

# **The Ethics of Tax Evasion: A Comparative Study of Turkey and Kyrgyzstan**

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*This paper examines the ethics of tax evasion. It begins with a review of the related literature and proceeds to discuss the three main views on the issue. The paper then reports on the results of a series of surveys taken of various students in Turkey and Kyrgyzstan universities who were asked their opinions on the ethics of tax evasion. The survey consisted of 18 statements. Furthermore, male scores were compared to female scores to determine if the responses differed by gender. The study concludes that Turkish students are more opposed to tax evasion than are Kirgiz students. Although Turkish women student more high ethic values than men students, on the other hand Kyrgyz male students have higher moral values than women students. Furthermore, cultural, legal, gender and other differences may leads to different perceptions on tax evasion.*

## **INTRODUCTION**

Tax is most important revenue of all government. There are many articles written about tax and tax evasion in literature. According to them, tax evasion is widespread in developing countries. If tax evasion is reached very high proportion, government ability to provide adequate services will be very low. Therefore, increasing tax revenue are common objectives of all governments. In order to reach this goal, only economics elements taken into account will reduce the chance of success. Taxpayer, because, are affected social and cultural characteristic of society as well as morale issue.

The relationship between tax evasion and ethics can be analyzed from many different angles. There are some religious terms while the others more secular. One approach is examine the relationship between individual to state, second approach is more closed to individual to God and last one examine individual to taxpaying community (Mc Gee and Smith; 2007). For instance, Reckers *et. all* (1994) study investigated the influence of ethics on tax compliance decisions. They used ethics, tax rates, withholding as an independent variable. The results suggest that moral issues are highly significant in tax compliance decisions.

Religiosity is one of the important aspect of tax morale, because it could be heartfelt motivation for tax payment. Religiosity has been gauge various way such as religious education, being an active member

of a religious organization. Furthermore Torgler (2006) add to trustworthiness to explain tax morale. To measurement the trustworthiness they used variables such as lying, cheating and buying a stolen product.

Comparative studies are also important to see whether the view of tax evasion may differ by country. As many studies indicate that tax evasion might be different country by country. Replicating same study with different country, we can confirm this result. To accomplish this, in this study we have take two countries, namely Turkey and Kyrgyzstan, which have different economic development level but both country known Islamic and have same origin language (Turkish).

Ethical aspect of tax evasion was not discussed too much. Especially, evidence on tax ethics in developing countries is very rare. Little is therefore known about general tendencies of tax ethics in Turkey and Kyrgyzstan. One of the aims of this study is to fill this gap by employing survey in these countries. About tax evasion three common views emerged in the past century. Survey questionnaire which is used in this study, incorporate all three views. Thus, respondent finds the opportunity to explain their views on the three positions. Statement started with the phrase “Tax evasion is not unethical if ....”, expression such that permits responded to either agree or disagree with the statement. Each question rated on a seven point Liker scale. Answer of each question were rank and listed in order to decide under what circumstance tax evasion might be considered most or least ethical. This study is based on empirical analyses particularly focus on Turkey and Kyrgyzstan. Therefore, philosophical and ethical literature of tax evasion will not be examined deeply. Main purpose of this study not answer the question of “why so many people pay their taxes”, answer the “why people do not pay taxes”.

## LITERATURE REVIEW

Although, most articles about tax evasion are analyze from practitioner or legal perspective, Martin Crowe analyzed tax evasion from philosophy perspective. Crowe, doctoral thesis written in 1944 and Mc Gee (2006) re-examined and expanded on his work. According to this review, ethical aspect of tax evasion can be classified around three visions which are: never ethical, always ethical or ethical under certain facts and circumstances.

According to the first opinion, tax evasion at any time, anywhere and in any case is not moral. There are three basic reasons which support this view. Paying taxes to the state against individuals have a duty to the state, to God and to society. This is important assignment. People who live in community should fulfill the task.

This view is particularly appropriate to a democratic society where there is strong believe that the person must comply with the rules set by the majority. This first view has been criticized from many angles.

The second view can be called anarchist view. In this view, state is not legitimate. Therefore, pay taxes is not citizens duty.

Third view considers that under certain conditions, tax evasion may be ethical while under certain conditions may not be.

In general, examining the ethics of tax evasion issues in the literature were used in the two different surveys. One of these surveys is used Human belief and values survey which was completed by Inglehart. Other survey is applied by the researchers which are combined three opinions about tax evasion, using seven point Likert scale for rated.

Mc Gee and Bose (2008) study employed human belief and values survey (conducted by Inglehart) with the sample of Egypt, Iran and Jordan. They found tax evasion does not supported by three countries. Furthermore, they analyses according to gender, age and education and found women seem to be more against to tax evasion. Similarly, older people and higher educated people tend to more opposed to tax evasion. Other interesting study that is used Human belief and values survey, done by Mc Gee. Mc Gee (2008a) study examine 15 Transition countries (Belarus, Bulgaria, Croatia, Czech Republic, East Germany, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Russia, Slovakia, Ukraine) and for control he used two developed countries (Finland and Denmark). Human beliefs and values survey which was completed by Inglehart, used Mc Gee study. Main finding of his study that when people find the

opportunity of tax evasion, some people may do, but many of them do not. Of course this result can be varying according to country, gender, age, educational level and marital status. Again, Mc Gee (2008c) study compares six Latin American Countries (Argentina, Chile, Mexico, Peru, Puerto Rico and Venezuela) and the USA. The question is analyzed “whether the respondent would cheat on taxes if it were possible to do so”. Finding of this study very similar 15 Transition countries. Striking result of this study, level of education does not change the people attitude towards tax evasion in both Latin American Countries and the USA.

Mc Gee and Marajyan (2006) study is analyzed ethics of tax evasion take into the opinions of business and theology students in Armenia’s capital city. They found tax evasion is morally acceptable. The result shows business students more opposed to tax evasion than theology students. The result is surprising because theology students would have expected to behave more morally than business students. Again Mc Gee (1999) conducted interview in Armenia. According to result of these interviews, citizens justify the tax evasion in two situations. 1- If tax collection mechanism does not work properly. 2- If people believe government does not do anything for them.

Mc Gee and Bernal (2006) studied the opinion of economic students in Poland. According to survey result, tax evasion might be ethical within the framework of reasonable grounds. Strong reasons to justify tax evasion that accepts when government is in corruption or tax system is unfair.

Mc Gee *et al* (2007) analyses three view applying survey Hong Kong and United States University business students. Students of both countries do not consider tax evasion is ethical. But under certain conditions, such as the government was corrupt, the tax system was unfair and unaffordable, tax evasion is morally acceptable. This is strong argument for tax evasion. Act with selfish motives of people to justify the tax evasion is seen as the weakest argument.

Mc Gee and Gupta (2008) study covers view of 620 accounting, business, economics, and law students in New Zealand. Result show that they accepted that tax payment is a duty but they believe it is not absolute.

Mc Gee (2008b) compare opinion of two different state, Utah and Florida using same survey. There is little support for tax evasion, although some arguments are stronger than others. Furthermore, he also able to identified the relative strength of various arguments. Another issue that attracted to notice the cultural dimension was also important to consider.

Again Mc Gee and Preobragenskaya (2007) analyses ethics of tax evasion in Kazakhstan. Their finding is similar to some other studies that were applied to use similar survey, such as Hong Kong, Argentina, Poland. There is no gender difference view of tax evasion. Both genders find equally ethical or unethical.

Mc Gee and M’Zali (2007) applied to same survey MBA students in Mali, but this survey do not including so many people. It just covers 15 males and 9 females. Result shows widespread support for tax evasion. It is because Mali tax officials expected to be corrupt.

Mc Gee and Noronha (2007) study find tax evasion is unethical but tax evasion might be justified in some cases in Guangzhou (southern China) and Macau. Furthermore, male and female scores are not significantly different.

Mc Gee and Djatej (2007) analyses Hispanic view about tax evasion. Hispanic View supports the tax evasion in certain cases. This view justifies tax evasion when government is corrupt, wasteful, tax system is unfair, and governments abuse the human rights. Females were more opposed to tax evasion than male. Females, because, are taught from an early age to defer from authority. Again, the older group was more against. People have more respect for authority and the rule of law as they get older.

Mc gee and Andress (2007) study compared Taiwan and the USA. University students of Taiwan and the USA are belief that tax evasion can be ethically justifiable in certain situation. But USA students more opposed to tax evasion than Taiwan students.

Nasadyuk and Mc Gee (2007) analyses Ukrainian business and economics students. Result indicates that tax evasion might be acceptable in certain situation such as the government corruption, wasteful, unjust tax system, violation of human rights, high tax rates.

As can be seen from literature, there is quite country survey about ethics of tax evasion. Furthermore, research is available in from various religious perspectives. Christian view discuss by Mc Gee (1998a). Christian view does not agree whether under what circumstances tax evasion might be unethical. Although, according to some Christian belief, tax evasion is not moral in any event and condition, some other Christians do not support this idea. Therefore, there is no coherent and single opinion. Although there is a little study about Jewish perspective about ethics of tax evasion, Mc Gee (1998b) analyzed this subject. Jewish perspective differs from Christian views that tax evasion is almost and everywhere unethical. This is absolutist view. Again Mc Gee and Cohn (2008) evolve Jewish Perspective on the ethics of tax evasion. They found that although some cases tax evasion can be tolerate, tax evasion generally are not welcome.

Torgler and Schaffner (2007) study look at different angle of the subject. They investigate that why people pay their taxes although fines and audit are low. They found a significant correlation between tax evasion and tax morale. Again, Frey and Torgler (2007) try to understand willingness to pay taxes. In order to this, they treat tax moral as an independent variables and expected to influence from social environment. They find tax payer strongly effected from other tax payer behavior. To put it more simply, if tax payers believe tax evasion is common, tax morale decreases. Furthermore, they indicate that quality of political institutions (accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption) has important effect on tax morale. Furthermore, Torgler (2003, 2005) study analyses the relationship between tax morale and institutions in detail for Switzerland. While dependent variable is tax morale, independent variable is the institutions such as trust in government, legal system, degree of federalism and participation rights. He found that direct democratic rights, local autonomy, trust in government and legal system have a significant positive effect on tax morale. Similar study is done by Torgler (2005) for Latin American Countries using two data sets Latinobarometre and World Values Survey. He finds high correlation between tax morale and size of shadow economy. Another interesting detection, if people knew about the practice of tax avoidance, they have lower tax ethics than other. Furthermore, majority of people pay tax regularly in society, others instinct to pay tax increase.

Torgler and Murpy (2004) analyzed question of “has the tax moral change over time”. In order to answer these question take the example of Australia and they used 1981 and 1995 World Values Survey. They find tax morale has increased significantly in Australia from 1981 to 1995. They indicate that this increasing level higher than OECD countries.

As a result one end of spectrum, a few studies concluded tax evasion is never justified. On the other hand of spectrum, several studies concluded that tax evasion could be ethical in certain situation. Now, we apply to same survey to Turkey and Kyrgyzstan, to see is there any different result can we get?

## **METHODOLOGY**

After a brief look at the existing literature related to ethics of tax evasion, a survey was conducted to a group of undergraduate 504 students at Manas University, Kyrgyzstan and Hitit University, Turkey in order to learn their opinion on the ethics of tax evasion. Respondents in the survey are from two different countries. Thus, different cultures, different development levels and the differences between those have been measured. Students in both countries are also the future businessman, politicians who will conduct the country.

## **SURVEY**

We know from literature, there are three basic views on the ethics of tax evasion. Questionnaire which is cover 18 statements (All statements can be seen in Appendix 1), brings together all three opinions and participants have an opportunity to express their idea. The aim of the survey, to asses to under which circumstances tax evasion might be considered most or least ethical. Each question is graded on a seven point Likert scale.

A similar survey was conducted at two universities from both Kyrgyzstan and Turkey. Survey was distributed to graduate and upper graduate students of faculties of economics and administrative sciences of both Kyrgyzstan-Turkey Manas University (KTMU) in Bishkek, Kyrgyzstan and Hitit University in Corum, Turkey. Two hundred and fifty three (253) usable responses were received from KTMU and two hundred and fifty one (251) usable responses were received from Hitit University. The survey included a total of five hundred and four (504) participants.

## SURVEY FINDINGS

Table 1 summarizes the demographic makeup of the sample by gender, age and religion in universities from both Kyrgyzstan and Turkey. 103 males, 147 females and 3 unknown (3 students did not indicate their gender) from KTMU and, 194 males and 307 females from Hitit University responded to the survey.

The age of respondents were between 19 and 25 as the percent at least 94,9. Almost all of the respondents' religion was Islam except 8 Buddhist, 5 Christian and 1 Atheist all from KTMU. The Buddhist respondents may come from Mongolia because it is known that there are some students from Mongolia like some are coming from different Central Asian countries at KTMU.

**TABLE 1**  
**RESPONSES BY GENDER, AGE AND RELIGION**

		KTMU		Hitit University		Total	
		Freq.	Percent %	Freq.	Percent %	Freq.	Percent %
<b>Gender</b>	Male	103	40,7	91	36,3	194	38,5
	Female	147	58,1	160	63,7	307	60,9
<b>Total</b>		<b>250</b>	<b>98,8</b>	<b>251</b>	<b>100,0</b>	<b>501</b>	<b>99,4</b>
<b>Age</b>	>= 18	6	2,4	4	1,6	10	2,0
	19-25	240	94,9	242	96,4	482	95,6
	< 26	4	1,6	2	0,8	6	1,2
<b>Total</b>		<b>250</b>	<b>98,8</b>	<b>248</b>	<b>98,8</b>	<b>498</b>	<b>98,8</b>
<b>Religion</b>	Islam	212	83,8	251	100,0	463	91,9
	Buddhist	8	3,2	0	0,0	8	1,6
	Christian	5	2,0	0	0,0	5	1,0
	Atheist	1	0,4	0	0,0	1	0,2
<b>Total</b>		<b>226</b>	<b>89,3</b>	<b>251</b>	<b>100,0</b>	<b>477</b>	<b>94,6</b>

Table 2 shows the responses by major and levels. The largest group consisted of economics majors (194 of all responses as percent 38,5). One hundred and forty one (141) of the students were also from Management. Only two respondents were from graduate level and all others were from undergraduate levels. Unfortunately there are few respondents who did not give details about their majors especially from KTMU.

**TABLE 2  
RESPONSES BY MAJOR AND LEVELS**

		KTMU		Hitit University		Total	
		Freq.	Percent %	Freq.	Percent %	Freq.	Percent %
<b>Major</b>	Economics	93	36,8	101	40,2	194	38,5
	Public Finance	74	29,2	86	34,3	160	31,7
	Management	77	30,4	64	25,5	141	28,0
<b>Total</b>		<b>244</b>	<b>96,4</b>	<b>251</b>	<b>100,0</b>	<b>495</b>	<b>98,2</b>
<b>Undergraduate</b>	1 <sup>st</sup> Class	62	24,5	29	11,6	91	18,1
	2 <sup>nd</sup> Class	60	23,7	93	37,1	153	30,4
	3 <sup>th</sup> Class	85	33,6	71	28,3	156	31,0
	4 <sup>th</sup> Class	30	11,9	58	23,1	88	17,5
	Graduate	2	0,8	0	0,0	2	0,4
<b>Total</b>		<b>239</b>	<b>94,5</b>	<b>251</b>	<b>100,0</b>	<b>490</b>	<b>97,2</b>

Table 3 shows the responses by respondents' families' Income levels. According to Table 3, respondents as their families' income levels are divided into 3 groups. % 46.0 of respondents are coming from "lover income class" by their average income up to 500 \$. % 23.0 of respondents are coming from "middle income class" by their average income between 501 \$ -1000 \$. Only % 9.3 of respondents are coming from "upper income class" by their average income more than 1000 \$. This classification shows total responses. But if we compare KTMU and Hitit Universities, the situation differs. While 72.7 % of the families of the KTMU students comes from "lower income group" 41.4 % of the families of the students in the Hitit University comes from the "middle income class". This case clearly shows the income level difference between the two countries.

**TABLE 3  
RESPONSES BY RESPONDENTS' FAMILIES' INCOME LEVELS**

<b>Monthly Income</b>		KTMU		Hitit University		Total	
		Freq.	Percent %	Freq.	Percent %	Freq.	Percent %
Valid	Up to 500 \$	184	72,7	48	19,1	232	46,0
	501 \$ -1000 \$	12	4,7	104	41,4	116	23,0
	More than 1000 \$	3	1,2	44	17,5	47	9,3
<b>Total</b>		<b>199</b>	<b>78,7</b>	<b>196</b>	<b>78,1</b>	<b>395</b>	<b>78,4</b>
Unknown		54	21,3	55	21,9	109	21,6
<b>Total</b>		<b>253</b>	<b>100,0</b>	<b>251</b>	<b>100,0</b>	<b>504</b>	<b>100,0</b>

Table 4 shows the participants by nationality at KTMU. While 76,3 % of participants are Kyrgyz, 8,3 % of participants are Kazakh, 6,2 % of participants are Uzbek, 2,5 % of participants are Mongol, and 2,1 % of participants are Russian and Turkish (Domestik-Ahıska) and others a few are Turkish (coming from Turkey) Uygur, Tatar and Dungan.

**TABLE 4  
RESPONSES BY NATIONALITY AT KTMU**

Nationality	Freq.	Percent %	Valid Percent %	Cumulative Percent %	Nationality	Freq.	Percent %	Valid Percent %	Cumulative Percent %
Kyrgyz	184	72.7	76.3	76,3	Uyгур	1	0.4	0.4	99.2
Kazakh	20	7.9	8.3	84,6	Tatar	1	0.4	0.4	99.6
Uzbek	15	5.9	6.2	90,9	Dungan	1	0.4	0.4	<b>100</b>
Mongol	6	2.4	2.5	93,4					
Russian	5	2	2.1	95,4	<b>Total</b>	<b>241</b>	<b>95.3</b>	<b>100</b>	.
Turkish (Ahıska)	5	2	2.1	97,5	Unknown	12	4.7		
Turkish	3	1.2	1.2	98,8	<b>Total</b>	<b>253</b>	<b>100</b>		

**Reliability Statistics and the Independent-Samples Test**

For this study calculated some statistics before descriptive tables. One of them is Cronbach's  $\alpha$  (alpha) that is a kind of **statistic** which is commonly used as a measure of the internal **consistency** or **reliability** of a **psychometric** test score for a sample of examinees. For our study the value of Cronbach's alpha is reported in the Reliability Statistics below Table 5. The coefficient of 0.882 reported for our 18 items is an estimate of the true alpha, which in turn is a lower bound for the true reliability.

**TABLE 5  
RELIABILITY STATISTICS**

Cronbach's Alpha	N of Items
0,882	18

Table 6 reports the Independent-Samples t-Test. The Independent-Samples t-Test procedure tests the significance of the difference between two sample means. Also displayed are: descriptive statistics for each test variable, a test of variance equality and a confidence interval for the difference between the two variables (95%). Since the significance value of the test is less than 0.05 for 15 items, it can be safely concluded that, except only for 3 items that are statements 3, 4 and 17, there are significant differences between 2 different countries.

**TABLE 6**  
**“T-TEST” FOR EQUALITY OF MEANS**

	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Statement 1	-17,496	498	0,000	-2,764	0,158
Statement 2	-20,827	501	0,000	-3,040	0,146
Statement 3	-1,141	501	<b>0,255</b>	-,215	0,189
Statement 4	-,446	498	<b>0,656</b>	-,087	0,196
Statement 5	-31,074	502	0,000	-4,219	0,136
Statement 6	-8,328	500	0,000	-1,446	0,174
Statement 7	-26,926	501	0,000	-3,885	0,144
Statement 8	-12,214	502	0,000	-1,978	0,162
Statement 9	-27,441	502	0,000	-3,776	0,138
Statement 10	-20,770	501	0,000	-3,313	0,159
Statement 11	5,677	501	0,000	1,130	0,199
Statement 12	-20,911	499	0,000	-3,249	0,155
Statement 13	-5,269	502	0,000	-,995	0,189
Statement 14	-3,433	502	0,001	-,610	0,178
Statement 15	-24,479	498	0,000	-3,544	0,145
Statement 16	-2,999	499	0,003	-,583	0,194
Statement 17	-,869	501	<b>0,385</b>	-,163	0,188
Statement 18	-3,279	501	0,001	-,625	0,191

\*All statements can be seen in Appendix 1

Table 7 summarizes the responses for each of the 18 statements both for universities and overall. If we divide the mean scores into three category; tax evasion is always or almost always ethical if the score is 2 or less, tax evasion is sometimes ethical if the score is more than 2 but less than 6, and tax evasion is never or almost never ethical if the score is 6 or higher, there seems to be no clear-cut pattern that would justify concluding that the responses fit into any of the three categories. Only eight (8) of the responses are fall into the never or almost never ethical category in Hitit University. All of the other responses are fall into the sometimes ethical category because of the scores are more than 2 but less than 6 for both universities and even for overall scores. It can be seen from the table that by average score all responses fall into the sometimes ethical category because average scores are 3.39 and 5.24 for universities and 4.31 for overall responses.

Table 7 also compares the views of students to those of universities. Students from Hitit University were more strongly opposed to tax evasion in seventeen cases, whereas students from Manas University were more strongly opposed to tax evasion in only one case (S 11). As shown in the Graph 1, there is no case in which the views of different universities' students' responses were the same. Thus, it appears that the views of different universities' students' responses are significantly different.



**TABLE 7**  
**SUMMARY OF RESPONSES**  
**(Comparison of Students to Universities)**  
**(1=Strongly Agree; 7=Strongly Disagree)**

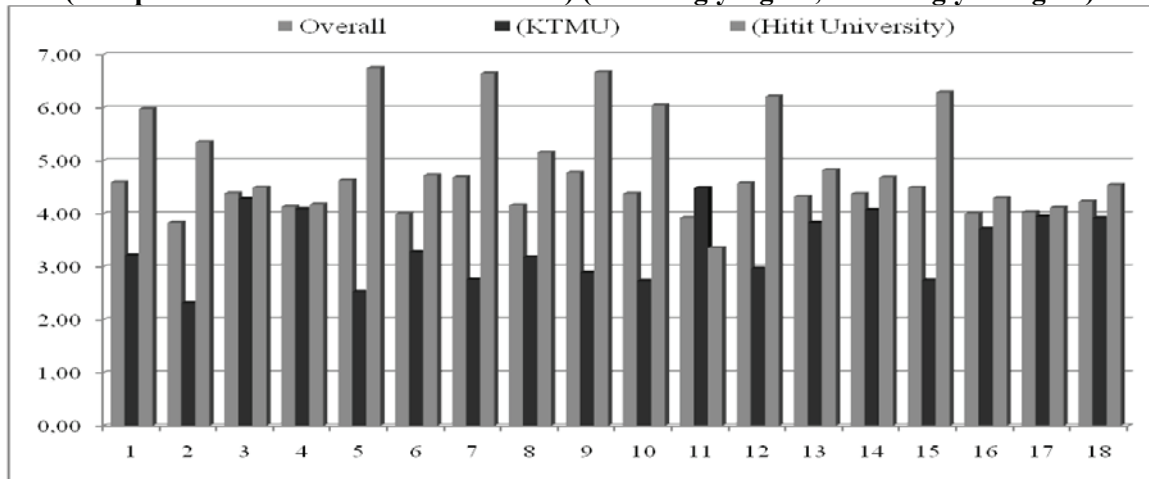
Rank	Stamenet	Overall		(KTMU)		(Hitit University)		Score Higher by	
		N	Mean	N	Mean	N	Mean	(KTMU)	(Hitit)
1	1 <sup>St</sup> Statement	500	<b>4,59</b>	250	<b>3,21</b>	250	<b>5,98</b>		2,76
2	2 <sup>nd</sup> Statement	503	<b>3,83</b>	253	<b>2,32</b>	250	<b>5,36</b>		3,04
3	3 <sup>rd</sup> Statement	503	<b>4,39</b>	253	<b>4,28</b>	250	<b>4,50</b>		<b>0,22</b>
4	4 <sup>th</sup> Statement	500	<b>4,13</b>	253	<b>4,09</b>	247	<b>4,18</b>		<b>0,09</b>
5	5 <sup>th</sup> Statement	504	<b>4,63</b>	253	<b>2,53</b>	251	<b>6,75</b>		4,22
6	6 <sup>th</sup> Statement	502	<b>4,00</b>	253	<b>3,28</b>	249	<b>4,73</b>		1,45
7	7 <sup>th</sup> Statement	503	<b>4,69</b>	253	<b>2,76</b>	250	<b>6,64</b>		3,89
8	8 <sup>th</sup> Statement	504	<b>4,16</b>	253	<b>3,18</b>	251	<b>5,16</b>		1,98
9	9 <sup>th</sup> Statement	504	<b>4,77</b>	253	<b>2,89</b>	251	<b>6,67</b>		3,78
10	10 <sup>th</sup> Statement	503	<b>4,38</b>	253	<b>2,74</b>	250	<b>6,05</b>		3,31
11	11 <sup>th</sup> Statement	503	<b>3,92</b>	253	<b>4,49</b>	250	<b>3,36</b>	1,13	
12	12 <sup>th</sup> Statement	501	<b>4,58</b>	252	<b>2,96</b>	249	<b>6,21</b>		3,25
13	13 <sup>th</sup> Statement	504	<b>4,33</b>	253	<b>3,83</b>	251	<b>4,82</b>		0,99
14	14 <sup>th</sup> Statement	504	<b>4,38</b>	253	<b>4,08</b>	251	<b>4,69</b>		0,61
15	15 <sup>th</sup> Statement	500	<b>4,49</b>	253	<b>2,74</b>	247	<b>6,29</b>		3,54
16	16 <sup>th</sup> Statement	501	<b>4,00</b>	253	<b>3,72</b>	248	<b>4,30</b>		0,58
17	17 <sup>th</sup> Statement	503	<b>4,03</b>	253	<b>3,95</b>	250	<b>4,12</b>		<b>0,16</b>
18	18 <sup>th</sup> Statement	503	<b>4,23</b>	252	<b>3,92</b>	251	<b>4,55</b>		0,63
	<b>Average score</b>		<b>4,31</b>		<b>3,39</b>		<b>5,24</b>		1,85

\*All statements can be seen in Appendix 1

Table 8 compares the male and female scores. It was thought that the female scores would be significantly higher than the male scores, significance being defined here as higher scores in 12 out of 18 statements. Male scores were higher in 6 cases, female scores were higher in 12 cases, and there were no identical scores.

As can be seen from both the Table 8 and Graph 2, the differences between the male and female scores were not very much in most cases. In eleven cases the scores were only around one-tenth (0.1) or two-tenths (0.2) of a point apart. In no case were they more than six-tenths (actually 0.54) of a point apart.

**GRAPH 1**  
**SUMMARY OF RESPONSES**  
**(Comparison of Students to Universities) (1=Strongly Agree; 7=Strongly Disagree)**



**TABLE 8**  
**SUMMARY OF RESPONSES**  
**(Comparison of Male and Female Scores) (1=Strongly Agree; 7=Strongly Disagree)**

Rank	Stamenet	Overall		Male		Female		Score Higher by	
		N	Mean	N	Mean	N	Mean	Male	Female
1	1 <sup>St</sup> Statement	500	<b>4,59</b>	192	<b>4,29</b>	305	<b>4,80</b>		0,51
2	2 <sup>nd</sup> Statement	503	<b>3,83</b>	194	<b>3,66</b>	306	<b>3,95</b>		0,29
3	3 <sup>rd</sup> . Statement	503	<b>4,39</b>	194	<b>4,17</b>	306	<b>4,53</b>		0,36
4	4 <sup>th</sup> Statement	500	<b>4,13</b>	192	<b>3,81</b>	305	<b>4,35</b>		0,54
5	5 <sup>th</sup> Statement	504	<b>4,63</b>	194	<b>4,55</b>	307	<b>4,71</b>		0,16
6	6 <sup>th</sup> Statement	502	<b>4,00</b>	194	<b>3,95</b>	305	<b>4,06</b>		0,11
7	7 <sup>th</sup> Statement	503	<b>4,69</b>	193	<b>4,60</b>	307	<b>4,77</b>		0,17
8	8 <sup>th</sup> Statement	504	<b>4,16</b>	194	<b>4,39</b>	307	<b>4,05</b>	0,34	
9	9 <sup>th</sup> Statement	504	<b>4,77</b>	194	<b>4,77</b>	307	<b>4,79</b>		0,02
10	10 <sup>th</sup> Statement	503	<b>4,38</b>	193	<b>4,30</b>	307	<b>4,47</b>		0,17
11	11 <sup>th</sup> Statement	503	<b>3,92</b>	194	<b>3,93</b>	306	<b>3,92</b>	0,01	
12	12 <sup>th</sup> Statement	501	<b>4,58</b>	194	<b>4,61</b>	304	<b>4,60</b>	0,01	
13	13 <sup>th</sup> Statement	504	<b>4,33</b>	194	<b>4,35</b>	307	<b>4,32</b>	0,03	
14	14 <sup>th</sup> Statement	504	<b>4,38</b>	194	<b>4,32</b>	307	<b>4,44</b>		0,12
15	15 <sup>th</sup> Statement	500	<b>4,49</b>	194	<b>4,35</b>	305	<b>4,61</b>		0,26
16	16 <sup>th</sup> Statement	501	<b>4,00</b>	194	<b>4,03</b>	304	<b>3,98</b>	0,05	
17	17 <sup>th</sup> Statement	503	<b>4,03</b>	194	<b>3,96</b>	306	<b>4,08</b>		0,12
18	18 <sup>th</sup> Statement	503	<b>4,23</b>	194	<b>4,35</b>	307	<b>4,17</b>	0,18	
	<b>Average score</b>		<b>4,31</b>		<b>4,24</b>		<b>4,37</b>		<b>0,12</b>

\*All statements can be seen in Appendix 1

**GRAPH 2**  
**SUMMARY OF RESPONSES**  
 (Comparison of Male and Female Scores) (1=Strongly Agree; 7=Strongly Disagree)

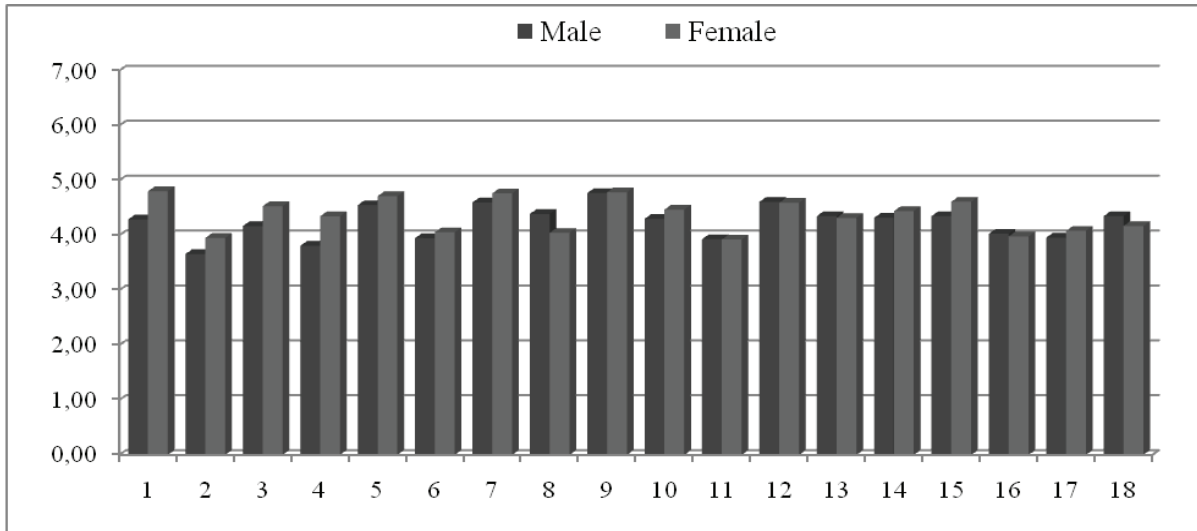


Table 9 compares the mean scores for all sample population by gender. Accordingly, while among the students of Hitit University in Turkey women average score is higher than men, among the KTMU students men average score is higher. This result is consistent with a study made for Romania which was previously communist country like Kyrgyzstan.

**TABLE 9**  
**COMPARISON OF MALE AND FEMALE SCORES**

	Hitit University			KTMU		
	Male	Female	Sum	Male	Female	Sum
1 <sup>st</sup> Statement	5,74	6,10	5,97	3,05	3,39	3,25
2 <sup>nd</sup> Statement	5,22	5,42	5,35	2,26	2,36	2,32
3 <sup>rd</sup> Statement	4,35	4,58	4,49	4,02	4,47	4,28
4 <sup>th</sup> Statement	4,13	4,18	4,16	3,51	4,50	4,09
5 <sup>th</sup> Statement	6,70	6,77	6,75	2,63	2,46	2,53
6 <sup>th</sup> Statement	4,85	4,64	4,72	3,12	3,39	3,28
7 <sup>th</sup> Statement	6,48	6,74	6,65	2,97	2,61	2,76
8 <sup>th</sup> Statement	5,40	5,02	5,16	3,47	2,97	3,18
9 <sup>th</sup> Statement	6,57	6,73	6,67	3,22	2,66	2,89
10 <sup>th</sup> Statement	5,77	6,19	6,04	2,95	2,58	2,74
11 <sup>th</sup> Statement	3,38	3,34	3,36	4,36	4,57	4,49
12 <sup>th</sup> Statement	6,15	6,24	6,21	3,20	2,79	2,96
13 <sup>th</sup> Statement	4,86	4,81	4,82	3,88	3,80	3,83
14 <sup>th</sup> Statement	4,54	4,77	4,69	4,07	4,09	4,08
15 <sup>th</sup> Statement	6,11	6,38	6,28	2,79	2,71	2,74
16 <sup>th</sup> Statement	4,23	4,30	4,27	3,85	3,62	3,72
17 <sup>th</sup> Statement	4,13	4,11	4,12	3,78	4,07	3,95
18 <sup>th</sup> Statement	4,69	4,46	4,55	3,99	3,87	3,92

\*All statements can be seen in Appendix 1

Table 10 shows the breakdown by category for the Present Study (Hitit University From Turkey and KTMU From Kyrgyzstan) and some several different studies of professor McGee they are the Law And Business Students In Argentina Study, the international business professor study, Guatemala Study and Romania Study. All of the studies consisted of 18 statements similar to our present study.

**TABLE 10**  
**COMPARISON OF VIEWS BY CATEGORIES WITH SEVERAL OTHER COUNTRY STUDIES**

	<b>Present Study (Hitit University From Turkey)</b>	<b>Present Study (KTMU From Kyrgyzstan)</b>	<b>Law And Business Students In Argentina Study (McGee &amp; Rossi, 2006)</b>	<b>Int'l Bus. Prof. Study (McGee, 2005a)</b>	<b>Guatemala Study (McGee &amp; Lingle, 2005)</b>	<b>Romania Study (McGee, 2005b)</b>
Tax evasion is <b><u>always or almost always ethical</u></b> (score of 2 or less)	0	0	0	0	0	0
Tax evasion is <b><u>sometimes ethical</u></b> (score of more than 2 but less than 6)	12	18	10	10	11	18
Tax evasion is <b><u>always or almost always unethical</u></b> (score of 6 or higher)	6	0	8	8	7	0
<b>Total</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>

In the Argentinean, international business professor and Guatemala studies as well as one part of our Present Study [Hitit University From Turkey], respondents were almost evenly split between the sometimes and always or almost always unethical categories, with a slight preference for the sometimes category, whereas in most of the other studies, respondents were solidly in the sometimes category. The results of second part of our Present Study [KTMU from Kyrgyzstan] and Romania Studies are similar and respondents from both of two studies fall into sometimes ethical category. One explanation for this differing viewpoint might be that Romania and Kyrgyzstan are former communist countries, and respondents from these countries thus perhaps do not have as much respect for the rule of law as do other countries. Another explanation might be that there is more corruption in these countries (McGee and Rossi, 2006:12).

Table 10 compares the male and female scores in the present study to those of three other studies that included 18 statements. While women average score higher than men in Turkey, men average score higher in Kyrgyzstan. It was thought that female scores would be higher than male scores (McGee & Rossi, 2006:18), since that was the finding in the International Business Professor Study (McGee, 2006) and the Guatemalan Business and Law Student Study (McGee and Lingle, 2005), although it was not the case for the study of Romanian Study (McGee, 2005) and Law And Business Students In Argentina Study (McGee & Rossi, 2006). Thus, the present study reaches the same result as the International Business

Professor Study (McGee, 2006) and the Guatemalan Business and Law Student Study (McGee and Lingle, 2005), but has the opposite result of the two other studies.

**TABLE 10**  
**COMPARISON OF VIEWS BY GENDER WITH SEVERAL OTHER COUNTRY STUDIES**

	<b>Present Study</b> (University – Turkey)	<b>Present Study</b> (University - Kyrgyz Republic)	Law And Business Students In Argentina Study (McGee & Rossi, 2006)	Int’l Bus. Prof. Study (McGee, 2005a)	Guatemala Study (McGee & Lingle, 2005)	Romania Study (McGee, 2005b)
Male Score Higher	5	<b>10</b>	9	0	4	12
Female Score Higher	<b>13</b>	8	7	<b>18</b>	<b>12</b>	6
Same Score	0	0	2	0	2	0
Total	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>

## CONCLUSION

One of the aims of this study was to determine their views of various groups on the subject of tax evasion. Second goal was among various arguments to determine which one is ranked as a strongest and which are weakest. In the third and final objective of this study is to compare two different countries and determine the differences and similarities between them about tax ethics.

Survey study conducted on students of Hitit University in Turkey and KTMU in Kyrgyzstan, the result show that although sample population believes that tax evasion is ethical in some cases, there is also strong feeling that tax evasion is unethical in some cases in both countries. Turkish student scores were higher for each statement except statement 11. Average scores ranged from 3.36 to 6.75 on a 7 point scale. The strongest arguments justifying tax evasion were in Turkish cases where the funds collected wind up in the pockets of corrupt politicians or their families and friends. In this context, if collected tax revenues go to corruption and bribery, tax evasion could be seen ethical. In Kyrgyz case average scores ranged from 2.32 to 4.49 on a 7 point scale. Strongest argument for the Turkish students, become a weakest argument for Kyrgyz Students. Being a previously communist country, not yet fully fit the rules of law, and corruption, bribery is intense events in Kyrgyzstan. All of these bring to low average tax ethics. This result also parallels with other studies in this area.

By the comparison of the gender, we get the same result, Hitit University student average score higher than KTMU students exception of statement 11. This study also concludes that, although Turkish women student high ethic values than men students, Kyrgyz male students were higher moral values than women students. Furthermore, cultural, legal, gender and other differences may leads to different perceptions on tax evasion.

Future researcher may replicate this study in other countries or even in Turkey and Kyrgyzstan, should do this survey within different community. There are more research needs in comparative area to see whether different economic development level, different culture, religious etc. yield different perception on tax ethics.

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## **APPENDIX 1 SURVEY STATEMENTS**

### **STATEMENTS**

- 1 Tax evasion is ethical if tax rates are too high.
- 2 Tax evasion is ethical even if tax rates are not too high because the government is not entitled to take as much as it is taking from me.
- 3 Tax evasion is ethical if the tax system is unfair.
- 4 Tax evasion is ethical if a large portion of the money collected is wasted.
- 5 Tax evasion is ethical even if most of the money collected is spent wisely.
- 6 Tax evasion is ethical if a large portion of the money collected is spent on projects that I morally disapprove of.
- 7 Tax evasion is ethical even if a large portion of the money collected is spent on worthy projects
- 8 Tax evasion is ethical if a large portion of the money collected is spent on projects that do not benefit me.
- 9 Tax evasion is ethical even if a large portion of the money collected is spent on projects that do benefit me
- 10 Tax evasion is ethical if everyone is doing it.
- 11 Tax evasion is ethical if a significant portion of the money collected winds up in the pockets of corrupt politicians or their families and friends.
- 12 Tax evasion is ethical if the probability of getting caught is low.
- 13 Tax evasion is ethical if some of the proceeds go to support a war that I consider to be unjust.
- 14 Tax evasion is ethical if I can't afford to pay.
- 15 Tax evasion is ethical even if it means that if I pay less, others will have to pay more.
- 16 Tax evasion would be ethical if I were a Jew living in Nazi Germany in 1940.
- 17 Tax evasion is ethical if the government discriminates against me because of my religion, race or ethnic background.
- 18 Tax evasion is ethical if the government imprisons people for their political opinions.