

Examination of Tax Compliance through Civic Mobilization and Participatory Fiscal Governance in Modern Societies

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ABSTRACT

This study explores how social mobilization influences tax compliance and public participation in tax systems. Drawing on a qualitative literature review, it examines the ways in which civic action – whether through organized campaigns, digital platforms, or grassroots engagement – affects taxpayers' willingness to comply with legal obligations. The findings demonstrate that social mobilization can increase tax morale by fostering trust, accountability, and transparency, but may also discourage compliance if it reinforces public skepticism or highlights institutional failures. The study reveals that peer influence, collective identity, and participatory budgeting are among the key mechanisms through which mobilization shapes fiscal behavior. It concludes that integrating civic engagement into tax policy design may offer a more sustainable and democratic approach to compliance. By aligning legal frameworks with social dynamics, governments can create a culture where paying taxes is both a civic duty and a shared commitment to collective well-being.

INTRODUCTION

Tax compliance is essential for the sustainability of any state's fiscal structure. It ensures the government has sufficient resources to fund public services, infrastructure, and development programs. While legal enforcement mechanisms form the backbone of revenue collection, voluntary compliance remains critical to achieving long-term efficiency. In recent years, researchers have increasingly examined the role of trust, social norms, and collective identity in influencing taxpayer behavior. This indicates that compliance is not driven solely by legal sanctions, but also by broader social dynamics (Soraya & Fakhrana, 2018).

Social mobilization, in its various forms, has demonstrated significant impact on public awareness and civic behavior. Movements that promote accountability, transparency, and participatory governance can foster environments in which tax compliance is viewed as a civic responsibility rather than a coerced obligation. Campaigns led by civil society organizations, local community leaders, or even digital influencers have created new channels for disseminating tax-related information and encouraging pro-compliance attitudes.

The interaction between social engagement and fiscal behavior invites closer examination of how mobilized groups shape public attitudes toward the state's tax apparatus (Appah & Wosowei, 2016). Further research is needed to explore how social movements impact attitudes and behavior toward tax obligations.

However, not all forms of social mobilization contribute positively to tax morale. In certain contexts, protests, grassroots movements, or populist rhetoric have fueled skepticism about government legitimacy and spending accountability. When such movements emphasize unfairness or corruption in the management of the state budget, they can create the perception that tax collection is not done fairly or efficiently. In such environments, taxpayers may perceive tax obligations as unfair or misused, leading to intentional underreporting or evasion. This could exacerbate the existing problem of tax non-compliance, where people do not see a direct link between their contribution in taxes and the benefits received from the state, be it in the form of public services or infrastructure. This duality shows that the relationship between social movement and tax compliance is nuanced, shaped by underlying political trust and institutional performance (Jimenez & Iyer, 2016).

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Moreover, with the rise of social media and digital connectivity, social mobilization is no longer bound to physical gatherings or formal organizations. Hashtag campaigns, viral messaging, and collective online actions now influence fiscal discourse on an unprecedented scale. This allows social movements to reach a wider audience quickly, without being limited by time or space. In this context, social media acts as a space where tax-related information can be disseminated, either to increase awareness or even exacerbate distrust of the government and the tax system, depending on their narrative framing and perceived credibility. Understanding how these forces shape behavior is increasingly crucial for policymakers and tax authorities aiming to increase voluntary compliance through engagement rather than coercion (Gogsadze, 2016). A deeper understanding of the influence of social media and digital mobilization on tax attitudes and behaviors will be very useful in designing tax strategies that are more effective and responsive to the demands of the times.

Despite the increasing attention given to the intersection of social movements and fiscal behavior, there remain several pressing issues that require further examination. First, most tax compliance frameworks are still heavily dominated by economic deterrence models, which may overlook the relevance of social motivation. Second, there is limited empirical exploration on how specific forms of mobilization—whether through education, protest, or digital advocacy—directly influence the willingness to comply with tax norms. Third, tax authorities in many jurisdictions continue to underestimate the communicative power of civil society in promoting fiscal responsibility (Mitu, 2020). Civil society, through education or advocacy campaigns, has great potential to change the way people perceive tax obligations, which can lead to increased voluntary compliance.

Another pressing concern is the asymmetry in response to mobilization based on political alignment. Pro-government movements tend to be endorsed, while critical voices may be discredited, even when their claims are substantiated. Such injustices can create tension in the relationship between government and society, as groups that feel unheard or unfairly treated may lose trust in the tax system and government as a whole. This imbalance risks eroding the credibility of public tax institutions and further diminishing voluntary compliance. As noted by Levi (1998), when citizens view the tax system as unjust or poorly administered, even strong enforcement is unlikely to sustain compliance in the long-term. Without inclusive and fair responses to social movements and criticism, the tax system risks losing the support needed for consistent compliance.

The mechanisms through which collective action influences tax behavior remain insufficiently articulated in the literature. The role of peer pressure, social identity, and perceived reciprocity require deeper theoretical development. Existing theories often focus on economic factors and incentives that encourage or discourage tax compliance, but the deeper social and psychological aspects have not received much attention. Rothstein (2000) argues that tax compliance is closely tied to perceptions of state impartiality and social solidarity. When citizens feel that the state manages taxes fairly and transparently, they are more likely to comply with their tax obligations and vice versa. Thus, analyzing how social movements shape these perceptions may uncover new avenues for designing responsive and inclusive fiscal policy.

Understanding these dynamics becomes even more urgent in the digital age, where misinformation and polarization can spread rapidly. Misinformation, hoaxes, and polarizing narratives can easily spread through various digital platforms, exacerbating distrust of the tax system and fueling anti-tax attitudes. The influence of social movements on tax compliance is no longer confined to structured campaigns but is shaped by diffuse, networked interactions. Tax authorities and scholars alike must expand their analytical frameworks to accommodate this complexity and explore how trust-building through social engagement might yield more sustainable tax regimes.

This study aims to examine how social mobilization affects tax compliance, both positively and negatively. Through a comprehensive review of relevant literature, the paper seeks to explore the relationship between collective civic action and individual fiscal behavior. The goal is to provide a deeper understanding of how tax authorities can engage with social movements to foster a more participatory and trust-based tax culture.

RESEARCH METHOD

This study employs a qualitative literature review approach to explore the connection between social mobilization and tax compliance. The focus lies on identifying and synthesizing scholarly interpretations, theoretical perspectives, and empirical findings from peer-reviewed journals, legal commentaries, and institutional reports. As Hart (1998) notes, a structured literature review enables the researcher to critically assess the body of knowledge surrounding a topic, mapping both convergence and divergence in scholarly discourse. Through this approach, the study aims to clarify the mechanisms through which civic engagement influences voluntary tax behavior.

The review concentrates on academic publications drawn from internationally recognized databases such as JSTOR, Scopus, and ScienceDirect, with inclusion criteria based on thematic relevance, credibility, and analytical depth. Data are categorized and analyzed through thematic coding, allowing the extraction of recurring motifs such as civic trust, social norm enforcement, collective accountability, and political legitimacy. As emphasized by Bowen (2009), thematic analysis in qualitative reviews is instrumental in constructing theoretical frameworks grounded in narrative coherence and empirical consistency. This method ensures that the study produces not merely a summary of existing works, but an integrative narrative that offers novel insights into the intersection of taxation and civic mobilization.

RESULT AND DISCUSSION

Efforts to enhance tax compliance often begin with institutional reforms or legal enforcement. However, recent scholarship has shifted attention toward societal dimensions that affect voluntary cooperation. Within this emerging paradigm, public behavior is increasingly understood as a reflection of collective sentiment—formed, nurtured, and activated through shared civic experiences. Citizens are not only seen as legal subjects who must obey the rules, but as individuals who have a moral consciousness and collective values that develop from their experiences as part of society. This recognition invites a more nuanced analysis of how citizens interact with the tax system, not merely as legal subjects but as moral agents embedded in networks of social meaning (Boer & Gribnau, 2018). The development of fiscal policy requires an approach that relies on legal and administrative logic, taking into account social dynamics, perceptions of justice, and the symbolic meaning of tax obligations in the lives of citizens.

The presence of active community engagement often signals to individuals that public matters are worth investing in. It transforms the perception of taxation from a burdensome obligation into a shared project. When citizens witness their peers contributing, advocating, or monitoring fiscal policies, they internalize norms that encourage ethical participation. These processes do not depend solely on formal education or media exposure, but rather on a sense of belonging and shared destiny within a functioning polity (Batrancea, 2013). The feeling that one is part of a larger shared project creates an emotional and moral basis for contributing voluntarily. Strengthening public participation in fiscal affairs can be an effective cultural strategy.

Trust is a crucial foundation in the relationship between citizens and tax institutions. Social groups play an important role as a bridge between society and the state. When social groups communicate demands for fairness and integrity, they elevate the credibility of public institutions in the eyes of ordinary people. Articulate and data-driven social communication can help shape positive perceptions of the country's intentions and integrity, which in turn increases voluntary tax compliance. Such trust, however, cannot be engineered through mandates—it must be cultivated through consistent gestures of transparency and dialogue. Mobilization, when rooted in authentic concerns and inclusive participation, becomes a powerful vehicle for restoring broken links between state authority and citizen loyalty (Shi, 2021). An inclusive and responsive dialog process allows for a reciprocal relationship between the state as policy implementer and the community as an active partner.

Historical experience across various societies shows that sustained public involvement tends to coincide with greater compliance. This engagement is not only in the form of formal political participation, but also in social activities such as budget monitoring, public discussions on tax allocations, and fiscal literacy campaigns. When citizens feel they have a say in how taxes are collected and spent, they are more likely to view tax contributions as a form of social investment rather than a burden. This pattern persists regardless of economic development levels or regime types, suggesting that human behavior toward taxation responds to perceived justice more than coercive power. The notion that law must be experienced as fair, rather than merely feared, has led scholars to explore how social capital directly feeds into legal obedience (Walsh, 2012). Improving tax compliance is not just about tightening legal sanctions, but also strengthening social structures that support a sense of justice and shared responsibility.

Torgler's work has contributed to this conversation by emphasizing the moral dimension of fiscal conduct. He highlighted that fiscal behavior is not always determined by rational calculations about the risk of being caught or the financial burden alone. Rather than relying exclusively on cost-benefit calculations, individuals tend to align with prevailing values when they are embedded in a supportive and civically active environment. The decision to comply thus becomes not just rational, but meaningful—a way to express identity and solidarity with others who share a collective vision (Cullis et al., 2012). This is where the role of the state becomes important not only as a collecting authority, but as a facilitator of social solidarity and promoter of the collective values that underlie voluntary compliance.

In this regard, social mobilization is not a peripheral phenomenon – it is integral to democratic tax systems. In an ideal tax system, the public is not only the object of regulation and collection, but also an active actor in shaping the direction of fiscal policy. It acts as a mirror that reflects, challenges, and reshapes the ethical commitments of a society. Where it thrives, compliance becomes an expression of mutual respect; where it collapses, evasion and cynicism grow. Exploring this intersection opens the door to policies that move beyond sanctions and incentives toward a deeper conversation about the moral fabric of fiscal life (Jimenez, 2013). Listening, understanding, and responding to these social dynamics are crucial steps in designing fiscal policies that are inclusive, fair, and firmly rooted in public trust.

Social mobilization can significantly influence taxpayer attitudes by shaping collective perceptions of fairness, legitimacy, and civic obligation. When citizens observe widespread calls for transparency and accountability, especially those initiated by trusted societal groups, their willingness to comply with tax laws increases. Torgler (2003) suggests that individuals are more likely to fulfill fiscal duties when they perceive themselves as participants in a socially unified effort rather than passive subjects of state coercion. This civic reinforcement process fosters a sense of moral alignment with tax norms.

The effectiveness of social movements in promoting tax compliance often hinges on their narrative structure and perceived authenticity. Campaigns that emphasize shared responsibility, public benefit, and mutual trust between state and citizen tend to resonate with taxpayers. According to Alm and Torgler (2006), messages that frame taxpaying as a contribution to communal well-being are more effective than punitive appeals. Social mobilization thus becomes a tool for building fiscal solidarity through storytelling and collective engagement. By creating space for citizens to engage in fiscal discourse in an open and inclusive manner, social movements play an important role in strengthening fiscal solidarity and laying a solid moral foundation for a sustainable tax system.

Peer influence, a core mechanism within mobilization, further reinforces pro-compliance behavior. When compliance becomes a visible standard within communities – whether geographic, professional, or ideological – it establishes a norm that individuals are reluctant to violate. Feld and Tyran (2002) show that informal sanctions such as disapproval or exclusion by peers can rival legal penalties in influencing fiscal behavior. Mobilization, in this sense, creates moral economies where tax behavior is judged by both legal and social criteria.

The role of Civil Society Organizations (CSOs) is especially prominent in contexts where institutional trust is low. By providing independent oversight and facilitating tax literacy, CSOs can bridge the information gap between government and taxpayer. OECD (2001) notes that grassroots initiatives in Latin America significantly improved local tax compliance by involving communities in budget monitoring and fiscal planning. Mobilization through such channels can neutralize political distrust and reconstruct citizen-state relationships.

However, social mobilization does not uniformly yield positive effects on tax compliance. Movements that frame taxation as unjust or highlight cases of government corruption may undermine tax morale. When this sentiment is widespread, public tax morale can be eroded, as citizens lose confidence that their contributions are being managed fairly and effectively. Narratives that focus on inequality and betrayal of public trust are counter-productive to voluntary compliance. According to Fjeldstad (2004), when mobilization centers on protest rather than participation, it may lead to tax resistance, especially in fragile democracies. Such outcomes reflect the dual-edged nature of mobilization: it can mobilize compliance or collective evasion, depending on framing and intention. It is important for the state and tax authorities not to ignore public voices, but also to respond judiciously by building dialog, increasing transparency, and encouraging participation.

The digital environment has amplified both constructive and destructive mobilization. Online platforms allow citizens to access real-time fiscal data and coordinate advocacy for responsible budgeting. Yet, they also enable misinformation campaigns that erode trust. Frey and Torgler (2007) emphasize that the digital sphere requires careful moderation to ensure that civic mobilization enhances, rather than obstructs, compliance. Government partnerships with credible online communities could be instrumental in promoting accurate fiscal discourse.

Social identity theory also explains how mobilization influences tax behavior. Individuals align their actions with those of reference groups they identify with. If influential figures or networks express a pro-compliance stance, others are likely to follow. Conversely, if tax avoidance is normalized within a group, non-compliance may spread despite legal deterrence. Wenzel (2005) notes that identity-based mobilization is especially strong among marginalized groups, suggesting the need for inclusive fiscal narratives that recognize diverse social realities. Tax policy can be presented as a legal obligation and a fair social contract.

Local mobilization has shown particular effectiveness in rural and underserved regions. When communities are engaged through dialog mechanisms that are close to their context, there is a sense of ownership of the fiscal policies implemented. Decentralized tax dialogues, led by village leaders or faith-based institutions, foster community accountability. In Uganda, for example, participatory tax forums significantly increased tax morale among small-scale farmers (Fjeldstad & Semboja, 2001). These grassroots efforts illustrate that meaningful engagement can emerge outside formal political institutions.

Moreover, participatory budgeting initiatives exemplify the synergy between social mobilization and fiscal transparency. By involving citizens in expenditure decisions, governments can strengthen the perceived link between taxation and service delivery. Studies in Brazil and South Africa reveal that when citizens see tangible results from their tax contributions, their willingness to comply increases (Devas & Grant, 2003). This reciprocity is often built and sustained through organized mobilization efforts.

Media campaigns also function as vehicles of mobilization, shaping narratives around tax justice and responsibility. Public messaging that highlights successful infrastructure projects funded by taxes, or exposes the cost of evasion, has demonstrable impact. However, the credibility of such campaigns depends on their alignment with actual governance performance. When state rhetoric diverges from lived experience, trust – and by extension, compliance – deteriorates. A successful media campaign is not just a matter of communication, but also a reflection of consistent institutional performance that can be verified by the public.

Trust in institutions is a recurring theme in the mobilization-compliance relationship. Rothstein and Teorell (2008) argue that impartiality and procedural fairness are essential in sustaining tax morale. Social movements that demand integrity, judicial oversight, and accountability play a crucial role in reinforcing these attributes. Without institutional responsiveness, even the most persuasive civic engagement may fail to translate into compliance.

Finally, sustained mobilization – through education, monitoring, and dialogue – can normalize tax compliance as a civic virtue. The transformation of tax behavior is not instantaneous but cumulative, relying on repeated exposure to pro-fiscal norms. As Putnam (2000) observes, social capital and collective efficacy are built through long-term relational work, and tax compliance is one of the many behaviors embedded in this broader matrix of civic life.

CONCLUSION

This study has illustrated that social mobilization is a dynamic and powerful force in shaping tax compliance and civic participation. Far from being a peripheral influence, collective action contributes significantly to how taxpayers perceive fairness, legitimacy, and reciprocity in their relationship with the state. Mobilization enhances tax morale when it is oriented toward civic education, fiscal transparency, and inclusive discourse. Conversely, when it is rooted in distrust, misinformation, or exclusion, it may undermine voluntary compliance and weaken public institutions. These dual potentials underscore the importance of understanding mobilization not merely as a social expression but as a critical element in fiscal governance. Mobilization is not only a tool of expression, but also a bridge between the state and citizens in building a fair and transparent tax system.

The findings suggest that tax authorities and policymakers should integrate civic engagement frameworks into their compliance strategies. Recognizing and partnering with trusted civil society actors, local leaders, and digital communities can increase the legitimacy of fiscal systems and foster public trust. Moreover, incorporating participatory mechanisms – such as budget forums or consultation platforms – could build collective ownership over tax policies. The interplay between public sentiment and compliance behavior must therefore be seen as a central consideration in designing responsive and effective tax regimes. Future tax policy development should emphasize dialogue and education alongside enforcement. Clear, consistent communication about how taxes are used – and how citizens can contribute to fiscal decision-making – can improve compliance and mitigate resistance. Government agencies should monitor and support constructive mobilization while addressing false narratives through inclusive engagement. Long-term investments in civic infrastructure and social capital are necessary to build sustainable relationships between citizens and the tax system.

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