguldak Karaelmas University in Turkey. Respondents were asked whether they thought six particular acts were ethically justifiable. They were asked to select a number from 1 (never justifiable) to 10 (always justifiable).

Table 1 shows the demographics of the sample. The sample consisted mostly of single, Muslim, undergraduate business students under the age of 30. About two-thirds were female.

Table 1
Demographics

STUDENT STATUS	
Graduate student	20
Undergraduate student	364
Faculty member	13
Other/unknown	2
Total	399
MAJOR	
Accounting	-
Other business/economics	397
Other	2
Total	399
GENDER	
Male	132
Female	265
Unknown	2
Total	399
AGE	
15-29	389
30-49	8
50+	-
Unknown	2
Total	399
RELIGION	
Muslim	397
Other/unknown	2
Total	399
MARITAL STATUS	
Married or in a committed relationship	11

Divorced or separated	-
Never married	386
Other/unknown	2
Total	399

Findings

After compiling the data, the next step was to make comparisons between and among the six acts. Comparisons were also made by gender to determine whether male and female views were significantly different.

Table 2 shows the overall data and analysis. In some cases the differences were significant.

Table 2
Statements and Data Analysis
Overall Scores

(1 = never justifiable; 10 = always justifiable)

		Sample	Mean	Standard Deviation
A	Claiming government benefits to which you are not entitled.	398	1.69	1.68
B	Avoiding a fare on public transport.	399	1.83	1.47
C	Cheating on taxes if you have a chance.	399	1.53	1.57
D	Someone accepting a bribe in the course of their duties.	398	1.42	1.47
E	Paying cash for services to avoid	395	3.35	2.80

	taxes.			
F	Buy stolen goods.	399	1.68	1.60
		p value	Significant ?	
	A v. B	0.2109	No	
	A v. C	0.1652	No	
	A v. D	0.0160	Yes	
	A v. E	0.0001	Yes	
	A v. F	0.9315	No	
	B v. C	0.0055	Yes	
	B v. D	0.0001	Yes	
	B v. E	0.0001	Yes	
	B v. F	0.1683	No	
	C v. D	0.3076	No	
	C v. E	0.0001	Yes	
	C v. F	0.1817	No	
	D v. E	0.0001	Yes	
	D v. F	0.0171	Yes	
	E v. F	0.0001	Yes	

Table 3 ranks the acts from least justifiable to most justifiable. Accepting a bribe was the least justifiable act, followed by cheating on taxes if you have a chance and buying stolen goods. Only slightly more justifiable was claiming government benefits to which you are not entitled. The acts ranked most justifiable were avoiding a fare on public transport and paying cash for services to avoid taxes.

One might think that people would view any form of tax evasion as equally justifiable or unjustifiable but the survey results found that to not be the case. Paying cash to avoid taxes was found to be significantly more justifiable than cheating on taxes if you had a chance. In fact, paying cash to avoid taxes was found to be significantly more justifiable than any of the other acts.

Table 3
Ranking of the Acts
(1 = never justifiable; 10 = always justifiable)

Rank	Act	Mean
1	Someone accepting a bribe in the course of their duties.	1.42
2	Cheating on taxes if you have a chance.	1.53
3	Buy stolen goods.	1.68
4	Claiming government benefits to which you are not entitled.	1.69
5	Avoiding a fare on public transport.	1.83
6	Paying cash for services to avoid taxes.	3.35

Table 4 lists the data by gender and shows the significance of the differences. In three of six cases women thought the act was significantly less justifiable. In the other three cases there was no significant difference between the male and female scores. The three cases where females were significantly more opposed to the act were:

- Avoiding a fare on public transport;
- Cheating on taxes if you have a chance; and
- Paying cash for services to avoid taxes.

Table 4
Statements and Data Analysis
Analysis by Gender
 (1 = never justifiable; 10 = always justifiable)

		Sample	Mean	Standard Deviation
A	Claiming government benefits to which you are not entitled.			
	Male	131	1.69	1.54
	Female	265	1.66	1.70
B	Avoiding a fare on public transport.			
	Male	132	2.05	1.60
	Female	265	1.73	1.40
C	Cheating on taxes if you have a chance.			
	Male	132	1.80	1.83
	Female	265	1.40	1.41
D	Someone accepting a bribe in the course of their duties.			
	Male	131	1.37	1.16
	Female	265	1.45	1.61
E	Paying cash for services to avoid taxes.			
	Male	132	4.41	3.22
	Female	261	2.80	2.37
F	Buy stolen goods.			
	Male	132	1.82	1.68
	Female	265	1.61	1.55
		p value	Significant	

		?
A	0.8648	No
B	0.0416	Yes
C	0.0167	Yes
D	0.6123	No
E	0.0001	Yes
F	0.2170	No

CONCLUDING COMMENTS

The survey had several interesting findings. On a scale of 1 to 10, five of the mean scores were below 2.0 and all were below 3.5, indicating strong opposition to all six acts. Paying cash for services to avoid taxes was significantly more justifiable than any of the other acts and females were significantly more opposed than males for three of the six acts.

There are a number of possible replications for this study. Similar surveys could be given to a variety of nonbusiness students. Law and philosophy students would be good choices. Surveying an older population might produce different results. Some studies have found that people become more respectful of authority as they get older. Perhaps mean scores would be significantly lower if an older group were surveyed. Surveying groups from different countries, different religions and different cultures might also yield different results.

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