

Non-Compliance Behaviour in the Frame of Ibn Khaldun¹

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Abstract

This paper offers an overview of theoretical concept of tax compliance by using epistemology nature of civilization framework. Although many researchers have tried to expand this theory, some of their effort might lack of theoretical assumptions. Both tax compliance theory applies philosophical assumption that human is a rational being, reflected in economic and social reality. To get out of from this cage, different assumption is required. Ibn Khaldun's view of human and civilization is reciprocal. Regard human a social being as well as religious being means believing that humans are capable of creating pious civilization in accordance with social values and spiritual beliefs. This is gives the idea that voluntary tax compliance can be created if congruent with religious rules. So, religious institution should be recognized inline with other levy.

Keywords: *nature of civilization, tax compliance, rational assumption, pious civilization*

1. INTRODUCTION

The percentage of tax compliance rate of Indonesia in 2012 is still considered very low, not different from previous years (Manurung, 2013). The low level of tax compliance in Indonesia strengthened by many researches that explores factors that can increase tax compliance. Indeed, the study of tax non-compliance is generally based on low-phenomena of tax compliance in all countries including developing countries like Indonesia. In fact, the problem of tax non-compliance has existed as old as the age of the concept of tax itself (Hai & See, 2011). This indicates that the tax non-compliance is a complex and serious issue (Worsham, 1996).

As a complex phenomenon, tax compliance can be addressed from a variety of perspective (Franzoni, 1998). Academic scholar often associates economic and non-economic factors in the study of tax compliance or non-compliance. A useful model of tax non-compliance is developed by Allingham and Sandmo (1972) while in a psychological perspective using theory of planned behaviour.

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The economic and psychological factors in reviewing the tax compliance assume that tax compliance behaviour is based on rationality. This assumption has an implication to the behaviour. The economic approach in Allingham and Sandmo's (1972) model for example, viewed humans consider cost and benefit aspect as determinant of tax compliance. Based on this assumption, tax compliance can voluntarily be improved by using an economic enforcement tool such as audit, punishment, and penalty (Cadsby, Maynes, and Trivedi, 2006). In fact, the enforcement either audit rate or penalty are not able to increase voluntarily compliance in context of economic (Lederman, 2003).

In general, research on tax compliance in psychological perspective investigates the relations between the characteristic of taxpayer towards tax compliance. One of the psychological theories that are used in tax compliance is the Theory of Planned Behaviour. Based on this theory, compliance behaviour is determined by the intention to particularly behave. The variable of attitudes, subjective norms, and controlled behaviour is considered to be an intention former. Results of the study mention that the attitude is not always linear toward behaviour (LaPiere, 1934), which is caused by differences in culture or social environment (Chau and Leung, 2009; Hofstede, 1991).

Although the rational assumption might be appropriate for western society which Liberals and individualist, in fact this assumption is spontaneously not able to solve the problem of non-compliance. It is proved that the tax compliance models which are intended to increase willingness to pay taxes voluntarily, but they hasn't achieved the desired results (Lederman, 2003). If these assumptions fail to explain the tax compliance in Western culture, it certainly cannot be used to explain the behaviour of tax compliance in a different culture such as Eastern society. It is firmly stated by Chan *et al.*, (2000) that cultural differences contribute to the compliance decision.

The behaviour in the Eastern cultures is not dominated by the ratio as it applicable to Western society. Unlike Western society, Eastern society is more humanist and religious. Therefore, the behaviour that is shown by Eastern society does not necessarily benefit oriented, but it tends to be tied to social values (Hofstede, 1991) and more on the sense of community. Then the rational assumption needs to be reconsidered for tax compliance model to the Eastern religious society.

As a religious society encouraging academic scholar to explores tax compliance in religion perspective. McGee (2006) highlights the tax non-compliance in Christian perspective. Crowee (1944) reviewing the tax non-compliance Catholics more than 500 years as quoted by McGee (2006). Cohn (1998) and Tamari (1998) examines Jewish disloyalty, while Gronbacher (1998) examines this issue in the perspective of Catholic and classical liberalism. Tax compliance research in perspective religion (Christian, Jewish, and Catholic) who conducted these researchers agreed that tax compliance is a part of religious adherence. Unfortunately, the concept of compliance from the religion point of view

still borrowing mathematical approach. Hidayat and Nugroho (2010) call this as indirect measurement. So far the theory has not deal with the question how new assumptions about religiosity preferences would modify tax compliance. In this paper we illustrated that religiosity has implication to tax compliance. To achieve this aim, we apply Ibn Khaldun's framing so as to call the nature of civilisation.

2. LITERATURE REVIEW

The economic approach in assessing compliance put the human to behave rationally who were always making decisions based on the costs and benefits. This concept of economics largely adapts the rational individual theory (Hite, 1987). By this rational assumption, Allingham and Sandmo (1972) develops a theory of compliance which states that individual decision to adhere to or avoid taxes is based on rational consideration of economic utility maximization and the individual risks at once. The use of this assumption seems clearly on the model tax compliance,

$$D = D(I, t, p, f) \tag{1}$$

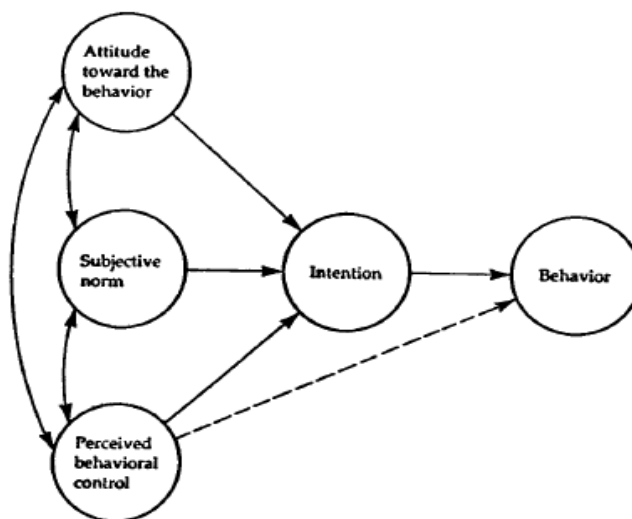
Allingham and Sandmo (1972) states that someone who has fix revenue, should report their revenue to determine the amount of tax (Mukhlis & Simanjuntak, 2011). The D notation is a declaration of income (I) which is willing to be reported on the level of tax rates (t). Whereas the income that its tax has not been calculated and reported, is possibly at risk to be reviewed (audited) with the probability (p), is followed by sanctions amounting to (f) that is paid for each owed income tax. To improve tax compliance by this concept, then tax authorities have to oversee the implementation of tax through sanctions and punishment schemes. The economic analysis of tax compliance has focused mainly on how evasion can be deterred through detection and sanctions with the thesis is that the taxpayer's behavior can be fruitfully seen as the result of a rational calculus, a careful assessment of the cost and benefits of evasion (Franzoni, 1998).

A lot of psychological approaches adapt the concept of the relation of behavior and intention developed by Fishbein and Ajzen in order to review compliance through the Theory of Reasoned Action (TRA) (Ajzen, 1991). Actually, TRA develop behavior concept of Lapiere (1934) were found inconsistencies attitude toward behavior. Furthermore, Ajzen (1991) develop the concept of TRA which became the Theory of Planned Behavior (TPB) by adding the antecedent intention associated with individual controls, namely Perceived Behavioral Control (PBC). TRA only valid on behavior that can be controlled, but it is less appropriate to explain behavior that is fully uncontrollable by the self, because there are factors that can inhibit or facilitate the realization of intention to behavior.

As with any economic approach, the psychological approach also assumes that human being as a rational being, by using the information that may be available; an individual will consider the consequences of his actions before deciding to behave. Both TRA and TPB are started by measuring intention as the main determinant of behaviour. An individual intention to certain behave is combination of attitudes (is personal) to behave and subjective norm (social reflection).

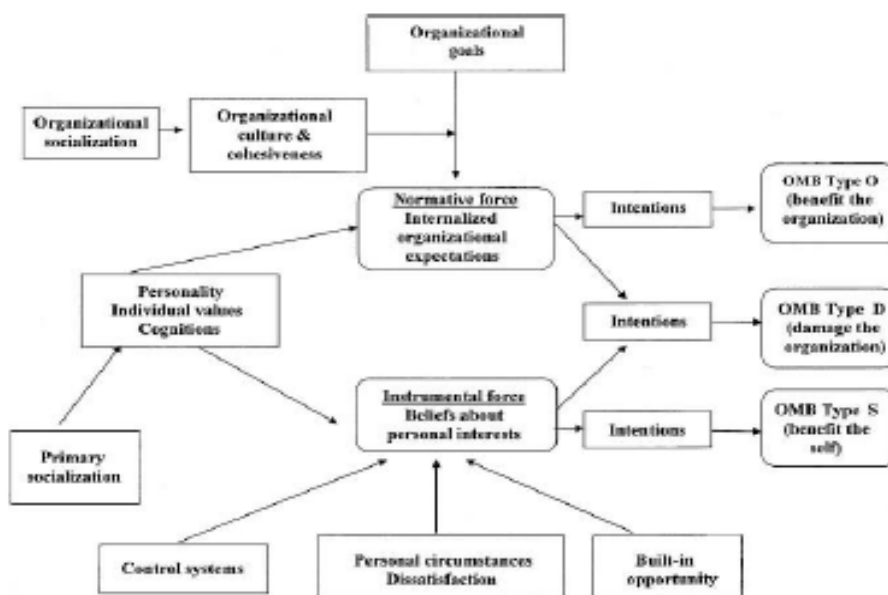
The first component is the attitude toward behaviour, is a function of belief about result or a consequence of a behaviour and the evaluation of certain behaviour (*belief strength and outcome evaluation*). If an individual perceive that the results of a certain act are positive, he or she will have a positive attitude. As for the second aspect, the subjective norm that is a function of belief that is related to individual belief against others expectations that became their reference so that motivated to achieve those expectations (*normative belief and motivation to comply*). If relevant people (friends, family, and authority figures) look certain behaviour positively, and these individuals are motivated to meet the expectations of others, then it is called as the positive subjective norms. While the PBC which is formed from a control belief is a belief about facilitates that support or inhibit behaviour, either from internal or from the environment.

Figure 1: The Theory of Planned Behavior



Source: Ajzen (1991)

This figure shows that individual intention to certain behave is a combination of attitude (is personal) to behave, subjective norm (social reflection), and control behavior. The dotted lines on the model of PBC indicates that the PBC will have an impact on the behavior, if only the perception of control in accordance with the actual behavior. Furthermore, Vardi and Weitz (2004) adapt the TRA to build an integrative model of organizational misbehavior (OMB)

Figure 2: A Motivational OMB Model

Source: Vardi & Weitz (2004; 36)

This figure shows that the intention to behave assume mediating relationship among antecedents and manifestation of OMB. Intention is a function of beliefs about personal interest (instrumental force) and belief of internalized organizational expectation (normative force). OMB manifestation is classified into five forms, while the intention in three categorical aspects. OMB type S, reflects intention to benefit the individual rather than the employing organization. Although less common, OMB Type O reflects the intentions to benefit the employing organization rather than the individual directly. Type D as reflected by the intentions to damage and hurt a particular individual, organization asset, or social unit.

Either the economic and psychological theory point of view, the concept of compliance behavior informs some limitations. Firstly, the concept of compliance is developed in the frame of the business entity which may not be relevant to the context of outside business entities. In this context, human beings are assumed to be economic (homo economics). Economic assumptions being transmit all dimensions of life into a monetary measure. Consequently, humans respond their reality is calculative so always consider the matter of cost and benefit. Human existence is determined by how much he controlled economic resources. This principle forms the perception that human existence is determined by the welfare materially. This principle also encouraged suspicion among them that the other party has always wants to exploit and maximize the economic benefits of both personal and social (community).

Secondly, this concept is built on the assumption of human beings as rational beings. This assumption limits human's thoughts on the consideration cost-benefit analysis, loss and profit, utility maximization and risk aversion. When life is limited only in the sense of the material (physical), it will shape consciousness in a material level, then settles as a stock of knowledge which is rational, and through it the decision to behave is based on materiality motivation, not on personal consciousness. A final consequence of all these patterns is gainful of materialistic reality of life. For Ibn Khaldun, such reality urges us on a hedonism civilization (Hasyim, 2010). All dimensions of life are pushed into material world. Models of compliance are also made to capture and reflected material compliance level. Likewise in digging particular behavior motivation, they are only able to sense by using sets of size of economic motivations. This looks real on intention typology that is mapped on utility scheme (benefit), i.e. economical benefits for self (type S-self), economical benefits for the organization (type O-organization) as well as the destructive motivation of the company's assets (type D-destructive).

The nature of compliance according to this concept is when behavior that is favorable displayed to another person (in this case is reduced at the level of the organization or working group). On the contrary, behavior is considered bad when it creates a materiality loss to anyone else. Here, loss is narrowed by context the emergence of the cost that has to be covered due to the deviate behavior (non-compliance), i.e. decreasing of productivity and social costs in the form of job dissatisfaction, physical and psychical suffering. So, the cost is a proxy of the element losses resulting of non-compliance behavior. Mental aspect (psychology) in this concept is translated as happiness or satisfaction and suffering in material scale. Then the man will be motivated to certain behave if reward is given (material) or if it is liable to a penalty of material (the firing) or penalty. This assumption view man does more than just physical objects (material) which is the target number and punishment. It's seen from the use of law enforcement is believed as one aspects that could increasing tax compliance.

Such behavior was inspired by the principles of economics *Laisses Faire* and utilitarianism ethics that was developed by Jeremy Bentham (1748-1832) (Muhammad, 2008). This ethics view humans are rational and selfish; who build relationships based on the take and give principle, calculate and set options that can enlarge pleasure or personal profit and do some effort to avoid cost or loss. Moral value of personal action as a benchmark of good and bad, right and wrong, success and fail was based on the benefit or the consequence of deeds (Mohammad, 2008). An action will be considered ethical if such action is beneficial or profitable, otherwise if such action is considered to be non-beneficial (disutility) for themselves, then such action will be considered unethical (Chryssides & Kaler, 1993). This utilitarianism ethics has dominated the viewpoints and

human behavior in a modern economy. This can be understandably since man was created with the basic habits of loving all that looking, materially concrete, and tends to be close to what is near. That is why human beings are more loving world (matter) that is spanned directly before him.

Utilitarian ethics thus has a great potential to facilitate and to trap on non-compliance, since obedience is created from this type such as transactional or material, namely adherence to maximize personal enjoyment. People are reluctant to risk, is the obedience due to the encouragement of the external aspects, forming a formal obedience. This kind of obedience usually aims to guarantee the safety, social standing, fame, social support, and chosen way of life (Allport, 1967). Obedience such as this is clearly fake (artificial).

Third, subjective norms or values play an important role in understanding the OMB (Vardi and Weitz, 2004). The backrest of value or norm on the behavior concept in general is social consensus-based so as to use the term social norms (see Ajzen, 1991; LaPiere, 1934; Travimow and Vinlay, 2001; Vardi and Weitz, 2004). Travimov and Vinlay (2001) form a hypothesis by stating,

“...not only can people be under attitudinal or normative control across a large number of behaviors, but behaviors can be under attitudinal or normative control across a large number of people.”

Therefore, Vardi and Weitz (2004) also use social norms on the model of the OMB. The concept of value on this compliance models borrows the definition that is proposed by Rokeah (1973),

“Values are forms or beliefs that may stem from social expectations particularly when shared.” Thus, social values may indeed be viewed as normative beliefs complementing instrumental beliefs as antecedents of behavior.”

Such norm are fragile, because it can change at any times, it totally depends on the perception of the members (society) at the time. Such norms are versatile and it is also shown in accordance with the nature of artificial that a half so. By implication, the limits of right and wrong is deeply partial, it can be submitted to the perception of a particular group. Hence, a behavior could seem to be good and right as long as socially agreed (a given unit at the time) although bad for widely society as follow,

“A behavior that may be consistent with organizational expectations, but that violates societal values (e.g., misleading customer), would be considered organizational misbehavior (OMB). Similarly, member behavior that is consistent

with societal values but violates organizational expectations would also be classified as OMB (e.g., whistle blowing in an organization that does not sanction such a behavior).”

They assumes that behaviour will diverge if it does not comply with the organization's expectations or violate social norms so that there are others who harmed (Vardi and Weitz, 2004). The values of the society in this context is not only refers widely to the concept of community, but it is narrowed at the level of institutions, division of work, and the unit of work. Those values are then used as the parapet of the truth. Even those values are allowed to contrary to the value of society widely. Mankind are free to build the domes truth itself, that causes the truth distorted at the lowest level, referring to an agreement mere and can be traded. Because every human being can determine measure of the truth itself, then in this world there is no absolute truth. It is reasonable if Protagoras views that the truth is relatively (Mujahid, 2011).

Fourth, intention is the crown in the theory of behaviour (Vardi & Weitz, 2004). Hence, the study is not observing behaviour that is incidental. Accuracy intention in forecast behaviour needs to be asked, because intention is not appear unconditional. The ability to predict the behaviour is determined by the specificity of intention, distance between intention and realization of behaviour, and the ability to behave. Centralize intention as the only shaper of behaviour just like put human as the estuary and measure of everything which also means denied the role of God.

Fifth, the concept is built with a causality approach that borrowed mathematical' sequence model to analyze the inanimate objects are then used to judge the symptoms on soulless beings. It is obvious, this way could not sense human as a whole since it is only able to capture the sides outward and not able to reach the psychic element and holly spirit. Such model laid down human beings as mentally and spiritually cripple. Then this kind of approach will not be able to examine in depth about instinct and taste as well as the nature of the behaviour with its subtle and deep.

Both TPB model and misbehaviour has indeed been measuring cognition and affection aspects which is reflected in form attitude (instrumental force) and subjective norms. However, the concept of affection in this research is very narrow. Mathematically point of view is only able to sense behaviour in relationships and influence prediction scheme, it is not because the behaviour itself so it has not succeeded in changing social reality. Thus the concept of modern compliance is inadequate for understanding the nature of compliance as a whole. Modern concept of compliance reduce humanitarian dimension on physical aspect (ratio) and ignore the dimension of psychic (mental) and religious.

The failure of understanding that humans are not entirely rational, but also irrational, supra rational, meta rational even supra rational, it causes confusion understand the complexities of human behaviour and humanizing humanity. Misunderstands from rational point of view only, lead to rational mindset and action so contribute in develop materialistic civilization. Such understanding directing people to behave in split personality. Thus, failure creates tax compliance inherently caused by errors in setting assumptions about human.

Psychical and religious dimensions are as follow taste, love, and his faith (*iman*) is one side of irrational that encourages individual to obedient emotionally also religious, loaded with aspect of conscience, transcendent value of humanity, faith (*iman*), and reasoning aspect. Feeling of loving family for example, provides a reason why person never felt loss or loses when sharing their income for his family members. Alfonso (1998) proved that Mexican immigrants choose to avoid taxes in order to be more loyal to his family. The feeling of love also encourages citizens willing to sacrifice for their leader or their government, including paying taxes in accordance to government regulations.

Jacobs and Walker (2004) revealed a "movement" system of accounting and accountability as part of the observance of members of the community to the rule of Iona community as well as an integral part of Christian devotion (Espa, et.al, 2011). That is, forms of religious devotion religious accounting practices to support this form of accountability as their religious reflection, which in this context is realized in the form of taxes. Thus, tax compliance at the time was a symbol of religious devotion. Through tracing the relationship between accounting techniques and ritual activity, this study realize that ritual activity was able to integrate multiple obedience that is obedience to God, to the government (Pharao), and to the social rules. In this case, the accounting and civilizations contribute to forming Godly obedience.

Espa *et al.*, (2011) with hypnos-methodology find the motive and purpose of accounting practices in the family accountant (educators and practitioners) such as accountability to God (in the form of *zakah*). If Espa *et al.*, (2011) records of Islamic tax compliance, Sukoharsono and Qudsi (2008) found the accounting practices at Singosari Kingdom (1222-1292) underlying taxed compliance (obedience to the authority).

3. METHOD

This study is theoretical view that using compliance theory has been established as a unit of analyse, that are compliance in psychological domain (Ajzen, 1991) and economic perspective (Allingham and Sandmo, 1972). Two concepts of compliance are main concept of compliance, which is widely borrowed in many disciplines of accounting and taxation.

Critical analysis approach and reflexive is used to the assumptions used. Critical analysis is also

used to find nature of civilization patterns of compliance by adapting Ibn Khaldun epistemology. Critical analysis serves as a critical point of view toward philosophical assumption model of tax compliance in religious society (Muslim), while Ibn Khaldun's epistemology nature of civilization is used to pattern the nature of civilization of tax compliance. Ibn Khaldun is using sociological approach to develop theory nature of civilization.

Nature of civilization (*al-thabi'i al-umroni*) is the key idea of Ibn Khaldun in his book, *Mukaddimah* (Sastrapratedja, 1979, 19). Furthermore, according to Sastrapratedja (1979, 20), civilization has several dimensions. First, civilization describe humans phenomenon, which has described humanity quality. Second, civilization is the basis for establishment of society. Third, civilization is locus and man's attempt to meet their needs. Fourth, civilization is related to time and place so geographically location is influential on human nature. Fifth, civilization impacts on dissimilarity of human character or temperament caused by differences in the social environment, economy, politics, technology, the development of religious institutions and cultural symbols. Sixth, civilization has a historical dimension. Thus, study of nature of civilization Ibn Khaldun load past civilization of thought that can be used to explore further civilization (Hafidz, 2007).

Ibn Khaldun argued that civilization will determine the process of human development and human determines the development of civilization (Hafidz, 2007, 76) through its ability to think (finding science), is natural character of civilization. Man as a prime mover of civilization, so the civilization is inseparable from the thoughts, feelings, values, and emotions. Mahdi (1957, 173) underline this point that civilization is not independent of human substance. This view gives idea that society (Muslim) will certainly realize belief and religion in developing a civilization which is of course different from non-Islamic civilization.

In line with this, the nature of civilization in this study is used to see that submissive (piety) behavior is inseparable from the concept (thought) of compliance. While thought are also not independent of the values (religious and cultural), feelings, and emotions. The concept of compliance in this study is reviewed by frame of religion (Islam).

4. RESULT AND DISCUSSIONS

The concept of compliance (tax) which is widely used today was developed in the negative continuum, i.e. in the context of disobedience, misbehaviour, deviance and antisocial behaviour. The concept of tax compliance assumes that humans tend to behave negatively. This view arises from the ontological assumptions that put humans as homo economics, considers human is exploitative in response to economic and social realities. Therefore man is appropriate for suspected, judged, and

punished. This assumption should be reviewed critically by considering that humans have the potential non-compliance one sided, he is also being religious that recognize kindness. In view of good dimension of human, which are human potentially appear piety behaviour, so the concept of compliance are likely to be built on the positive continuum and in a way that created an obedient (piety) civilization.

5. TRUE RELIGION IN COMPLIANCE ROLE

Religion plays a major role in introducing and guiding human kindness. Religious institutions also contribute to teach of the existence of God so that humans recognize the truth (God) and have the God consciousness. Consciousness that human beings are the best creatures of God's, contains a message that human was created burdened with a mission to spread of kindness to others and to other creatures.

Through religion, humans also have consciousness that God inhabits in the entire universe including in the human heart. This consciousness encourages people more easily recognize and obey the goodness behest that comes from his heart. This disposition or *natural state of being* called *fitrah* also encourages individuals readily accept and justify any commands from God that are charged to himself, not least with regard to wealth (and its distribution).

In the perspective of the Islamic faith or *iman*, the God's command concerning the distribution of wealth regulated through institutions zakat (Islamic tax). Thus, a true Muslim has to recognize God's commands concerning zakat (Islamic tax) and justify it since he was born. Their faith (*iman*) in God will put zakat (Islamic tax) as truth. That is to say, Shari'a of zakat (Islamic tax) automatically gains legitimacy and objectification so that the doctrine or *syiar* zakat are the rules adopted for granted. This knowledge into a very solid foundation so that people (Muslims) are automatically fulfil of zakat (Islamic tax) without any surveillance, threat, reward or punishment. Their submission to the God law (zakat) is compliance that comes from the heart (*qalb*) not from outside. This practice continues to survive and values/ norms continue to be lived (internalized) because of the great doctrines or *syiar* are considered as fundamentally deserve to be lived. In conclusion, zakat institutions remain stable along all the people (Muslims) is to maintain and live it.

This habit reinforces *zakat* as a social institution in the Muslim consciousness that lasted so long that it settles as a collective consciousness. Through this collective consciousness, zakat institutions collected as a stock of knowledge is constantly passed on to the next generation through a shared stock of knowledge. This method allows the persistence of the reality of zakat on individual consciousness, as well as shared knowledge. At this stage, zakat institution has obtained an objective

position and legitimacy of the Islamic society. The cross-generational inheritances process of consciousness this kind of, as basis to interpret and react to various situations more or less similar.

As the locus of faith (*iman*) who are bottom of the heart (*qalb*), the *fitrah* preserve and conserve these doctrines are also strongly attached. There is nothing that can replace, expel or get rid of it unless his heart is empty of faith (*iman*) itself. Such beliefs have an impact on the understanding that doctrine or *syiar* zakat would not be destroyed along of faith (*iman*) still dwells in the heart of a Muslim. This explanation highlight that the Muslim faith or *iman* is a collective knowledge, moreover faith or *iman* is a lantern of collective knowledge itself.

6. TAXATION IN ISLAMIC HISTORICAL DIMENSION

Talking about Islam cannot escape the history of Islam who was born and developed in the era of the Prophet and His vicegerent (*khalifah*). Institutions the distribution of wealth in Islam is known as zakat. In essence, zakat (Islamic tax) is God command, but not for God's benefit but for the good of man. So, pay zakat (Islamic tax) would realize obedience and kindness that reflect adherence to the (command) of God, obedience to the state (collector) as well as the social dimension. Social dimensions of zakat (Islamic tax) appears on it was clear that the zakat funds appropriated by the religion principle or *qoidah* to those needy group are referred to as 8 group or *ashnaf* with priority for the poor.

History has recorded success of zakat institutions in reducing poverty to zero percent by the dynasty of Umar bin Abdul Aziz (Fidiana, 2012b). The indicator is very simple, that is not citizen of that country is willing to receive zakat distribution (Islamic tax) for subsistence (Farkhani, 2008; Karim, 2004). During his leadership, the people were really in good condition (welfare state) (Siddiq, 2001, 184) as well as an abiding symbol of civilization. This proves that piety civilization not the utopian civilization or reality as it is doubtful many people (Fidiana, 2012b).

At the beginning of the Islamic government never not levied taxed. Tax is used by the Prophet and the Islamic Caliphate as harvest on non-Muslim citizens who are tied to an agreement with the government. The tax levied related to using land (agriculture) in the region and as a guarantee of living protection in Muslim countries. That is, a Muslim burdened *zakat* while non-Muslim levied taxes. Thus, every citizen is only burdened with one kind of levy.

7. THE NATURE OF DUALITY LEVY

Nowaday, Muslims have to pay zakat and are also subject to levy taxes. It has raised a variety of consequences. The first income tax was treated as a foreign institution that was not recognized

previously. For foreign institutions, the tax could not radically change the order and calculus meaning that has been there before moreover moving a zakat meaning for granted. As a new knowledge, tax takes a long process to be acceptable in a Muslim consciousness.

Secondly, the process of receiving that new knowledge (consciousness) also can not necessarily. A Muslim who has well known Islamic principle or *shari'a* will communicate this new knowledge within *shari'a* which became his conviction. According to the sociologist, Peter Berger (2012, 74) humans, both individually and collectively act on the meaning/definition. Means, the use of *shari'a* as a source of meaning is a human right. When *shari'a* looking at the tax as incompatible with the *shari'a*, it is becoming a major reference for the Muslims do not agree granted tax concept. One form of disagreement is indicated by non-compliance of tax. Thus, tax non-compliance does not mean a Muslim is not fulfil social obligations (asocial) but because they have fulfilled that obligation through other institutions in accordance with his conscience.

Thirdly, with the tax system, a Muslim trapped in dual tax levy; religious levy as zakat (Islamic tax) and tax as state levies (modern). Muslim is facing two obligations; obligation as being religious and obligations as citizens. Dual levies, tax and zakat for Muslim are considered pairing as well as comparing. Both tax and zakat has the same function as an institution for distribution of wealth. Thus it is natural that people (Muslim) are more inclined then meet commands arising from within the heart/faith (*iman*) and set aside the commands come from outside. This is because there is no one (Muslim) who can take off or kill the religious instinct (Fidiana, 2012a).

Fourth, tax collection in most individuals (society) Muslims marked the separation or expulsion meaning of zakat (Islamic tax) from the bottom of heart (*qalb*) and their social life (economic). With the separation principle, the tax effort to occupy degree as "sovereign" in the heart of a Muslim is clearly impossible. Zakat (Islamic tax) has been inhabited first so it may not alienated because of modernization.

Modernity not only has consequences in social life, it also carrying secularization with trying to remove of the Lord legitimacy to economic problems (and its institution) and trying to put religious values in a relative line. Modernity considers that the legitimacy of God in the Islamic perspective can be easily divorced from the social life of the Muslim society. Maybe this could happen to western society, but is not for individuals or Muslims society. For Muslims it is regarded as a way to attack their right to life is the most fundamental (faith or *iman*). For Muslims with strong faith (*iman*), they will respond to the reality based logic dimension of faith (*iman*). The logic of faith or *iman* is essentially always be rationalized although at the outside looking as if the contradictory logic sense.

With a view of shifting the zakat (Islamic tax) from the social life of the Muslim community,

the tax will never be able to occupy the degree of belief as Muslims believe in and abide of zakat (Islamic tax). Zakat institutions born of religious institutions should be respected presence in the most essential places of public life. An example is the Kingdom of Saudi Arabia implement zakat system as a wealth distribution is able to collect zakat amounting to 10 billion Real or half of the revenue the Kingdom of Saudi Arabia (Saudi Press Agency, 2012).

For the country that implementing a dual tax system such as Malaysia was also given a higher place for the institution of zakat, put zakat as a direct credit of taxes (tax rebate). In this way, Malaysia's successfully managed to not be listed as poor countries in the UNDP criteria. That is, zakat is placed as the main priority in the levies institutions followed by tax which zakat is recognized as a reduction of direct taxes.

Indonesia with Pancasila as the state, which lays down the God on the first principle, have greater opportunities to put the institutions are realizing the obedience of the commandments of God as an integral part of the government's adherence (compliance as citizens). That is, social institutions born of faith (*iman*) institutions could be placed as levy institution in a respectable state. Respect for religious expression is realized in the institutions of economic, social, and political institutions as well as attaching it to the principle of the Godhead itself.

Instead, by divorcing the institutions and God legitimacy of social policy, economics, and politics is precisely directs and trapping people in a split personality or dualism character. As a result, they seek to comply with these institutions with different levels of compliance. It is clearly, a Muslim would not agree the separation of God legitimacy in personal and social life. If it is forced, a Muslim caught up to complete the appropriate disposition or *fitrah* obligations and then settle other obligations. This means that tax compliance is not priorities yet fulfilled after zakat obligation.

Islam, perfected from the beginning, requiring no evaluation in term of the place occupied the role it played within a process of development (Al-Attas, 1995, 4). This perfection could not be manipulated by melting (fusion) between God institutions with human institutions. As efforts to incorporate elements of zakat as a deduction of net income in the tax system, it is considered as a trap that many people do not utilize this facility (Fidiana, 2012b).

Fifth, the relative nature of science (tax) reflected in the unsettled tax purposes. Its main intention of tax to distribute revenues and state expenditures, most apparently used to pay in instalments of debt. That is, the main purpose of tax is as a wealth distribution to be defective and failed. Therefore the aim of tax funds to enhance the dignity of the human being is not fulfilled. This is a more compelling reason not to love and obey the tax voluntarily.

This unsettled clearly stems from the tax that is man-made institutions that are relatively

highly vulnerable to changes. In view of Calder (1962) as summarized by Abqary (2009, 63):

“The area of faith (*iman*) could not be united with science because of the nature of each are different. Calder (1962) considers faith (*iman*) as certainty without proof while science as proof without certainty...Nature of science is to be, which means always being in motion and proceed without final certainty, while the nature of faith (*iman*) is the establishment, which has a complexity of ideas about things and offer a final certainty “.

Science and faith (*iman*) does not have to be contrasted or matched, as both have a foothold and a different purpose. Both have their own truth with different properties. If the truth of science (tax) is relative because it has a future orientation that constantly change to reflect the progress of time, therefore could not depose truth zakat (Islamic tax) with certainty of truth (*haq/yaqin*).

Indeed, the truth of science will not be contrary to the truth of faith (*iman*) if the development of science is willing to accept the truth of faith (*iman*). In other words, faith (*iman*) and science co-exist as a complement partners. Similarly zakat (Islamic tax) and taxes (modern) are very likely to be compliance along able to put himself in appropriate domains.

8. CONCLUSION

For Ibn Khaldun, the failure to build a compliance (piety) civilization is caused by wrong understanding of human nature (Khaldun, 2011). When the humanitarian aspect is reduced to the level of the material (physical and ratio), humans actually failed to put himself as a social and religious being. At this level people behave like mechanical objects that do not have a religious sense and instinct. Human mind is also dominated by the ratio so as to form a very rational behaviour. This behaviour then interact with the environment (social), simultaneous dialogue through the internalization process (individuals identify themselves with the social environment), externalizing (adjustment to the socio-cultural world), and objectification (social interaction) creates a materialistic social reality (Berger & Luckmann, 1966, p. xx). Then the compliance models developed could not be separated from this basis, appear in the form of sanctions (material), penalty, surveillance, and punishment. Such theories fail to understand human behaviour as a whole and complex. Such theories can only explain social phenomena visible (outer shell) and do not touch the essence of human behaviour in terms of instincts and taste (Fidiana, 2012a).

For Eastern society, human beings are social creatures and religious. Therefore man is the motor and former civilization, the civilization that built certainly realizes social values and religion

they believe. This has an impact on how they respond to the social and economic life. For religious society (Muslim), their compliance toward doctrine and religious institutions exceed their compliance to the laws that come from outside the faith (*iman*). Basically, Islam does not teach the separation between the business world and the hereafter. This resulted in the conviction that all the activities of life (currently) as a provision of life thereafter. Therefore, a Muslim who faced charges of dualism, in general they (Muslims) more likely to prioritize paying levies are rooted in religion which is believed to be the good (afterlife asset). Thus, tax compliance may indeed not for their adherence (Muslims) to zakat because it would be too heavy if subject to double taxation (taxation and zakat). Then it should be considered that the fulfilment of zakat is an integral part of the tax fulfilment.

Pious civilization is very likely to be created. It really depends on the understanding of human nature, because human action is the mirror of thought and belief as well as a key determinant of history. While the human mind and soul is very consumptive, easy to imitate, trailing, influenced the thinking, behaviour, and activities that enveloped him, immediately imitate if either fun or considered, so that the values of kindness would eventually expanded to the social realm. Thus, the pious civilization can be created if it refers to the values of society itself, not forced through the institutions that come from outside themselves.

The study has several limitations that in its ability to make generalizations. This research is limited to a few assumptions analyzes the theory of compliance, namely the theory of Allingham & Sandmo (1972), the Theory of Planned Behavior (Ajzen, 1991), and Organizational Misbehavior (Vardi & Weitz, 2004). This research also limited on using assumption that is rationality and homo economics.

We hope that this paper will highlighted the role of religiosity consciousness to the tax compliance. We recognize that this study is only theoretical explanation. It is hoped that extended empirical investigations for future research will contribute to proved the real compliance.

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