TRUST AND POWER AS PREDICTORS OF TAX COMPLIANCE: GLOBAL EVIDENCE

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ABSTRACT. Slippery Slope Framework has attracted exceptional attention from researchers in economic psychology and taxation field through validation by renowned scholars via variety of surveys and experimental designs. However, application of cross-sectional analysis in validating the framework has been scant, the available studies being focused on a single continent only. This study aims to test the assumptions of "Slippery Slope Framework" through examination of the influence of trust in authorities and power of authorities on tax compliance globally. The sample of 158 countries was selected as of 2016. Data was analyzed through Ordinary Least Squares Regression Analysis. The results reveal that trust in authorities significantly influences tax compliance, but power of authorities does not. Additionally, the interaction effect of trust and power on tax compliance has not been established through this cross-country analysis. Practically, the results suggest that authorities should ensure judicious use of taxpayer monies in the provision of public goods and services, and also fairness and equity among taxpayers. Eventually, these will enhance trust and improve tax compliance. Theoretically, the study calls for disaggregation analyses where each continent will be studied individually for replication of these findings and establishing the interaction effect wherever possible.

Introduction

Investigation of why individuals adhere to their tax obligations was hitherto dwelled on the "deterrence models" of Becker (1963), Allingham and Sandmo (1972) and Srinivasan (1973). While these models set the pace in understanding the factors influencing tax compliance, however, it was debated on for the failure to offer full explanation on why individuals pay taxes in the absence of enforcement. Following this argument, the way was paved for psychological factors into tax compliance literature through the concept of "psychological tax contract" proposed by Feld and Frey (2007) and Torgler, Demir, Macintyre and Schaffner (2008) for the elucidation of the antecedents to tax compliance. Further development in tax compliance literature was witnessed through the mixture of these two models; the "deterrence models" and the "psychological tax contract models". This combination gave birth to a robust model, the "Slippery Slope Framework". This framework

was the outcome of the work carried out by Kirchler, Hoelzl and Wahl (2008). It explained that optimal tax compliance is achievable either through trust in authorities (voluntary tax compliance) or through power of authorities (enforced tax compliance) or an interaction between them.

Following these backgrounds, the central argument in this paper is the lack of comprehensive global evidence for cross-country analyses so that to provide global insights on the assumption of this framework. Earlier studies either centered on a single country, group of countries or at most a single component. European data in this regard was considered by (Benk & Dubak, 2011; Kastlunger, et al., 2013; Kirchler, et al., 2008; Kogler, et al., 2013; Pellizzari & Rizzi, 2014; Wahl, et al., 2010), while Asian experience was analyzed in (Andyarini, Subroto, & Subekti, 2019; Batrancea & Nichita, 2014; Faizal et al., 2017). A few studies that employed cross-country analyses were Mas' ud et al., (2015) and Mas'ud et al., (2014). However, these studies mainly focused on African states, hence, the need for global cross-country inference has motivated this paper. The global cross-country approach employed in this study will be novel in a number of ways. Firstly, the initial validation was mainly focused on Europe (Kastlunger, et al., 2013; Kirchler, et al., 2008; Kogler, et al., 2013; Pellizzari & Rizzi, 2014; Wahl, et al., 2010), later Asia (Andyarini, et al., 2019; Batrancea & Nichita, 2014; Faizal et al., 2017) and Africa (Mas' ud, et al., 2015; Mas'ud, et al., 2014; Ayuba, Saad & Ariffin, 2018), and subsequently South America (da Silva, Guerreiro & Flores, 2019). Evidence from other continents such Australia and North America are lacking, to the best of our knowledge. Even when it exists, the findings are country-specific. This study tends to present uniform results across countries globally. Secondly, there are cultural variations across countries and continents, hence, providing uniform global evidence could blend culture and take care of cultural differences between countries. Thirdly, a much smaller sample was used in the previous cross-country analysis (Mas' ud et al., 20142015). The largest number of the countries sampled under such methodology was 37, while in this study 158 countries were sampled, therefore, we expect to provide more robust results. Lastly, this robust result is expected to offer insights on universal applicability of the framework since it was tested using global cross-country data.

Following these arguments, the objective of the study is twofold. First, it attempts to test the assumptions of the framework using cross-country data with a larger sample and from the global perspective. Second, the study examines the interaction effect of trust in authorities and power of authorities in explaining tax compliance using a large sample.

In attaining such objectives of the study, the paper is divided into five parts, with this part as an introduction. The second part is the review of previous studies with empirical evidence on "Slippery Slope Framework". The third part covers methodology and methods, while the fourth part focuses on analysis results. The last part presents conclusions, implications as well as recommendations for future research.

1. Literature review

Tax compliance has been defined by Jackson and Milliron (1986) as reporting all income, tax liabilities, and tax payments to the relevant tax authorities through the application of relevant tax laws, regulations, and tax orders. Voluntary tax compliance is considered as the "timely filing and reporting of required tax information, the correct self-assessment of taxes owed and the timely payment of those taxes without enforcement action" (Silvani & Baer, 1997, p. 11). While taxpayers usually pay taxes without enforcement action under voluntary tax compliance, enforced tax compliance is the one in which taxpayers pay their taxes due to fear of either being detected or audited.

While taxpayers pay tax through voluntary or enforcement compliance, the earlier deterrence tax compliance models such as those of Allingham and Sandmo (1972) and Srinivasan (1973) fail to explain why taxpayers pay the tax without enforcement actions (Torgler, 2002, 2003). Consequently, the concept of psychological tax contract was introduced to explain why taxpayers pay taxes even without deterrence measures (Feld & Frey, 2007; Torgler, Demir, Macintyre, & Schaffner, 2008). To integrate the deterrence and psychological factors for better understanding of drivers of tax compliance, Slippery Slope Framework was introduced through a conceptual analysis which provides robust explanation (Kirchler, et al., 2008). The framework proposed that trust in authority and power of authority as well as interactions between them explain tax compliance. Trust in authorities means taxpayers believe that the authorities are compassionate, work for the common good of the citizens and are not corrupt, as such they ensure good governance of an economy (Kirchler, et al., 2008) The power of authorities implies that taxpayers comply with their tax obligation due to fear of being detected through rigorous audit as well as the fine and penalty imposed by authorities for noncompliance (Kirchler, et al., 2008). In order to confirm whether or not the propositions of the Slippery Slope Framework hold in real world situations, various studies were undertaken for validation. For example, in Europe (Kastlunger, et al., 2013; Kirchler, et al., 2008; Kogler, et al., 2013; Pellizzari & Rizzi, 2014; Siglé, et al., 2018; Wahl, et al., 2010) and later Asia (Andyarini, Subroto, & Subekti, 2019; Batrancea & Nichita, 2014; Damayanti & Martono, 2018; Faizal et al., 2017; Mardhiah, Miranti & Tanton, 2019), Africa (Ayuba, Saad & Ariffin, 2018; Mas' ud, et al., 2015;Mas'ud, et al., 2014), and South America (da Silva, Guerreiro & Flores, 2019). However, most of these validations are country specific, except a few such as Mas' ud, et al., (2015) and Mas'ud, et al., (2014) that have a continental focus with emphasis on Africa. Consequently, there is a need for the validation of the assumptions of the framework using global cross-country evidence so as to provide more robust findings.

Conceptual framework and hypotheses development

As noted earlier, the Slippery Slope Framework was introduced by Kirchler, et al. (2008) with two key determinants of tax compliance i.e. trust in authorities and power of authorities. The available evidence implied that the framework does not validate global cross-country analysis. Thus, the following conceptual framework is proposed in this study for validation using cross-country data.
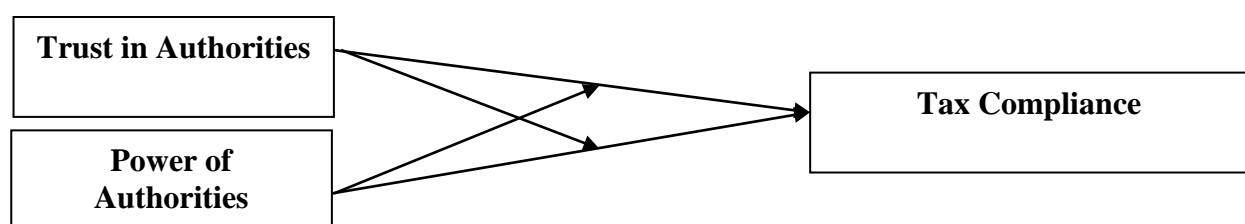

Figure1. Model for Validating the Slippery Slope Framework
using Global Cross Country Data.

Therefore, in line with the above framework and in an attempt to validate some of the assumption of the Slippery Slope Framework using global cross-country data, these hypotheses are proposed in line with the insights from the literature. Specifically, on one hand, Figure 1 proposed that trust in authorities will influence tax compliance. Trust means a belief by the taxpayers that tax authorities are compassionate, work beneficially for the

common good of the citizens, ensure good governance and are not corrupt, which eventually develop moral obligation on the part of taxpayers such that they feel obliged to comply with their tax obligations. On the other hand, Figure 1 also proposed that power of authority will also influence tax compliance. Power of authority refers to the perception by taxpayers that tax officials have the ability to detect and punish illegal tax noncompliance through rigorous audit to detect the evasion and authorities' power to fine the evaders. Beyond these individual influences, Figure 1 further proposed that trust in authorities and power of authorities interact and work together in influencing tax compliance, such that the existence of low trust needs to be complemented with high power and vice versa for significant tax compliance to take effect. The propositions of the framework was initially postulated by Kirchler, et al. (2008) and further validated by many scholars among European countries (Kastlunger, et al., 2013; Pellizzari & Rizzi, 2014; Siglé, et al., 2018), Asian countries (Andyarini et al., 2019; Damayanti & Martono, 2018;Mardhiah, et al., 2019), Africa countries (Ayuba, et al., 2018; Mas' ud, et al., 2015) as well as South America (da Silva, et al., 2019). However, such validation has not been carried-out through global cross-country analysis, hence, Figure 1 proposed such validation from a large sample of about 158 countries globally.

Influence of trust in authorities on tax compliance

The initial proposition by the slippery slope framework holds that trust in authorities predicts voluntary tax compliance (Kirchler, et al., 2008). In a logical synthesis, it was also concluded by Muehlbacher and Kirchler (2010) and Lisi (2011) that trust is crucial in explaining tax compliance. The first empirical evidence of slippery slope framework revealed a strong support for the postulation that trust is a predictor of voluntary tax compliance (Wahl, et al., 2010). Specifically, it was confirmed by Wahl, et al. that voluntary tax compliance is high in a scenario when authorities are trustworthy. Another finding also revealed that trust in authorities improves voluntary compliance, and voluntary tax compliance has a strong negative relationship with tax evasion (Muehlbacher, Kirchler, & Schwarzenberger, 2011). This finding was also confirmed in Italy (Kastlunger, et al., 2013). In Austria, Hungary, Romania and Russia empirical evidence from the test of the framework revealed that trust is a significant predictor of voluntary tax compliance (Kogler, et al., 2013). Findings by Pellizzari and Rizzi (2014) also confirmed such influence. Recent empirical evidence using self-employed taxpayers in Austria also confirmed the direct influence of trust in authority on tax compliance (Kogler, Muehlbacher, & Kirchler, 2015). More recently, Faizal et al., (2017) proposed and confirmed the effect of trust in authority on tax compliance in Malaysia, as well as Siglé, et al., (2018) among corporate taxpayers in Netherland; Damayanti and Martono (2018) and Andyarini, et al., (2019) among individual taxpayers in Indonesia; Ayuba, et al (2018) among SMEs in Nigeria and da Silva et al (2019).

Contrastingly, using cross-country data involving 37 nations in Africa, it was found that trust in authority, though correlated with tax compliance, it does not have any significant causing effect (Mas' ud, et al., 2015). Similarly, findings from data comprising 29 African countries showed that trust in authority individually does not influence tax compliance but it does through the interaction with the power of authorities (Mas'ud, et al., 2014). Despite all the available evidence around the world, empirical validation of the slippery slope framework is still not as expected in the extant literature. Moreover, there is paucity of proof in tax compliance literature regarding global cross-country analysis on the influence of trust in authorities on tax compliance; hence, the following hypothesis is proposed.

H1: Trust in authorities has a significant positive influence on tax compliance globally.

- Influence of Power of Authorities on Tax Compliance.

From its inception, the slippery slope framework proposed that power of authority influences enforced tax compliance (Kirchler, et al., 2008). By synthesizing the postulations of the framework through conceptual analysis, it was hypothesized that power of authorities can significantly influence enforced tax compliance (Lisi, 2011; Muehlbacher & Kirchler, 2010). The pioneer empirical evidence on validation of framework's postulations revealed that power of authorities significantly influences enforced tax compliance (Wahl, et al., 2010). Many studies in various settings confirmed the influence of power of authorities on enforced tax compliance (Andyarini, et al., 2019; Damayanti & Martono, 2018; da Silva, Guerreiro & Flores, 2019; Kastlunger, et al., 2013; Kogler, et al., 2013; Kogler, et al., 2015; Muehlbacher, et al., 2011; Pellizzari & Rizzi, 2014; Prinz, Muehlbacher, & Kirchler, 2014; Siglé, et al., 2018).

Contrarily, a few studies using cross-country analysis power of authorities found insignificant causing effects on tax compliance (Mas' ud, et al., 2015; Mas'ud, et al., 2014). Moreover, it was found recently that neither legitimate power nor coercive power influence tax compliance (Faizal et al., 2017). More recently, additional evidences have further confirmed the existence of insignificant effect of power of authority on tax compliance. Such has been reported in the study of corporate taxpayers in Netherland (Siglé, et al., 2018) and individual taxpayers in Indonesia (Mardhiah, Miranti & Tanton, 2019).

Despite the ample evidence on the validation of slippery slope framework that provides mixed findings, global cross country analysis on the influence of power of authority on tax compliance is lacking, hence the need for more evidence. Thus, the development of the following hypothesis:

H2: Power of authorities has a significant positive influence on tax compliance globally.

Interaction effect of trust and power

Initially, the proponents of Slippery Slope Framework (Kirchler, et al., 2008) postulate that trust and power interact in explaining tax compliance. This postulation has been validated in many studies (Kastlunger, et al., 2013; Kogler, et al., 2013; Kogler, et al., 2015; Muehlbacher, et al., 2011; Pellizzari & Rizzi, 2014; Prinz, Muehlbacher, & Kirchler, 2014). This was further confirmed through cross-country analysis among African countries (Mas'ud, et al., 2014). More recent evidence also confirmed interaction effects in the Slippery Slope Framework. For example, among SMEs in Nigeria (Ayuba, et al., 2018), among individuals in Central Java Indonesia (Damayanti & Martono, 2018) as well as among corporate taxpayers in Netherland (Siglé, et al., 2018).

Despites these interesting findings which confirmed the interaction effects of trust in authority and power of authority in influencing tax compliance, evidence is lacking from global cross-country perspectives. Thus, validation of interaction effect of trust in authority and power of authority using global cross-country data will provide more evidence to the validation of the framework, hence, it is hypothesized as follows.

H3: Power of authorities and trust in authorities significantly interact in influencing tax compliance globally.

2. Methodological approach

This section discusses the methodology and methods used in conducting the study. It discusses the population and sample, variables and its measurement, data as well as data analysis techniques.

The study has a population of 193 countries based on the United Nations membership. A sample of 158 countries was selected using the multi-stage sampling technique. In the first instance, all 193 countries were given equal chance of being selected. At the second instance, countries were dropped due to lack of data for one of the three (3) variables i.e. tax compliance, trust in authorities, and power of authorities. This process left us with only 158 countries as the final sample. In essence, the participating countries in the analysis have all the data for the three variables while some countries were omitted due to a lack of one or more data for the three (3) variables under the study.

The dependent variable, tax compliance (TC), was measured using tax percentage of GDP for all the countries. The percentage implied that low percentage is an indication of low tax compliance (higher evasion); likewise high percentage signifies high compliance (lower evasion). For the first independent variable that is trust in authorities (TRUST), Transparency International (TI) Corruption Perception Index (CPI) was used as a proxy. The justification for using CPI scores as a proxy is based on similar studies which conducted cross-country analyses such as Kastlunger, et al., (2013); Mas'ud, Manaf and Saad (2014; 2015); Torgler, Schaffner, and Macintyre (2007); Torgler and Schneider (2009). A class interval of 0 to 100 was used by TI in measuring CPI (i.e. very corrupt 0–9; 10-19; 20-29; 30-39; 40-49; 50-59; 60-69; 70-79; 80–89; 90–100 low corrupt). For the second independent variable that is power of authorities (POWER), in line with earlier studies such as Kastlunger, et al., (2013); Mas'ud, Manaf and Saad (2014; 2015), rule of law was used as a proxy. The application of rule of law as a proxy of power of authorities is consistent with the definition of rule of law in the Worldwide Governance Indicators (WGI) by Kaufmann, Kraay and Mastruzzi (2010). It was measured using percentiles of 0 to 100% (i.e. low power 0–10th; 11-20th; 21-30th; 31-40th; 41-50th; 51-60th; 61-70th; 71-80th; 81–90th; 91–100th high power).

Due to the peculiarities of the variables, three sources were used in generating the data. For the dependent variable, i.e. tax compliance, for which tax as a percentage of GDP was used as proxy, the data was sourced from the US Central Intelligence Agency (CIA) database for the year 2016 (Central Intelligence Agency, 2017). The data for the first independent variable that is trust in authorities, for which TI's CPI was used as proxy, the data was sourced from Transparency International's Corruption Perception Index report for the year 2016 (TI, 2017). For the second independent variable that is power of authorities, for which rule of law was used as a proxy, data was sourced from the World Bank Group (WBG) report for the year 2016 (World Bank Group, 2017).

The analysis of the data was conducted through Ordinary Least Squares (OLS) Regression Analyses using SPSS version 22. Regression analysis is normally used when analyzing the influence of one or more independent variables (trust in authorities and power of authorities) on a dependent variable (tax compliance) (Pallant, 2001; 2005; Jeon, (2015). Jeon (2015) opined that regression analysis has some number of advantages such as (i) it enables the prediction or explanation of the relationship or effect of one or more variables on the other, (ii) it enables researchers to interpret results of predication or explanation easily, and, lastly, (3) it enables the testing of a theory that proposed prediction or explanation of the influence of one or more variables on the other. On the other hand, it has a number of limitations; (1) coefficient of determination which mostly explains the predictive power of the model cannot provide the extent of the importance of an additional predictor variable in a model by mere changes to R-square due to unaccounted interrelationship between the existing

and additional variables, (2) a variable can turn out to be statistically insignificant when combined with other variables in a regression model but could be statistically significant when regressed separately, regression analysis could not provide explanation to this variation. For instance, in the current model the combination of trust in authority and power of authority render power statistically insignificant; however, separate analysis may likely produce different results, notwithstanding this possibility due to a lack of theoretical support that has not been examined here, as the Slippery Slope Framework proposed the examination of the two variables in a single and not separate research model. Lastly, (3) where there are many regression equations for a single dependent variable which all turn out to be significant, selecting the best model could be problematic especially when there is no significant importance in the changes in R-square. Alternatively to OLS regression is the use of Co-variance-Based Structural Equation Modeling (CB-SEM) and Partial Least Squares Structural Equation Modeling (PLS-SEM), however, its application for secondary data (particularly CB-SEM due to its confirmatory nature) has not been commonly applicable in the literature (Hair, et al., 2018). The major problem with SEM is restrictive assumptions such as (1) the assumption that variables are measured without error, (2) residuals are not correlated and (3) causal flow is unidirectional (Jeon, 2015). However, in reality these assumptions are not provable because it is difficult to measure variables without error; it is also unreasonable to assume non-correlation among residuals from different equations (Jeon, 2015). Due to these reasons, OLS regression analysis was found to be more justified for data analysis in this study.

3. Conducting research and results

In this section, the results obtained from the data analysis which includes descriptive analysis of the study's variables, tests of normality and colinearity, hierarchical regression analysis and model fit assessment are presented.

3.1. Descriptive analysis

Descriptive statistics analyses the nature of dispersion of the study's variables. Here it presents results relating to minimum, maximum, mean and standard deviation scores as contained in Table 4.1.

Table 1. Descriptive statistics of study variables

Variables	N	Minimum	Maximum	Mean	Std. Deviation
TC	158	2.00	60.70	26.98	12.09
TRUST	158	10.00	90.00	42.83	19.28
POWER	158	.00	100.00	47.11	28.45

The descriptive statistics depicted that 158 countries were analyzed in the study. The minimum tax compliance around the world measured using tax as a percentage of GDP is 2% while the maximum worldwide is 60.70%. The mean tax compliance is 26.98 while the standard deviation is 12.09. This implies that the average tax compliance around the world is 26.98% except for about 12.09% countries whose tax compliance significantly differ from the global average score. For trust in authorities measured using CPI perception, the minimum perception of corruption is 10% while the maximum CP is 90% among the sample countries. The mean trust is 42.83 while the standard deviation is 19.28. This implies that the average trust among sample countries is 42.83% except for 19.28% of the sampled countries whose

trust score differs significantly from the average score. For the power of authorities measured using rule of law, the minimum score is 0 while the maximum is 100%. This means that the application of rule of law as a proxy of power of authority is 0% in some countries while is it up to 100% in others. The mean power is 47.11 with a standard deviation of 28.45. This implies that the average rule of law among the countries sampled in this study is 47.11% except for about 28.45% of the countries whose rule of law differs significantly from the global average. This high deviation could not be surprising considering that some countries recorded up to 100% in rule of law. Interestingly, in all the three cases, the descriptive analysis showed a good dispersion of scores across the study variables.

3.2. Normality test

In a regression analysis, one of the fundamental requirements is the normality of the data for variables under the study. It is required that the data should be normally distributed. Normality can be tested using both graphical and statistical approaches. This study adopts the statistical approach for testing normality. This approach postulates the use of Skewness and Kurtosis in testing the normality of data. The result of the normality test is contained in Table 2.

Table 2. Test of normality of the data

Variables	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
TC	158	.444	.193	-.394	.384
TRUST	158	.739	.193	-.217	.384
POWER	158	.150	.193	-1.108	.384

The results of Skewness and Kurtosis used in testing the normality of data using statistical approach as contained in Table 2 indicated that the normality requirement is not violated in line with the suggestion of Curran et al (1996) and West et al (1995) who postulated that the values should be less than 2 and 7 for Skewness and Kurtosis respectively. To further confirm the normality of the data, Jarque-Bera statistic was used based on the null hypothesis that there is no difference between our distribution and a normal distribution. The result from the Jarque-Bera test statistics revealed that (Jarque-Bera $\chi_{55.25}$, $0.05 > p > 0.1$), confirming no significant difference between distribution and a normal distribution.

3.3. Test of multi-colinearity test

Another fundamental requirement of regression analysis is multicolinearity among the study's variables. It requires that two exogenous variables not perform equal function in a single regression model. Hair et al's (2016) statistical approach of testing multicolinearity using Tolerance and Variance Inflation Factor (VIF) was employed in this study as depicted in Table 3.

Table 3. Multicolinearity test

Variables	Collinearity Statistics	
	Tolerance	VIF
TRUST	.147	6.810
POWER	.147	6.810

The consistent cutoff values shows that none of the two independent variables violated the assumptions of multiclinearity based on the cut-off values of above than 0.1 for Tolerance and less than 10 for VIF. This result revealed that the two variables functioned independently in the research model.

3.4. Regression Analysis and Hypotheses Testing

Having satisfied the fundamental assumptions of regression analysis, Table 4 presents the result of the direct and interaction effect of trust in authorities and power of authorities on tax compliance.

Table 4. Regression analysis and hypotheses testing

Models	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Hypotheses	Hypotheses Number
		S.E	Beta				
TRUST	.406	.188	.647	2.159	.032	Supported	H1
POWER	.021	.083	.049	.249	.804	Not Supported	H2
TRUST*POWER	.001	.002	-.133	.397	.692	Not Supported	H3

Table 4 presents the results of the regression analysis for hypotheses testing. Hypotheses one and two focused on the direct influence of trust in authorities and power of authorities on tax compliance while hypothesis three focused on interaction effects of the two independent variables on tax compliance. For the direct influence, it can be recalled that hypothesis one postulated that trust in authorities has significant positive influence on tax compliance globally. The result from 158 countries supported this postulation (β=0.406, t=2.159, p=.032). The finding is consistent with prior literature such as Muehlbacher and Kirchler (2010); Lisi (2011); Wahl, *et al.*, (2010); Muehlbacher, Kirchler, and Schwarzenberger (2011); Kastlunger, *et al.*, (2013); Kogler, *et al.*, (2013); Pellizzari and Rizzi (2014); Kogler, Muehlbacher, and Kirchler (2015); and Faizal et al., (2017) which confirmed the effect of trust in authority on tax compliance. The result is also consistent with Siglé, et al., (2018) who confirmed the efffect of trust in authority on tax compliance among corporate taxpayers in Netherland. It is consitent with Damayanti and Martono (2018) and Andyarini, et al., (2019) who found the influence of trust in authority and power of authority among individual taxpayers in Indonesia as well as that of da Silva et al (2019) in Brazil.

For hypothesis two, which postulated that power of authorities has significant positive influence on tax compliance globally, this hypothesis is not supported based on the analysis conducted using the data from 158 countries (β=-0.021, t= -0.249, p=.804). This is not surprising as findings from prior literature revealed a similar result. Specifically, it was found that neither legitimate power nor coercive power influence tax compliance (Faizal et al., 2017). It is also consistent with the result of Mas' ud, *et al.*, (2015) who found an insignificant effect of power of authority across African countries. It was also similar to that of Siglé, et al., (2018) who found no signficant influence of power on enforced tax compliance among corpoate taxpayers in Netherland as well as that of Mardhiah et al., (2019) who found insignificant influence of power of authority on enforced tax compliance among individual taxpayers in Indonesia.

For the last hypothesis, which proposed the interaction effect of trust in authorities and power of authorities in influencing tax compliance globally, the hypothesis is not supported by the data from 158 countries (β=-0.001, t= -0.397, p=.692). This is consistent with the finding from African specific data analyzed by Mas'ud, *et al.*, (2014) which found insignificant interaction effects of trust in authority and power of authority on tax compliance.

3.5. Model Fit

In assessing the model fit, two criteria were used which were F-test and R-Square. For the first criterion, it can be seen from the model that the right selection of variable were made in an attempt to explain tax compliance. To put it differently, combining trust in authorities and power of authorities in a single research mode to explain tax compliance is found to be superb based on the F value which was found to be significant at less than 1%.

For the second criterion i.e. R-square, the result showed that the data sufficiently fit the model as the variables used in the study were able to explain 31.7% of the changes in tax compliance. This can be considered above the moderate level of 15% in line with Cohen (1988). In essence, the R-square of the model shows that trust in authorities and power of authorities explains 31.7% of the variation of tax compliance. The remaining 68.3% can be explained by other variables not included in the current research model.

Conclusion

TThe study validates the key assumption of the *"Slippery Slope Framework"* from the perspective neglected by the extant literature. Out of the 193 countries under the United Nations member country list, 158 were used as a sample of the study to ensure global cross-country validation of the framework using the data for 2016. From the analyses, it was found that trust in authorities has a significant positive influence on tax compliance while the power of authorities has not. The study also failed to establish significant interaction effect of trust in authorities and power of authorities on tax compliance using global cross-country data.

The finding indicates that trust in authorities is stronger than power of authorities in explaining tax compliance globally. Thus, the finding highlights the need to strengthen the two dimensions of trust (trust in central government and trust in tax authorities) in enhancing tax compliance globally. This means that the central government needs to ensure that the taxpayer monies are used judiciously in executing infrastructural projects and for the provision of public goods. For the tax authorities, they must ensure fairness and equity among the taxpayers by making it possible for each taxpayer to pay the correct amount of tax. Regarding the weak influence of power of authorities on tax compliance, it will continue to play a critical role in enhancing compliance since, in many instances; enforcement action is required before some taxpayers comply with their obligations.

Theoretically, the study contributes not only to the *"Slippery Slope Framework"* but also to other psychological theories such as theory of trust (Brewster, 1998) as well as Cognitive Theory (Bandura, 1991) which postulates that individuals execute actions based on personal moral reasoning and internal obligations, as well as Social Exchange Theory (Emerson, 1976) which is based on the exchange negotiation among or between parties involved, indicating that when taxpayers perceive to receive benefit equal or more than what they pay as taxes they will be more willing to comply with their tax obligations.

The study has been associated with a number of limitations which signifies the direction for future research. First, while the study attempted to validate the *"Slippery Slope Framework"* using all the countries around the world, it was only able to use 158 out of 193 countries as it was constrained by a lack of data for some of the study's variables in relation to those countries. Future research should try as much as possible to optimize the number of the countries to be used in the analysis beyond what has been used here. Secondly, the R-square of the model only explained 31.7% of the variation in tax compliance by the trust in authorities and power of authorities; this highlights the need to integrate other moderating and mediating variables that can possibly enhance the explanation of tax compliance beyond which had been explained by the only two variables. Future research should explore more on

this direction. Lastly, as this study failed to establish the significant influence of power of authorities and its interaction with trust in authorities in explaining tax compliance, future research should attempt in disaggregating the data into continents such as Africa, Asia, America and Europe. Possibly, the disaggregation of data can provide more interesting finding especially in relating to power of authorizes and its interaction with trust in authorities in explaining tax compliance.

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