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Tax justice: from distributive equity to procedural fairness in the Maghreb context

ELMAATANI Younes¹, ATIK Mohamed²

1. PhD student, Sultane Moulay Slimane University / Multidisciplinary Faculty of Khouribga, Morocco, elmaataniy@gmail.com
2. Lecturer and researcher, Sultane Moulay Slimane University / Multidisciplinary Faculty of Khouribga, Morocco, Mohamed.atik@usms.ac.ma

Abstract

Tax justice is a central element in the relationship between the state and its citizens, particularly in the Maghreb countries, where taxation is associated with issues of fairness, legitimacy and institutional trust. Tax compliance depends not only on control and sanctions, but also on taxpayers' perceptions of the fairness of the system and the behavior of the administration. The literature shows a shift in approaches from distributive fairness, focused on the distribution of the tax burden, to procedural fairness, linked to transparency, consistency and respect for taxpayers. Empirical studies in the Maghreb reveal cultural constants, such as attitudes towards authority, trust in institutions and the influence of social norms, which shape tax behavior. This review emphasizes that an integrated approach, combining fairness of the tax burden and quality of administrative procedures, is essential to strengthen the legitimacy of taxation and encourage sustainable voluntary compliance.

Keywords: Tax justice, Distributive fairness, Procedural fairness, Taxpayer behavior, Maghreb context

Introduction

Taxation is one of the foundations of the social contract, providing the state with the resources necessary to exercise its sovereignty and finance public goods (Buchanan, 1976). Understanding taxpayer behavior in relation to taxation has long been approached through the prism of neoclassical economics and deterrence, notably via the model developed by Allingham and Sandmo (1972), which considers tax evasion as a rational calculation between expected gain and risk of punishment. However, empirical observation of the "compliance paradox", whereby the majority of taxpayers pay their taxes even when the probability of being audited is low, has highlighted the limitations of this approach (Scholz, 1998; Cowell, 1990). This observation has led the literature to focus on the psychosocial and moral factors influencing tax compliance, among which tax justice appears to be a key determinant (Feld & Frey, 2007; Kirchler, 2007).

This concept is structured around two main dimensions: distributive equity, which concerns the distribution of the tax burden and is divided into vertical equity (progressivity according to contributory capacity) and horizontal equity (equal treatment of taxpayers with the same capacities), and

procedural equity, which concerns the way in which taxation is administered, assessed through transparency, impartiality and respect for taxpayers (Tyler, 2006; Musgrave, 1959). The articulation of these dimensions is conceptualized in the Slippery Slope Framework, which highlights the interaction between coercive power and trust in the tax administration (Kirchler et al., 2007).

While these theoretical frameworks have been extensively developed in mature institutional contexts, their application to developing economies, particularly Morocco, remains limited. Indeed, the coexistence of a taxed formal economy and a massive informal economy creates horizontal injustice that is perceived as overwhelming by taxpayers in the formal sector, particularly individuals in the service sector (Schneider, 2000). In addition, cultural invariants and the Maghreb administrative heritage influence perceptions of trust and procedural fairness.

This literature review aims to fill this gap by critically synthesizing theories of tax justice adapted to the Moroccan context, thus paving the way for empirical investigation into the determinants of tax compliance among individual taxpayers.

Methodology

This study takes the form of a **critical narrative review**. This methodological choice is justified by the need to integrate paradigms from various disciplines—neoclassical economics, social psychology, and organizational sociology—in order to construct a unified conceptual framework for tax justice in the specific context of the Maghreb, particularly Morocco. Unlike a systematic review, this approach allows for an interpretative synthesis and a historical and cultural perspective on the theories studied (Grant & Booth, 2009).

1. Research design and epistemological approach

The research takes a **constructivist** epistemological stance, positing that the perception of tax justice is a social construct influenced by interactions between the administration and the taxpayer. The methodology is based **on three successive stages**:

1. Identification of the theoretical foundations of fairness (distributive and procedural).
2. Analysis of the evolution of compliance models (from deterrence to cooperation).

3. Examination of cultural constants specific to the Maghreb context (Morocco) by comparing universal theories.

2. Documentary research strategy

Sources were collected between August 2025 and December 2025. To ensure the robustness of the review, a multi-database search was conducted on the following portals: **Google Scholar, Science Direct, Cairn.info, Taylor & Francis**, as well as national institutional repositories (HCP, CESE, DGI, TI).

2.1. Search equations

Keywords were combined using Boolean operators (AND/OR) in French and English to capture seminal international literature:

- **Axis 1 (Economic theories):** "Fiscal justice" AND "Distributive equity"; "Tax compliance" AND "Allingham-Sandmo model".
- **Axis 2 (Psychosocial theories):** "Procedural equity" OR "Organizational justice" AND "Taxation"; "Tax morality"; "Slippery Slope Framework".
- **Axis 3 (Maghreb/Morocco context):** "Moroccan tax system" AND "Informal economy"; "Maghreb social contract"; "Institutional trust".

3. Inclusion and selection criteria

The selection of works was based on theoretical relevance and contextual validity.

3.1. Inclusion of primary and theoretical sources

We systematically included the founding authors identified in the literature as pivotal:

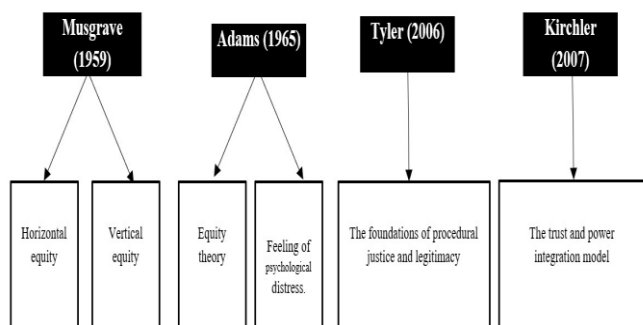


Figure No. 1: Key authors on the concept of justice and fairness

Source: Authors

3.2. Inclusion of contextual data

For the analysis of the Maghreb context, specifically Morocco, priority was given to publications from the last five years (2019-2024) since the national tax reform conference in order to reflect the impact of recent tax reforms and new post-crisis social relations. Reports from the Directorate General of Taxes (DGI) and the Economic, Social and Environmental Council (CESE) were used as a basis for anchoring the theory in the Moroccan reality.

Results:

In order to understand the mechanisms underlying tax compliance, the literature has gradually moved beyond a strictly economic interpretation of taxpayer behavior to incorporate institutional, moral and contextual dimensions. Tax justice thus emerges as a structuring concept, linking taxpayers' individual choices to the legitimacy of public action. From this perspective, existing work highlights an evolution in explanatory paradigms, a redefinition of the foundations of tax fairness and the need to adapt theoretical frameworks to the specificities of national contexts. The following three sections provide an analytical summary of this evolution, linking classical theoretical contributions, contemporary developments in tax justice and the structural specificities of the Maghreb context, particularly Morocco.

4. The paradigm shift: from the rational deterrence model to the imperative of tax justice

4.1. Limits of the classical model

The seminal model developed by Allingham and Sandmo (A-S, 1972), which reduces fraud to a purely rational calculation of potential gains against the risk of fines and detection, is largely ineffective in the context of developing countries. As James Alm and Jorge Martinez-Vazquez (2007) point out, strict application of the A-S model presupposes that the state's deterrence mechanisms function credibly. However, in many developing countries, this condition is not met:

- **Weak coercion:** Tax administrations often suffer from a lack of resources, limited expertise and institutional instability, which translates into a low probability of objective detection (Alm & Martinez-Vazquez, 2007).
- **Non-enforcement of sanctions:** Even when fraud is detected, the judicial system may be slow, inefficient, or prone to corruption, making de jure sanctions less credible (Alm & Martinez-Vazquez, 2007).

At the same time, the Theory of Fiscal Exchange (Buchanan, 1976), which posits that citizens consent to taxation in exchange for public services (reciprocity), loses its explanatory power in developing countries. Benno Torgler's (2007) work on fiscal morality in these countries illustrates the weakness of reciprocity:

- **Perception of Inefficiency and Corruption:** In developing countries, public money is often perceived as poorly managed or misappropriated, resulting in low-quality public spending (Torgler, 2007). Taxpayers (particularly in the formal sector) observe a glaring lack of infrastructure, poor health and education services, and a high incidence of administrative corruption.
- **Non-credible contract:** This context renders the fiscal exchange contract (Buchanan, 1976) non-credible (Torgler, 2007). Tax payment is perceived not as a civic contribution (Feld & Frey, 2007), but as spoliation where the state is not fulfilling its part of the agreement. The absence of reciprocity legitimizes defection and reinforces the perceived distributive injustice.

In short, in the Moroccan context, standard models prove to be flawed: the A-S Model is undermined by the lack of credibility of coercion, while Exchange Theory is compromised by weak governance and public spending. It is therefore essential to introduce strong contextual variables, such as cultural invariants and the dynamics of the informal

economy, in order to construct a more appropriate theoretical framework

Criticism of the universality of classical tax models (A-S, Exchange) is reinforced by the methodological limitations inherent in compliance studies, as highlighted by Stefan S. Leder (2012). Much of the literature exploring psychosocial and behavioral factors (such as the effect of procedural fairness or crowding out) is based on laboratory experiments (Kirchler et al., 2007; Traxler, 2010).

Leder (2012) highlights the experimental challenges and external validity issues of this work when it comes to applying its findings to real populations in developing countries, including Morocco:

- **Population bias:** Experiments are often conducted on convenience samples, typically Western university students. These subjects generally have a high level of economic education, limited exposure to actual tax evasion, and an institutional culture of strong state legitimacy (Tyler, 2006). Their reactions to manipulations of deterrence or trust may not be representative of actual taxpayers in an environment of weak governance and perceived corruption.
- **Weak salience:** In a laboratory setting, simulated tax evasion does not have the same economic or moral salience as in real life (Leder, 2012). In a developing country such as Morocco, the decision to evade taxes is often inseparable from the need to survive in the face of overwhelming informal competition (Schneider & Enste, 2000).

Criticism of universal tax models reaches its peak by highlighting their inability to integrate the cultural dimension that profoundly modulates the state-citizen relationship and, consequently, tax compliance. In the Maghreb context, cultural specificities act as powerful informal social norms that alter the effectiveness of deterrence and perceived justice.

Geert Hofstede's (1980) work on Cultural Dimensions provides a fundamental analytical framework for understanding why Western models fail in non-individualistic contexts. Two dimensions are particularly relevant to the analysis of taxation in Morocco:

- **Hierarchical Distance (HD):** A high HD, typical of Maghreb cultures, indicates an acceptance of unequal distribution of power (Hofstede, 2001). This can translate into the legitimacy of tax authority (DGI) based on fear or institutional respect rather than mutual trust (Tyler, 2006). Conversely, a high HD may tolerate abuses of power, making taxpayers

less inclined to challenge arbitrariness and more inclined to non-cooperative submission (Kirchler et al., 2007).

- **Individualism vs Collectivism:** Collectivist cultures, as opposed to individualist cultures where taxation is a personal contractual arrangement, value group membership and loyalty. In taxation, this may mean that tax morality is less a matter of individual conscience than a collective social norm: people comply if the group complies, and they avoid tax if the group does so, often to the benefit of intra-community solidarity (Guiso et al., 2006).

The connection between culture and economic outcomes, including tax outcomes, has been clearly established by Luigi Guiso, Paola Sapienza, and Luigi Zingales (2006). These authors have shown that culture, particularly generalized trust (trust in people in general, even strangers), is a significant predictor of economic performance and institutional quality.

In many countries with weak institutional development, trust is often limited to the family circle or close social network (collectivism), to the detriment of generalized trust in state institutions (Guiso et al., 2006). This dynamic is essential for taxation:

- If trust in peers is low at the national level but strong at the group level (family, region), evasion may be perceived as an act of loyalty to the group at the expense of the state (Levi, 1988).
- Tax evasion by other members of the group (the informal sector) is tolerated, while distributive injustice by the state is the trigger for fraud.

4.2. Emergence of tax morality

The inability of the standard model to accurately predict actual compliance rates has led to the emergence of the concept of tax morality. This is defined as an individual's intrinsic motivation to pay taxes, stemming from a moral obligation or a sense of civic duty, regardless of control mechanisms (Torgler, 2007).

- **The compliance paradox and the limits of coercion**

Research findings highlight that while fear of the tax authorities plays a role, it is not the main driver of compliance with the law. Authors such as Cowell (1990) and Alm (2012) have highlighted the "paradox of compliance": in many systems, the observed rate of fraud is significantly lower than predicted by classical economic theory, given the low probability of being audited. This suggests that individuals are

not simply "opportunity calculators," but citizens whose decisions are rooted in social norms (Scholz, 1998).

- **The transition to voluntary compliance**

The emergence of tax morality marks the transition from enforced compliance to voluntary compliance. According to the "Slippery Slope Framework" developed by Kirchler (2007), tax morality is the product of a climate of trust. When taxpayers perceive the tax administration not as an adversary, but as a partner providing quality public services, their psychological willingness to contribute increases endogenously (Feld & Frey, 2007).

- **The psychosocial determinants of morality**

Tyler's work (2006) shows that tax morality is closely linked to the perceived legitimacy of the authorities. If the collection process is perceived as fair and respectful of citizens' rights, citizens develop a sense of belonging to the national community, which reinforces their tax honesty. Conversely, a breakdown in institutional trust or a perception of widespread unfairness leads to a rapid erosion of this morality, making the system dependent on costly and often ineffective enforcement (Bird & Zolt, 2008).

5. The duality of tax justice: between distributive fairness and procedural fairness

5.1. Distributive equity

The Benefit Principle is the oldest foundation of distributive justice, postulating that an individual's tax burden should be proportional to the advantages or benefits they derive from public services (Musgrave, 1959). Its modern articulation is mainly attributed to Knut Wicksell (1896, Reprint), who, through his Unanimity Principle, argues that tax fairness would be achieved if citizens unanimously agreed to pay tax based on the marginal benefit they derive from public goods. According to this marginalist view, tax is the price paid for a service, where fairness results from a direct assessment by the taxpayer (Wicksell, 1896). However, this principle has two major limitations that prevent its widespread application: firstly, it is incompatible with the existence of pure public goods because it creates the free-rider problem, whereby individuals have an incentive to under-declare their benefit (Musgrave, 1959). Secondly, the benefit principle is either regressive or proportional and therefore cannot be used as a tool for wealth redistribution, a central objective of modern taxation (Musgrave, 1959). Nevertheless, this approach, although limited to specific types of financing (such as road taxes), remains crucial because it establishes the theoretical imperative of reciprocity (the idea of a fair exchange) that will be at the heart of the Theory of Fiscal Exchange (Buchanan, 1976).

The psychological basis for the principle of contributive capacity, and in particular horizontal equity, stems largely from the work of John S. Adams (1965) on *equity* theory. Although originally developed in the context of labor relations and motivation (remuneration), this theory is essential for understanding the subjective perception of tax fairness.

- **Psychological Principle of Fairness:** Adams (1965) posits that individuals assess the fairness of a social situation by comparing the ratio of their "inputs" (contributions, efforts, or, in the case of taxation, tax paid) and their "outputs" (results, rewards, or public services received) to those of a reference individual or group (peers).
- **Application to Horizontal Equity:** In taxation, horizontal equity is the direct translation of this comparison. The individual (the formal taxpayer in the service sector) considers themselves to have the same input (an identical legal tax base) as another taxpayer. If the taxpayer perceives that the other pays less (through evasion, a tax loophole, or because they operate in the informal sector), they conclude that there is inequity (Adams, 1965).
- **Psychological and behavioral consequences:** This perception of inequity is not neutral. It creates psychological distress (tension, frustration) that the individual seeks to reduce. In taxation, reducing tension often involves altering the input: taxpayers who feel they are victims of injustice tend to reduce their own tax payments (non-compliance) to restore the perceived ratio balance (Cowell, 1990). Horizontal injustice, exacerbated by the informal economy in Morocco, is therefore a major psychological driver of the shift towards fraud, as it provides moral justification for non-compliance (Kirchler et al., 2007).

To complement the Principle of Contributive Capacity, it is essential to return to the philosophical foundation provided by classical economists. John Stuart Mill, in his *Principles of Political Economy* (1848, Reprint), articulated the need for fair taxation in relation to an individual's sources of wealth, thereby reinforcing the legitimacy of vertical and horizontal equity.

Equality of Sacrifice and Property: Mill (1848) defended the idea that taxation should require an "equal sacrifice" from each individual (in terms of utility rather than absolute amount), thereby recognizing that the same sum of money does not have the same value for a rich individual as for a poor individual. This concept philosophically justifies the need for progressivity to achieve vertical equity. It emphasizes the protection that the state affords to property and labor, arguing

that taxation is the price citizens pay for this social and legal protection.

Taxation of Labor vs. Taxation of Rent: Mill also addressed the distinction between income from labor and income from property or rent. He argued that there should be differentiated, or even lighter, taxation on savings and income from labor, as these incomes are the reward for effort and contribution to national wealth. On the other hand, passive income (rent) could, in his view, bear a heavier burden, laying the foundations for an ongoing debate on the distinction between different sources of income in the application of horizontal equity.

Moral foundation: Mill's (1848) contribution was to firmly anchor the principle of contributory capacity in a utilitarian and liberal morality, where the tax system must not only be efficient, but also ensure that individual contributions are perceived as fair and proportional to the protections and opportunities offered by society. This philosophical foundation is fundamental to understanding why taxpayers (particularly those in the service sector whose income is derived from labor) are so sensitive to the perception of an unequal burden.

The transition from the normative principle of contributive capacity (what one should pay) to the analysis of motivation to pay is achieved through *Fiscal Exchange Theory*. This approach, whose modern foundations are largely attributed to James M. Buchanan (1977) in his book *Democracy in Deficit*, reintroduces the logic of exchange into taxation, establishing that tax is the price of an implicit social contract.

Buchanan, winner of the Nobel Prize in Economics and co-founder of the Public Choice School, analyses the state and taxation through a contractual lens. Constitutional Exchange Theory posits that citizens consent to taxation not through pure coercion, but in exchange for a collective benefit: the production of public goods (security, justice, infrastructure) that the market cannot provide efficiently (Buchanan, 1977). The payment of taxes is therefore perceived as a contribution to a common fund from which the individual indirectly derives an essential benefit.

From this perspective, the core of distributive justice lies in reciprocity: taxpayers judge whether the amount of their contribution is fair in relation to the quality and quantity of public services received. If the state fulfils its part of the contract (good governance, efficient spending, fight against corruption), the Psychological Tax Contract is strengthened (Feld & Frey, 2007).

The effectiveness of Buchanan's Implicit Social Contract has been extensively tested and confirmed by empirical studies, notably those of Benno Torgler (2007). Torgler analyzed the crucial importance of the "Quality of Public Services" as a mediator between tax payment (contribution) and tax morale (the willingness to comply). His work demonstrates that the perception of distributive injustice is directly exacerbated by the weakness or inefficiency of the public services financed by these taxes (Torgler, 2007).

Building on the Theory of Fiscal Exchange, Lars P. Feld and Bruno S. Frey (2007) introduced and formalized the concept of the Fiscal Psychological Contract to analyze the relationship between the state and the citizen in greater detail. This concept goes beyond the legal or formal contract (Buchanan, 1977) to explore tacit mutual expectations and the intrinsic motivation of taxpayers.

Intrinsic vs. Extrinsic Motivation: Their work demonstrates that the motivation to pay taxes is not solely extrinsic (fear of punishment, or deterrence), but is largely supported by an intrinsic tax ethic – a sense of civic duty and a willingness to contribute to society (Feld & Frey, 2007).

The Crowding Out Effect: The central point of Feld and Frey's (2007) thesis is that the excessive and perceived unfair use of coercive measures (severe tax audits, heavy penalties) can lead to a crowding out effect. Constant threats and a lack of respect for citizens' goodwill erode intrinsic motivation: taxpayers then interpret their tax payments not as a voluntary civic act, but as a simple act of compulsion. When taxation becomes purely coercive, tax morale collapses and compliance become a game of rational risk again (Allingham & Sandmo, 1972).

The Role of Reciprocity and Trust: Conversely, an environment of reciprocity and trust – where the state is perceived as demonstrating procedural fairness and efficiency in public spending – reinforces intrinsic tax morale (Feld & Frey, 2007). This relational emphasizes that distributive fairness (the "what" of taxation) is inextricably linked to procedural fairness (the "how" of administration), thus anticipating the articulation that you will develop in your review. In conclusion, to maintain high compliance, the state must not only threaten but also cultivate tax morale by maintaining a psychological contract that is perceived as fair.

The conceptualization of distributive fairness in Tax Exchange Theory (Buchanan, 1976) has been refined by the integration of concepts from behavioral economics and transaction cost theory. Joel Slemrod (1992), in his in-depth analysis of tax evasion, developed the idea that taxpayers

implicitly act as evaluators who weigh not only the risks of fraud (A-S Model), but also the perceived costs and benefits of compliance.

Inequity is then conceptualized as a "psychological cost" to the tax transaction. This cost results from the perception that the exchange between the state and the citizen is unbalanced, either because the benefit (public services) is deemed insufficient (Torgler, 2007) or because the cost (the tax burden) is perceived as unfair compared to peers (Adams, 1965). This psychological cost is measured by the feeling of "not getting one's money's worth" or "paying for others".

From this perspective, distributive equity directly influences the decision to comply by altering the perceived value of paying tax. If the psychological cost of injustice becomes too high, it exceeds the value of the potential fine for fraud, making evasion "rationally" justifiable for the individual, not in terms of legal risk, but in terms of perceived justice.

Furthermore, distributive fairness is complicated by compliance costs (or transaction costs), which include the time spent understanding the laws and completing returns. If the system is perceived as unfair and overly complex, taxpayers, particularly individuals in the service sector who have to manage their own accounting, feel that the system imposes a double burden on them: a tax burden that is perceived as unfair and disproportionate administrative efforts (Slemrod, 1992).

Assessing distributive equity at the macroeconomic level makes it possible to quantify the overall and normative impact of the tax system, measuring the extent to which taxation achieves its objectives of vertical and horizontal justice (Musgrave, 1959). The main approach is based on the analysis of redistribution, i.e. the change in income distribution before and after government intervention (taxes and social transfers). Peter J. Lambert (1993) is a key reference in this field with his work on measures of inequality. The central tool is the use of inequality indices such as the Gini index or the Atkinson index, applied sequentially to primary income (before tax) and then to disposable income (after direct taxes and social transfers). The difference between these indices, often visualized by the Lorenz curve, provides a measure of the progressivity and redistributive efficiency of the system (Lambert, 1993). A significant reduction in the post-tax Gini index compared to the pre-tax index indicates high progressivity and, consequently, the normative achievement of vertical equity. These analyses also make it possible to break down the total effect of redistribution between the effect of taxes (re-ranking) and the effect of transfers.

The macroeconomic assessment of distributive equity is not limited to a simple analysis of overall income progressivity, but requires sophisticated tools to assess the actual tax burden borne by specific groups of taxpayers. It is in this context that the study of effective tax rates (ETRs) and the application of microsimulation models have become essential (Alm et al., 2006). The ETR represents the actual proportion of income or wealth that a taxpayer pays in taxes, in contrast to the statutory rate, which does not take into account deductions, tax credits and loopholes (Musgrave, 1959). The divergence between the statutory rate and the TIE is crucial because it reveals flaws in horizontal equity: it makes it possible to quantify whether taxpayers with similar contributory capacities end up paying significantly different amounts due to the complexity of the system (Slemrod, 1992). Microsimulation models are the preferred tool for this analysis (Alm et al., 2006). Unlike macroeconomic methods (Lambert, 1993; Alm et al., 2006), which measure objective distributive fairness (legal or structural), studies on tax compliance require quantifying perceived fairness at the individual (microeconomic) level. It is the subjective perception of injustice, not statistical reality, that is the direct driver of non-compliant behavior (Adams, 1965).

Unlike macroeconomic indicators (Lambert, 1993; Alm et al., 2006), which measure objective distributive fairness, understanding tax morality requires quantifying perceived fairness at the individual level, as it is this subjectivity that motivates non-compliant behavior (Adams, 1965). The most common method relies on the development and use of psychometric *measurement scales* (Hofmann et al., 2017), composed of standardized items (often on the Likert scale) designed to translate complex concepts, such as Perceived Horizontal Inequity, into quantifiable variables. These scales directly capture perceptions of a breach of the social contract (Buchanan, 1976), for example through statements assessing whether taxpayers believe that "the tax system is unfair because others do not pay" (Hofmann et al., 2017).

Procedural Tax Fairness

Procedural justice has its roots in social psychology and criminology, positing that obedience to laws is based less on rational calculation of fear than on a sense of the legitimacy of authority. This paradigm shift is fundamental to understanding tax compliance beyond the classical deterrence model (Allingham & Sandmo, 1972). The work of Tom R. Tyler (2006) has been instrumental in establishing this link. In his seminal work, *Why People Obey the Law*, Tyler demonstrates that citizens' consent to rules is primarily motivated by their judgement of the legitimacy of institutions. Obedience, including to tax laws, is therefore not only a

coerced act, but a voluntary act when the authority (in this case, the state and its tax bodies) is perceived as exercising its power in a fair, impartial and respectful manner (Tyler, 2006).

This legitimacy is the theoretical basis for the direct link between trust and compliance. When taxpayers believe that the tax authority (the DGI in Morocco) has the moral right to govern and impose taxes, this belief promotes intrinsic motivation to pay taxes (Feld & Frey, 2007). Conversely, if power is perceived as arbitrary or illegitimate, individuals switch to compliance out of pure necessity (coercion), which is less stable and more costly for the state to maintain (Kirchler et al., 2007).

The transfer of this theory to the specific field of taxation was carried out by researchers such as Jon T. Scholz (1998). In his Tax Cooperation Model, Scholz empirically demonstrated that a taxpayer's willingness to comply increases significantly when they trust the tax administration to act fairly and impartially (Scholz, 1998). Trust acts here as a social lubricant that reduces the need for surveillance and coercion. More specifically, trust in the tax administration creates a direct link with voluntary compliance, as it reduces the perception of non-punitive risks, such as the risk of unfair treatment, harassment or bias during an audit.

For individual taxpayers, this role of trust is amplified. This segment, which is often subject to complex audits, places a high value on fair treatment. If the DGI's procedures are perceived as transparent and if officials act with respect, this reinforces Conditional Trust (Levi, 1988) and consolidates the Psychological Tax Contract. In short, legitimacy and trust, far from being incidental variables, are key mechanisms of procedural justice, transforming a legal obligation into moral adherence (Tyler, 2006; Scholz, 1998). It is these dynamics that must be assessed in order to understand the drivers of compliance in the Moroccan context.

For the legitimacy of tax authorities (Tyler, 2006) to translate into increased taxpayer trust (Scholz, 1998), procedural justice must be broken down into a set of observable and measurable variables. This breakdown is fundamental to your investigation, as it provides the specific dimensions to be assessed for the DGI in Morocco.

Lind and Tyler (1988) identified four main pillars that constitute the perception of a fair procedure:

- **Neutrality:** The most fundamental rule. It means that laws and procedures (for control and information) must be applied without bias, favoritism or discrimination (Lind & Tyler, 1988). For taxpayers

in the service sector, this implies, in particular, the assurance that controls are not arbitrary but based on objective and uniform criteria.

- **Consistency:** Rules and policies must be applied uniformly and consistently over time and across different government agencies. A system in which the interpretation of the law depends on the control agent or office is perceived as inherently unfair (Murphy, 2012).
- **Accuracy:** The procedure must be designed to take into account all relevant information and lead to a correct and fair decision. Taxpayers must feel that the administration is competent and that errors (if they occur) are not due to negligence (Lind & Tyler, 1988).
- **Voice and Respect:** This is the most interpersonal dimension. Taxpayers must have the opportunity to explain their situation (voice) and must be treated with courtesy and dignity by tax officials, regardless of the outcome of the decision (Tyler, 2006).

This structure is enriched by the work of Katrina Murphy (2012), who highlighted the importance of perceived fairness in the application of penalties. Murphy demonstrates that even if a penalty is legally justified, its perception of impartiality is crucial. If taxpayers feel that the tax authorities have not considered mitigating circumstances or that the penalty is disproportionate to the offence, the legitimacy of the administration is immediately eroded (Murphy, 2012). This individual and personalized treatment is essential to maintaining trust.

Beyond previous work, the slippery slope model developed by Erich Kirchler et al. (2007) remains crucial for developing two approaches to tax compliance: economic rationality (deterrence) and social psychology procedural justice. This model criticizes and rejects the simplification of the A-S model (Allingham & Sandmo, 1972) and the strict opposition between deterrence and cooperation models, proposing instead that taxpayer behavior is the dynamic result of the interaction between two perceived environmental factors: coercive power (deterrence) and trust (the driver of procedural justice).

According to Kirchler et al. (2007), the tax administration (DGI) can influence taxpayers by activating these two levers. The model identifies four states of compliance:

- **Voluntary Compliance (High Trust, Low Power):** The taxpayer pays tax out of civic duty and trust in the legitimacy of the system (Tyler, 2006). This is the ideal state.

- **Non-Cooperative Compliance** (Low Trust, High Power): Taxpayers pay only out of fear of punishment. They are submissive and ready to cheat as soon as surveillance decreases.
- **Disengagement** (Low Trust, Low Power): The taxpayer voluntarily refrains from complying, perceiving the system as illegitimate and without risk of punishment.
- **Enrichment** (High Trust, High Power): A potentially paradoxical situation where trust is used by the authority to maximize compliance while maintaining a deterrent power structure.

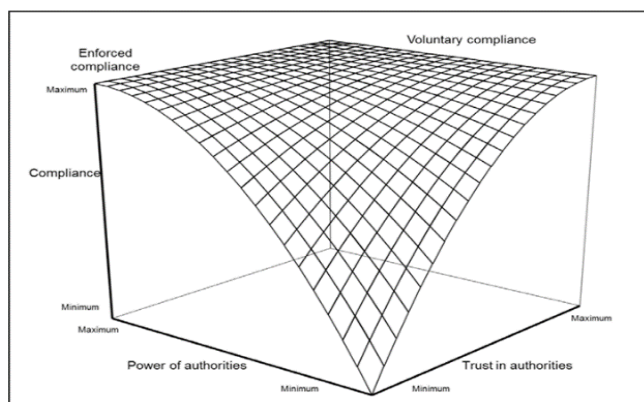


Figure 2: Determinants of compliance based on state power and trust in authorities: the "slippery slope model"

Source: Erich Kirchler, 2007, *The Economic Psychology of Tax Behavior*

This link is crucial because it incorporates warnings about the abuse of power. The model highlights the risk of crowding out, a concept explored in depth by Lars P. Feld and Bruno S. Frey (2007). Feld and Frey demonstrated that excessive and arbitrary enforcement of coercive rules, disconnected from procedural justice (Lind & Tyler, 1988), can destroy taxpayers' intrinsic motivation (their tax morale). When the state treats taxpayers a priori as potential fraudsters by multiplying controls perceived as unfair, individuals lose their willingness to cooperate and replace their moral commitment with a simple risk avoidance strategy (Feld & Frey, 2007). Payment becomes an act of submission rather than cooperation, thereby undermining the Fiscal Psychological Contract.

In the context of Morocco, the *Slippery Slope Framework* can be used to analyze the effectiveness of tax reforms. If the DGI's initiatives increase coercion (Power) without credibly strengthening procedural justice (Trust), they risk causing a shift towards non-cooperative compliance, characterized by strong resistance and low tax morale.

Christian Traxler (2010), through laboratory studies, has provided solid empirical evidence of the effect of procedural fairness. His experiments have shown that taxpayers respond significantly more favorably to interventions perceived as fair and balanced than to outright threats (Traxler, 2010). For example, sending reminder letters highlighting the civic benefits of taxation or offering clear explanations of the audit procedure is more effective in increasing compliance than sending letters that merely threaten penalties. This approach reflects Scholz's (1998) model, which emphasizes cooperation.

Traxler's (2010) contribution is essential, as it demonstrates that impartiality is a strategic resource for tax administrations. Respectful and non-arbitrary treatment of taxpayers strengthens the willingness to cooperate and the sense of legitimacy, confirming the idea that deterrence (Power) is less effective if it is not tempered by Trust (Kirchler et al., 2007). In the context of the service sector in Morocco, where interactions with the DGI can be frequent, the perception of the impartiality of the tax officer is the immediate psychological factor that consolidates or destroys the taxpayer's conditional commitment (Levi, 1988), transforming a simple disagreement over the amount owed into a crisis of legitimacy.

Complexity also has an effect on tax compliance, as Joel Slemrod (1992) demonstrates through the concept of compliance costs. Slemrod pointed out that the effort required to understand the law, gather documents and complete returns represents a significant psychological and financial burden for taxpayers, which is added to the tax burden itself.

- **Impact on justice:** Complexity is unfair because these compliance costs are often regressive: they weigh proportionally more heavily on small structures and individuals (such as natural persons in the service sector) than on large companies that can afford to hire tax experts (Slemrod, 1992). The inability to understand the law leads to error and the risk of penalties, even in cases of good faith, which undermines the sense of fairness (Lind & Tyler, 1988).
- **Justification for simplicity:** Simplicity and clarity are therefore not mere administrative conveniences, but constituent elements of procedural fairness. A simple system is perceived as fairer because it reduces the possibility of unintentional errors and the need to resort to costly intermediaries.

For empirical operationalization in Morocco, it is therefore crucial to measure the subjective perception of complexity (e.g. the clarity of forms, the consistency of the DGI's

instructions). This measurement makes it possible to quantify the psychological "transaction cost" and verify whether it acts as a trigger for non-compliance, as individuals seek to minimize their effort when faced with a system perceived as opaque and unfair (Kirchler et al., 2007).

6. The constants and specificities of the Maghreb context: breach of the social contract and the weight of the informal sector

This axis adapts universal theoretical frameworks to the structural realities of the Maghreb, and more particularly Morocco.

6.1. Structural horizontal injustice and the weight of the informal sector

The coexistence of a taxed formal sector and a massive informal sector create a deep sense of inequity among compliant taxpayers (service sector), perceived as a violation of the social contract.

One of the main institutional constants in the Moroccan context that invalidates universal theoretical models is the structural weight of the informal economy (or shadow economy). This phenomenon is not only a problem of revenue for the state; it is the main generator of structural horizontal injustice, which undermines tax compliance in the formal sector.

The work of Friedrich Schneider and Dominik H. Enste (2000) provides the conceptual and methodological framework for quantifying this phenomenon. The shadow economy is defined as all legal economic activities that deliberately evade regulations, including tax and social security obligations (Schneider & Enste, 2000). Their analyses, as well as those of international organizations, show that the informal sector has a massive impact on developing economies, particularly in Morocco (often estimated at 30-40% of GDP).

This reality constitutes factual evidence of the violation of horizontal equity (Adams, 1965) on a systemic scale. Formal taxpayers (particularly individuals in services that are easily identifiable and controlled) pay a disproportionate burden, while a significant portion of economic activity (the peers of formal taxpayers) escapes taxation altogether. This results in a feeling of being a "third-party payer" who, through their compliance, subsidizes the evasion of their competitors.

The impact of this inequity is psychological and behavioral, as demonstrated by Benno Torgler (2007). Torgler argues that the perceived evasion of peers via the informal sector is often

a stronger predictor of formal taxpayer non-compliance than vertical injustice (the progressivity or inequality of statutory rates).

This mechanism is crucial in linking the informal sector to the deterioration of tax morale:

- **Breach of Conditional Trust:** The perception of widespread fraud breaks the Conditional Trust Game (Levi, 1988). Formal taxpayers conclude that their efforts are not reciprocated and that the social contract (Buchanan, 1977) is broken not only by the state (low spending), but also by the community.
- **Justification of evasion:** Structural horizontal injustice provides the moral justification for defection (Torgler, 2007). Evasion becomes a defensive act aimed at restoring competitive equilibrium and alleviating a burden perceived as intolerable.

In the Moroccan context, the informal economy is not simply an exogenous factor; it is the endogenous variable that transforms horizontal equity into a structural burden for the formal sector.

In the Maghreb context, social and cultural dynamics give tax non-compliance a dimension that goes beyond the simple individual decision to commit fraud. Tax evasion can be perceived as a justified collective act, linked to the predominant role of the group and solidarity networks, which is a fundamental cultural constant in the context under study.

Margaret Levi's (1988) theory of Conditional Trust provides the theoretical framework for analyzing evasion as a defensive social norm. Levi posits that citizens' obedience to the state is conditioned by their belief that their peers also comply. In an environment where structural horizontal injustice is omnipresent due to the informal economy (Schneider & Enste, 2000), this conditional trust is broken.

Tax evasion then becomes a "justified" act if it is perceived as a means of defending oneself against two forms of injustice (Levi, 1988):

- **Institutional Injustice:** The state fails in its duty of reciprocity (poor quality of spending) and procedural fairness (arbitrariness or perceived complexity).
- **Collective injustice:** Widespread non-compliance by peers (particularly competitors in the informal sector) places formal taxpayers at a disadvantage.

The formal individual is no longer a free *rider*, but a defensive offender who restores his own balance by reducing his

contribution to align with the informal market norm. Non-compliance is thus established as an implicit social norm.

Recent institutional reports by the World Bank (WB), the International Monetary Fund (IMF) and Transparency International establish a factual context of low procedural trust in Morocco due to perceptions of corruption and administrative inefficiency.

The most recent statistics confirm this context, which is crucial for justifying the relevance of psychosocial models (Kirchler, 2007) in your analysis:

Table 1: Perceptions of corruption are based on the Corruption Perceptions Index (CPI) published by Transparency International (TI)

Indicator	Latest Data (2024 / Reference Year 2023)	Context
Morocco's score (out of 100)	37 (in 2024, marking a decline of one point compared to 2023)	Scale from 0 (very corrupt) to 100 (very clean). This score is below the global average of 43.
Global ranking	99th place out of 180 countries and territories.	Down two places from 97th place the previous year.
MENA Regional Average	38/100	Morocco ranks just below the regional average, indicating a widespread structural corruption problem (Source: Transparency International).

Source: Report, *Corruption Perceptions Index 2024*, Transparency International.

6.2. The breakdown of reciprocity: the failure of fiscal exchange

In Buchanan's theoretical architecture (1976), consent to taxation can only be sustainable if it is part of a synallagmatic exchange contract in which citizens accept taxation in return for high-quality public services. In Morocco, analysis of tax morale reveals a major distortion of this principle: the perception of a "unilateral breach" of the social contract by the state. Indeed, while the tax burden is often considered high by taxpayers in the formal sector, the poor quality of basic services, particularly in the health and public education sectors, fuels a sense of dispossession. For Moroccan

taxpayers, taxation is no longer perceived as a contribution to shared prosperity, but rather as pure "spoliation", a levy with no tangible return (Torgler, 2007). This phenomenon is exacerbated by a perceived lack of transparency in the management of public funds and the persistence of administrative corruption, often highlighted in reports by the Economic, Social and Environmental Council (CESE, 2024).

In the absence of clear reciprocity, taxpayers develop what the literature refers to as deep "fiscal cynicism". This radically transforms the citizen's psychology: tax fraud or avoidance are no longer seen as criminal acts, but as defense mechanisms or "justified" responses to a state perceived as failing in its mission of redistribution and social protection. This "fiscal demoralization" (Kirchler, 2007) is all the stronger when taxpayers compare their financial sacrifice with the enrichment of certain elites or the inefficiency of local administrations. Ultimately, the perceived injustice in the use of tax resources in Morocco acts as a powerful lever for non-compliance, where refusal to pay becomes an act of silent protest against the breach of the institutional contract of trust. Restoring tax morale in the Kingdom cannot therefore be achieved through repression alone, but through a radical improvement in accountability and the quality of public services, which are essential conditions for transforming the perceived plundering into voluntary compliance.

Discussion

The synthesis of theoretical frameworks confronted with the realities of the Maghreb context allows for a critical reflection on the mechanisms of tax compliance in Morocco. This discussion focuses on the interaction between tax morality, the duality of justice and local structural constraints.

Beyond theoretical frameworks, recent data from the HCP (2022-2023) reveal the fragility of **the social contract** in Morocco. The transition from a deterrence model to voluntary compliance, as described in the literature, is confronted here with a brutal material reality: an **increase in the Gini index to 40.5%** and a widening gap between social extremes (from 6.2 to 7.1 times).

This "divide" is not just a statistic; it profoundly changes the **psychology of the taxpayer**. When the poorest 20% see their standard of living fall by **4.6%** as a result of inflation and drought, taxation is no longer perceived as a civic contribution, but as an additional strain on a survival budget. At the same time, the concentration of wealth, with the wealthiest 10% accounting for a third of national expenditure, fuels a sense of acute **distributive injustice**. For the average

citizen, this imbalance suggests that the tax burden is not fairly distributed, which validates Adams' theory of psychological distress linked to inequity.

In short, the decline in the standard of living of the middle classes (-4.3%) and the precarious classes undermines **fiscal reciprocity**: if citizens feel that they are losing purchasing power without seeing any tangible improvement in public services, their willingness to pay tax erodes in favor of avoidance strategies or the informal economy. The success of tax reform in Morocco will therefore depend not only on the rigor of the DGI, but also on its ability to restore **perceived fairness** in a context of growing economic vulnerability.

Moving beyond the repressive model: tax morality as an intangible asset

The transition from the Allingham and Sandmo (1972) model to the imperative of tax justice marks a major epistemological break. Our results confirm that deterrence, while necessary, is insufficient and costly in an environment where control is structurally complex. The discussion highlights that tax morality is not a static given, but an "intangible asset" of the state that fluctuates according to perceptions of legitimacy. As suggested by Kirchler's Slippery Slope Framework (2007), the Moroccan tax administration (DGI) finds itself at a crossroads: maintain a climate of coercive "power" or shift towards a climate of "trust". However, our original analysis shows that in the Moroccan context, this shift is hampered by a bureaucratic legacy where mistrust of the administration remains an economic survival reflex.

The primacy of procedural fairness over distributive fairness

A central point of this discussion is the relative weight of the two forms of justice. While public debates in Morocco often focus on distributive fairness (progressive income tax, lower corporate tax), recent literature and reports (CESE, 2024) suggest that procedural fairness is the real lever for compliance. Even if a tax is considered "fair" in terms of its amount (distributivity), treatment that is perceived as arbitrary, opaque or disrespectful by the tax authorities undermines consent. Adams' theory of fairness (1965) is particularly relevant here: taxpayers judge not only the amount they pay, but also the "quality of the relationship" and the impartiality of the authority. The digital modernization of the DGI in Morocco is a step forward, but it cannot replace a culture of transparency and service to taxpayers.

The informal sector and the breakdown of the social contract: a challenge to classical theory

A comparison of the theories of Buchanan (1976) and Levi (1988) with the Moroccan case reveals a limitation of Western models. The theory of fiscal exchange assumes a perfect market between public services and taxes. However, the omnipresence of the informal sector in Morocco creates a "structural horizontal injustice" that distorts this exchange. The discussion highlights a phenomenon of "proxy demoralization": taxpayers who pay their taxes do not only compare themselves to the state, but also to their neighbors who evade taxes. This unfair competition, legitimized by the silence of the informal sector, acts as a moral toxin. Ultimately, the Moroccan social contract suffers from a lack of reciprocity: the state struggles to provide public services (health, education) commensurate with the taxes it collects, while a significant part of the economy remains off the radar, eroding the conditional trust of citizens.

Implications for public policy

In conclusion, it appears that tax reform in Morocco must be not only technical, but also psychological. To restore the social contract, the state must simultaneously work to reduce horizontal inequality (integration of the informal sector) and strengthen procedural justice. The transformation of taxation from a form of spoliation to a form of contribution requires strict accountability. Without a clear perception that every dirham paid directly improves collective well-being, tax morale will remain fragile, making the system dependent on coercion that is increasingly ineffective in the face of the complexity of modern economic flows.

Conclusion

In conclusion, this study emphasizes that tax compliance in Morocco can no longer be understood solely through the repressive and rational lens of the Allingham and Sandmo (1972) model, but must be part of an integrated psychosocial approach in which moral tax becomes the central pivot of tax consent. By demonstrating that procedural fairness, characterized by transparency, impartiality and respect for taxpayers, is often a more powerful lever of legitimacy than distributive fairness alone, this research highlights the fragility of the Moroccan social contract, which is currently undermined by structural horizontal injustice resulting from the omnipresence of the informal sector. The perception of taxation as "spoliation" rather than as a civic contribution,

fueled by a breakdown in reciprocity in the quality of basic public services, requires decision-makers to radically overhaul the fiscal relationship: it is no longer just a question of digitizing control tools, but of restoring institutional trust through exemplary accountability and the equitable integration of all economic actors. This shift from forced compliance to voluntary adherence, rooted in a sense of global justice, is the only way to stabilize government revenues while consolidating social cohesion, thus opening up crucial empirical research opportunities to assess the impact of administrative reforms on the climate of trust within the Kingdom.

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