

The Economic Psychology of Tax Behaviour

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Foreword

Valerie Braithwaite

This book brings together research that has traditionally been fragmented into camps of legal, economic and social-psychological scholarship. Each camp acknowledges the need to be aware of the others' findings, but few books have been as inclusive and successful in creating a coherent framework that can house these different bodies of research. Kirchler describes the various research traditions in detail, setting out the building blocks for the reader to survey at close range. These parts are then assembled to provide an integrated account of how some taxpayers take the path down the slippery slope of non-compliance, while most stay on the high ground. Kirchler acknowledges that some individuals are less willing to say no to evasion than others, that some are less committed and able, and that varying social contexts can make it easier to comply or harder. But the spotlight is not only on the strengths and weaknesses of individual taxpayers and their immediate environment. Tax authorities play their part too and can adopt enforcement policies that are likely to push taxpayers down the slippery slope. Too often tax authorities fail to communicate respect and trust to the taxpayer, instead playing the 'cop' who is single-mindedly in pursuit of the 'robber' taxpayer.

This book provides a new frame for analysing tax compliance research. Classic economic theory depicting taxpayers as rational cost-benefit analysts has long provided the benchmark for evaluating new developments in tax research. In this book, Kirchler reinvents the frame. The classic economic view is no longer the standard but rather one of many possible social representations of taxpaying. Kirchler examines the role of individuals' perceptions of gains and loss, opportunities and obstacles as they appraise taxpaying demands. The lens is then broadened to incorporate sociological and psychological understandings of social context and cultural setting, and the part such factors play in determining how taxpayers approach and deal with tax authorities. Kirchler integrates the various theories and models of tax compliance as different kinds of social representations, and through a meticulous review of the literature presents a question that he both answers and poses for future tax