


ORIGINAL ARTICLE OPEN ACCESS

Mistrust and Backfire: Information on Government Responsiveness and Tax Compliance in China

Jay C. Kao 

Department of Political Science, Loyola University Chicago, Chicago, Illinois, USA

Correspondence: Jay C. Kao (jkao1@luc.edu)

Received: 21 November 2024 | Revised: 14 May 2025 | Accepted: 29 May 2025

ABSTRACT

Objective:: This study investigates how perceptions of government responsiveness influence citizen compliance in authoritarian regimes, specifically examining how exposure to information about reported government responsiveness affects individuals' willingness to pay taxes in China.

Methods:: A survey experiment randomly assigning prospective Chinese business elites to receive information about increased responsiveness among local congressional delegates was conducted. Tax compliance attitudes were measured using established survey items from the Internal Revenue Service and the World Values Survey. Open-ended responses and interviews provided qualitative insights into respondents' reactions to the information treatment.

Results:: Respondents exposed to information about improved government responsiveness demonstrated significantly lower tax compliance than those in the control group. Qualitative evidence revealed that respondents often perceived the positive message as state propaganda inconsistent with their personal experiences, potentially triggering backlash. The negative effect was particularly pronounced among low self-monitors.

Conclusion:: Information intended to enhance perceptions of government responsiveness can backfire in authoritarian regimes if perceived as state propaganda inconsistent with lived experiences, reducing citizens' tax compliance. The findings contribute to the literature on the backfire effects of hard propaganda, highlighting how the disconnect between citizens' lived experiences and pro-regime messaging can undermine policy objectives rather than simply fail to persuade.

1 | Introduction

Tax compliance constitutes a fundamental pillar of state-building in developing countries (Brautigam et al. 2008). While governments increasingly emphasize taxpayer compliance as essential for funding public services, significant obstacles persist. In China, tax evasion costs an estimated 134 billion USD annually (China Briefing News 2014). Business elites evade taxes through tactics like using bogus invoices and minimizing paper trails. A recent audit by China's National Audit Office found that 788 large firms evaded 11% of their tax

obligations over 2 years, totaling 25 billion yuan. (Li and Ma 2015).

Anecdotal evidence suggests that business elites' tax evasion stems from mistrust in government's allocation of tax revenues. As one firm manager candidly articulated, "If there is no way to buy a good government, why do I bother spending so much money on taxes?" This perspective aligns with the principles of *social contract theory*, which posits that tax compliance hinges on citizens perceiving a reciprocal relationship with the state. While this theory has been extensively examined within

This is an open access article under the terms of the [Creative Commons Attribution-NonCommercial-NoDerivs](https://creativecommons.org/licenses/by-nc-nd/4.0/) License, which permits use and distribution in any medium, provided the original work is properly cited, the use is non-commercial and no modifications or adaptations are made.

© 2025 The Author(s). *Social Science Quarterly* published by Wiley Periodicals LLC on behalf of Southwestern Social Science Association.

democratic contexts, its applicability to authoritarian regimes remains inadequately explored.

In this paper, I examine how exposure to information about government responsiveness influences tax compliance, leveraging a recent shift in China's local governance. Scholars have observed increasing responsiveness among local congressional delegates (Manion 2016). A methodological challenge in analyzing the relationship between perceptions of government responsiveness and tax compliance, however, lies in the potential confounding effects of unobservables on both variables. To address this challenge, I launched a survey experiment that randomly assigned prospective business elites to receive information about improved congressional responsiveness. This intervention exogenously updated perceptions of government responsiveness, enabling a causal analysis of its effect on tax compliance.

Results demonstrate a backfire effect: respondents exposed to the information exhibited *lower* tax compliance than those who were not. A manipulation check confirms that the information actually reduced perceptions of congressional responsiveness. These effects persist across various compliance measures and model specifications. This suggests that perceptions of government responsiveness meaningfully shape tax compliance, supporting the psychological social contract theory in authoritarian contexts. The backfire effects appear particularly pronounced among low self-monitors (i.e., those who are more likely to provide truthful answers to sensitive questions).

Though initially puzzling given the positive information framing, further analysis indicates that many respondents in this study interpreted the message in the treatment as state propaganda. Open-ended responses reveal that respondents dismissed the message as inconsistent with their lived experiences, likely generating cognitive resistance and reinforcing existing negative assessments—a pattern consistent with motivated reasoning (Taber and Lodge 2006; Redlawsk 2002). When individuals perceived local officials as failing to deliver adequate public goods, the treatment could reinforce their skepticism and decrease tax compliance. Rather than boosting compliance, the treatment unintentionally eroded trust and undermined the intended effect.

This study's findings yield important implications for at least three research domains. First, I demonstrate that citizens' responses to claims about political responsiveness influence tax compliance, even in authoritarian contexts such as China. This finding extends fiscal contract theory beyond democratic settings, revealing that perceived state–society reciprocity remains a critical determinant of tax compliance behavior across regime types. Second, my findings align with recent research on authoritarian propaganda, such as Huang (2018) and Bush et al. (2016), showing that hard propaganda can produce backfire effects on people's behavior and attitudes. Third, regarding congressional politics in China, I reconceptualize the analytical framework by positioning congressional representation as an explanatory variable rather than an outcome (Manion 2016; Truex 2016). My findings suggest that while local congresses in China have become more responsive, communication strategies about institutional changes significantly shape citizens' political and behavioral responses.

2 | What Influences Tax Compliance

Existing literature attributes tax compliance to deterrence and morale. Deterrence, as conceptualized by Allingham and Sandmo (1972) using Becker (1968)'s model of economic crime, posits that compliance decisions depend on the expected utility of tax evasion, shaped by tax rates, detection likelihood, and penalties for noncompliance. However, subsequent studies note that this theory overemphasizes economic factors and fails to explain why actual compliance often exceeds predictions (Alm et al. 1992; Graetz and Wilde 1985; Slemrod et al. 2001). These shortcomings have prompted scholars to explore nondeterrence factors, collectively referred to as tax morale.

Tax morale encompasses sociopsychological motivations influencing individuals' willingness to comply with tax regulations (Luttmer and Singhal 2014).¹ Scholars have identified four key morale-related factors affecting compliance, including social norms (Blumenthal et al. 2001; Torgler 2004), peer effects (Hallsworth et al. 2017; Fellner et al. 2013; Carpio 2013), cultural traits (Cummings et al. 2009; Halla 2012), and fiscal social contract, which is the focus of this paper.

The fiscal social contract refers to the idea that citizens perceive tax payments as a contract with the government in exchange for public goods. Tax compliance, in this view, is driven by individuals' attitudes toward the government. Key considerations include whether citizens feel involved in decision-making processes (Feld and Tyran 2002; Lü et al. 2025), perceive the state as legitimate (Levi 1989), hold favorable opinions of governing institutions (Torgler 2005), or believe tax authorities treat them fairly (Torgler 2007). In short, these studies hold that tax compliance reflects a reciprocal relationship between governments and the public.

Empirical evidence on the fiscal social contract remains mixed. Blumenthal et al. (2001) randomly distributed letters detailing government spending on social programs, while Castro and Scartascini (2015) informed taxpayers about specific public goods in their community, and Dwenger et al. (2016) sent information on local German church tax revenues. All three found no effects on taxpayer compliance. By contrast, Hallsworth et al. (2017) demonstrated that compliance improved when taxpayers received detailed information about public expenditure breakdowns. Similarly, Lü et al. (2025) showed that Chinese citizens were more willing to pay property taxes when given an opportunity to participate in the design of new tax laws.

This paper addresses three key limitations in the existing tax compliance literature. First, many prior studies rely on survey data, which often suffer from endogeneity issues (Daude et al. 2013). I employ an experimental approach that ensures causal inference. Second, many previous lab and survey experiments involve college students, who generally lack real-world taxpaying experience. In contrast, my respondents are actual taxpayers. Moreover, as described in more detail below, their education and professional background qualify them as business elites, a group critical to tax compliance in China. Third, much of the existing research focuses on Europe, Latin America, and Africa, with limited attention to Asia or authoritarian regimes. This study bridges the gap by studying the Chinese case, the largest and most powerful authoritarian state in the world today.

3 | Theoretical Expectations

3.1 | Fiscal Social Contract in Taxation

My first theoretical foundation is social contract theory, which posits that individuals view paying taxes as establishing a contractual relationship with governments. Citizens who perceive that governments adequately represent and respond to their demands are more likely to comply with tax obligations. This theory has historical roots in early modern Europe, where monarchs relinquished power to legislative institutions in exchange for the authority to levy new taxes (Moore 2004; Tilly 1992). Similarly, the resource curse literature illustrates how nontax revenues, such as those from natural resources, enable dictators to bypass pressures for representative institutions (Ross 2001).

The contractual relationship between the state and society also extends to public goods and services. Citizens are motivated to pay taxes when they perceive that governments deliver public services in return (Levi 1989). To reinforce the link between tax payments and public provisions, governments often establish representative institutions to reduce compliance costs. Countries relying on personal and business taxes tend to provide stronger property protections, while those relying more on regressive taxes prioritize social spending (Timmons 2005). In sum, social contract theory suggests that fostering tax compliance requires informing and persuading taxpayers that governments are responsive to their interests. Taxpayers' perceptions of whether government officials deliver sufficient public goods and services directly influence their willingness to pay taxes, highlighting the psychological nature of this relationship.

Can social contract theory apply to authoritarian countries like China? Conventional wisdom suggests that democracy is a prerequisite for meaningful representation and accountability, leading some scholars to assert that "it will be difficult to think of a psychological tax contract in autocratic regimes" (Feld and Frey 2007, 107). This skepticism is understandable, particularly in the case of China, where congress delegates have long been dismissed as rubber stamps.

However, recent research suggests that Chinese congresses are experiencing significant shifts in representation and responsiveness. Local congress delegates are increasingly addressing issues their constituents consider important. For nonpolitical matters, delegates have proposed policies that meaningfully reflect public interests, including initiatives for public goods and services. One motivation for improving congressional responsiveness is information acquisition: with limited access to public sentiment, Chinese leaders aim to enhance congressional feedback to better understand citizen preferences and maintain minimal welfare standards (Truex 2016).

Manion (2016) similarly shows that congresses at municipal, county, and township levels have become more responsive since the late 1990s, following the legalization of direct elections for local congresses under a new election law. Because local delegates are nominated and elected by citizens, they have stronger incentives to represent constituent interests. Based on interviews and a survey of local congress delegates, Manion finds that delegates frequently use such terms as voting districts,

constituency, and constituent interests and increasingly see themselves as representatives. In practice, local delegates now advocate more actively for public goods and services, such as road construction, irrigation systems, environmental protection, and social order maintenance.

This political shift in local Chinese congresses provides a unique opportunity to examine whether individuals' perceptions of government responsiveness, informed by this change, influence their tax compliance.

3.2 | Backfire Effects of Exposure to Dissimilar Information

My second theoretical foundation draws from research on public opinion and information processing. Political persuasion scholars have highlighted the potential for backfire effects when individuals are exposed to information that conflicts with their prior beliefs (Taber and Lodge 2006; Redlawsk 2002; Nyhan and Reifler 2010). Backfire effects occur when individuals counterargue challenging information so vigorously that they reinforce their preexisting views, sometimes leading to opinions directly opposing the intended message.

Recent studies show that hard propaganda may trigger backfire effects in authoritarian regimes. Heavy-handed messaging can heighten public awareness of the regime's shortcomings and the nation's challenges, further alienating citizens (Huang 2018). In my study, many respondents displayed strongly negative reactions to information about China's congressional representation. This suggests that the information may have inadvertently produced a backfire effect, reducing citizen compliance rather than enhancing it.

Combining these theoretical perspectives, I hypothesize that information about a recent increase in government responsiveness in China negatively impacts people's tax compliance attitudes. Since the political message in this study is widely perceived as government propaganda, those exposed to it are likely to process it negatively, triggering a backfire effect on tax compliance.

Hypothesis 1. *Individuals exposed to information about China's improved congressional representation will have lower tax compliance than those who are not exposed to the information.*

I further explore two potential sources of effect heterogeneity. First, individuals may vary in their ability to resist persuasive messages (Nyhan and Reifler 2010). Defensive processing is more likely among those with greater political knowledge, as they are better equipped to counterargument persuasive content. Accordingly, I hypothesize that

Hypothesis 2. *The negative treatment effect is stronger among politically sophisticated respondents.*

The second source of effect heterogeneity examined in this study is individuals' self-monitoring propensity. Gangestad and Snyder (2000) argue that people vary in their tendency to monitor and adjust their interpersonal behavior based on social context. High

self-monitors are more attuned to social cues and more likely to tailor their responses to align with prevailing social expectations. In contrast, low self-monitors are less likely to conform to social norms and are more inclined to express their genuine attitudes, even on questions with socially desirable answers (e.g., tax compliance). Accordingly, I hypothesize that

Hypothesis 3. *The negative treatment effect is stronger among low self-monitoring respondents.*

4 | Empirical Strategy

To formally evaluate these hypotheses, I conducted a survey experiment targeting Chinese prospective business elites. This section details the treatment, pilot study, logistical procedures, outcome variables, and moderators used to evaluate effect heterogeneity.

4.1 | Experimental Treatment

My treatment employs a text-based vignette presenting claims about enhanced congressional responsiveness in China. The vignette incorporates two informational components: first, assertions that local congress delegates have become increasingly attentive to citizen interests and more instrumental in public goods provision; and, second, an explanation of the purported incentive structures motivating this behavioral shift. In essence, the vignette articulates *what* local congress delegates are doing and *why* they are doing so. The English translation of the vignette is as follows:

Vignette for Control Group

People's Congresses are a fundamental government institution in China. Local congress delegates meet at least once each year to discuss public policies.

Vignette for Treatment Group

People's Congresses are a fundamental government institution in China. Local congress delegates meet at least once each year to discuss public policies. **We want to inform you that a recent survey of 5,000 local congress delegates reveals a significant shift: delegates are increasingly responsive to local interests, actively advocating for public services that people prioritize, such as road construction, irrigation systems, and maintaining public order. This marks a departure from earlier times when congress delegates rarely facilitated public services. Now, with township and county delegates being nominated and elected, they are motivated to respond to citizens to build their reputations. Notable examples include the congresses in Yangzhou Municipal and Taizhou Wenling.**

TABLE 1 | Balanced test.

	MBA	Non-MBA	Pooled
Female	−0.0183 (0.974)	0.509 (0.395)	0.264 (0.506)
Age	0.0106 (0.899)	0.0286 (0.528)	0.0212 (0.581)
CCP	−0.796 (0.139)	0.0662 (0.911)	−0.369 (0.344)
Income	−0.116 (0.301)	−0.204 (0.184)	−0.150 (0.101)
Political knowledge	−0.0409 (0.836)	0.128 (0.601)	0.0506 (0.741)
MBA			0.0527 (0.897)
Constant	1.021 (0.720)	0.0121 (0.994)	0.286 (0.818)
N	64	55	119

Note: *p*-values are in parentheses.

+ $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

The experimental design restricted exposure to information about improved congressional responsiveness exclusively to the treatment group, isolating exposure to this vignette as the sole experimental manipulation between conditions. I verified randomization through a series of *t*-tests for two independent samples with unequal variance. Table 1 shows that no background covariate predicts the treatment condition. I also examined mean differences separately for MBA and non-MBA respondents, and the results remained the same.

Focus-group discussions and a pilot survey were conducted before the main experiment to develop the vignette. This process commenced with three structured focus-group discussions in September 2016, engaging graduate students and faculty from a major Shanghai university (University A) to refine the framing and linguistic presentation of the vignette. Subsequently, I conducted a pretest with Chinese respondents to evaluate treatment reception. Qualitative feedback collected through open-ended response items reveals that while respondents generally comprehended the intended message about congressional responsiveness, many exhibited skepticism, interpreting the information as state propaganda rather than objective reporting. More details are provided in the Discussion section.

4.2 | Logistical Details

This experiment involves 119 Chinese prospective business elites with full-time work experience. Recruitment began on November 12, 2016, with MBA students from a program at another major university in Shanghai (University B). Two days later, additional respondents were recruited from the MBA program at University A, bringing the total to 64 MBA respondents. On November 15, my Chinese partners leveraged their social networks to recruit

more respondents through Alumni Group Chats on WeChat. I incentivized participation using its “grab the red envelope” (*qianghongbao*) feature, resulting in 55 completed surveys. All respondents in the Alumni Group Chats are university graduates with majors in business administration or economics.

Compared to prior tax experiments using undergraduate students as subjects, my respondents are better suited for tax-related studies. MBA respondents recruited have at least 2 years of full-time work experience, with most having 4–5 years or more. For non-MBA respondents recruited via WeChat, I confirmed that only those with work experience—and no current undergraduates—completed the survey.

The experiment began with respondents answering standard demographic questions. They were then randomly assigned to either the treatment or control group.² After reading the vignette, respondents were asked: To what extent do you think local congress delegates are willing to respond to ordinary people’s interests? This question served as a manipulation check. Respondents then completed a series of posttreatment questions about tax compliance and the rest of background questions, including political knowledge and self-monitoring propensity, before exiting the survey.

4.3 | Measures of Tax Compliance, Political Sophistication, and Self-Monitoring

My outcome variable is attitudes toward tax compliance. To design survey items, I drew on established measures from the Internal Revenue Service, the World Values Survey, and Afrobarometer, which have been widely used in prior research on tax compliance (Ali et al. 2014; Cummings et al. 2009; Halla 2012; Daude et al. 2013). The names and wordings of the survey items are as follows:

1. *Accountable*: How much do you agree that everyone who cheats on his or her taxes should be held accountable?
2. *Reasonable*: How much do you agree that people should just need to pay what they feel is a fair amount of taxes to the government?
3. *Acceptable*: Which statement do you agree with the most?
 - Tax fraud is unacceptable under any circumstance because it is a matter of principle and fairness (coded 1 if this statement is selected).
 - Fraud and taxes are inseparable, as everyone evades taxes to some extent, and this is how the system is sustainable (coded 0 if this statement is selected).

The first two items, accountable and reasonable, are measured on a 7-point Likert scale, while the third item, acceptable, is binary. I create a composite index, tax compliance, by averaging the standardized values of the three items. This index serves as the primary outcome variable in my empirical analysis. For transparency, I also report separate results for each of the three items.

To measure political sophistication, I use six questions (see the [Supporting Information](#)) assessing political knowledge. The responses are summed, and the total is dichotomized based on

TABLE 2 | Summary statistics.

Variable	Mean	Std. Dev.	Min.	Max.
Female	0.513	0.502	0	1
Age	29.387	4.842	22	51
CCP membership	0.387	0.489	0	1
Income category	6.353	2.276	1	10
Marital status (married = 1)	0.378	0.487	0	1
MBA program (yes = 1)	0.538	0.501	0	1
Manipulation check	3.118	0.845	1	5
Tax compliance index	0	0.636	−1.6	1.012
Accountable (raw)	5.311	1.76	1	7
Reasonable (raw)	4.42	2.027	1	7
Acceptable (raw)	0.605	0.491	0	1
Accountable (standardized)	0	1	−2.449	0.96
Reasonable (standardized)	0	1	−1.687	1.273
Acceptable (standardized)	0	1	−1.232	0.805
Political knowledge	2.269	1.406	0	6
Self-Monitoring propensity	14.008	1.998	9	19
Observations			119	

the mean to create a binary variable distinguishing high political knowledge (1) from low (0). For self-monitoring propensity, I adopt six items from Berinsky and Lavine (2011). These items are categorized as follows: Positive-keyed items indicate that a “true” response in a traditional true–false format reflects high self-monitoring propensity. Negative-keyed items indicate that a “false” response reflects a high self-monitoring propensity. Based on the survey responses, I created a binary variable, also dichotomized by the mean, to classify respondents as low self-monitors (1) or high self-monitors (0).

Table 2 reports summary statistics of the key variables, including respondents’ background characteristics, outcome scores, political sophistication, and self-monitoring propensity. The [Supporting Information](#) presents specific survey wordings.

5 | Results

My main focus is the average treatment effect (ATE) of being assigned to the treatment condition on the outcome variables. I estimate the ATE using ordinary least squares with standard errors clustered by the block variable. I also performed a manipulation check to evaluate the effectiveness of the treatment. As the information treatment was widely perceived as state propaganda, it carried the potential to backfire. A comparison of group means confirmed this, showing that the treatment significantly lowered respondents’ perceptions of congressional responsiveness.

Since the treatment effectively reduced perceptions based on reported congressional responsiveness, I expect it to result in respondents expressing *lower* tax compliance. The results support this expectation: respondents in the treatment group were

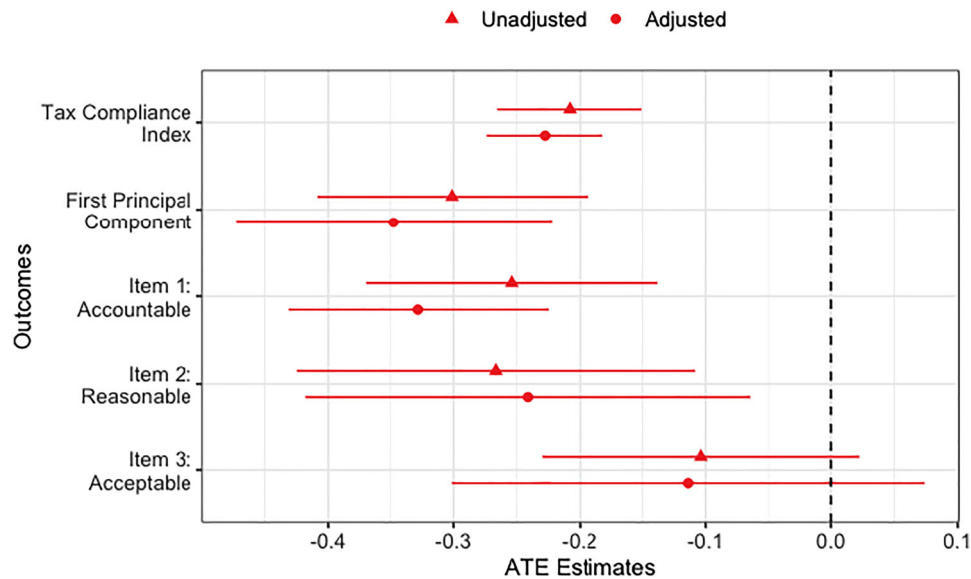


FIGURE 1 | Estimates of average treatment effects.

Note: The dots represent point estimates, and the bars represent 95% confidence intervals. The tax compliance index is an index averaging the standardized scores of the three survey items used to measure compliance attitudes. First, the principal component represents the ATE on the first principal component as a robustness check. The unadjusted model regresses outcomes on the treatment condition without background covariates, while the adjusted model regresses outcomes on the treatment condition and background covariates. I estimate the ATE using ordinary least squares with clustered standard errors. $N = 119$.

Note: The dots represent point estimates, and the bars represent 95% confidence intervals. The tax compliance index is an index averaging the standardized scores of the three survey items used to measure compliance attitudes. First, the principal component represents the ATE on the first principal component as a robustness check. The unadjusted model regresses outcomes on the treatment condition without background covariates, while the adjusted model regresses outcomes on the treatment condition and background covariates. I estimate the ATE using ordinary least squares with clustered standard errors. $N = 119$.

significantly less willing than those in the control group to comply with tax regulations. Figure 1 reveals that the treatment consistently produced negative coefficients across all outcome measures. Notably, the estimates are statistically significant at the 0.05 level for two of the three outcome measures. While the third outcome variable, Acceptable, does not reach the standard significance level possibly due to the small sample size, it is very close to the 0.10 level. These results remain robust with covariate adjustment.

As a robustness check, I utilized a principal component analysis, using the first principal component as the outcome. The ATE estimate remains negative and significant at the 0.05 level. Tabular results are presented in Table SI-1 in the [Supporting Information](#).

Overall, the results support my expectation that individuals' perceptions of government responsiveness significantly shape their tax compliance. Specifically, respondents who were exposed to the information treatment processed and reacted to it negatively, resulting in lower tax compliance compared to those who were not. In essence, the information treatment, perceived as state propaganda, triggered a pronounced backfire effect.

I next assess whether the treatment effects are conditional on individuals' political knowledge and self-monitoring propensity. I hypothesized that the backfire effect may be more pronounced among politically sophisticated respondents (H2) and those who are low self-monitors (H3). Results in Table 3 indicate that political knowledge does not moderate the treatment effects. However, Table 4 reports suggestive evidence that the back-

fire effect seems stronger among respondents who are more inclined to provide truthful answers to sensitive questions. Most interaction terms have the expected direction, with statistically significant effects for two outcome measures, reasonable and acceptable. That said, these findings should be interpreted with caution, as the study's limited sample size, due to the challenges of accessing business elites, limits my capacity to draw definitive conclusions.

6 | Discussion

What mechanisms explain the negative effect of information about increased congressional responsiveness on tax compliance? One plausible explanation is that survey respondents did not believe the information and counterargued against it. I included open-ended questions in a pilot study to gauge opinions about the information treatment. The pilot sample possessed demographic and educational characteristics comparable to the main experimental group, with respondents sharing similar academic training in business administration or economics and predominantly residing in Shanghai.

Qualitative analysis of responses revealed predominantly negative reactions to the treatment information. Although the treatment presents information about increased congressional responsiveness in a neutral manner without particularly forceful rhetoric or explicit ideological content, many respondents viewed the message as state propaganda designed to portray the governing institutions as more responsive. Some questioned the

TABLE 3 | Treatment effects moderated by political sophistication.

	(1)	(2)	(3)	(4)
	Tax morale	Accountable	Reasonable	Acceptable
Treatment	−0.309*	−0.368*	−0.319+	−0.240*
	(0.019)	(0.035)	(0.070)	(0.016)
High knowledge	−0.161+	−0.435*	0.0309	−0.0781
	(0.079)	(0.030)	(0.849)	(0.543)
Treatment#	0.240	0.298	0.113	0.309
High knowledge	(0.172)	(0.186)	(0.475)	(0.129)
Constant	0.173**	0.308**	0.126*	0.0856
	(0.001)	(0.003)	(0.028)	(0.173)
Obs.	119	119	119	119

Note: *p*-values are in parentheses.

+ *p* < 0.10, * *p* < 0.05, ** *p* < 0.01, *** *p* < 0.001.

TABLE 4 | Treatment effects moderated by self-monitoring propensity.

	(1)	(2)	(3)	(4)
	Tax Morale	Accountable	Reasonable	Acceptable
Treatment	0.0109	−0.482**	0.135	0.379+
	(0.935)	(0.006)	(0.445)	(0.062)
Low self-monitoring	0.302+	0.0150	0.247	0.643**
	(0.076)	(0.932)	(0.190)	(0.009)
Treatment#low	−0.334	0.418+	−0.680**	−0.742*
Self-monitoring	(0.114)	(0.056)	(0.003)	(0.040)
Constant	−0.0926	0.122	−0.0255	−0.375*
	(0.223)	(0.191)	(0.856)	(0.024)
Obs.	119	119	119	119

Note: *p*-values are in parentheses.

+ *p* < 0.10, * *p* < 0.05, ** *p* < 0.01, *** *p* < 0.001.

message's source, suggesting it originated from the government and was intended to mislead people into believing in congressional responsiveness, which they felt was far from reality. Others expressed that local congress delegates rarely play a visible role in their daily lives, leading them to dismiss the message in the treatment as unreflective of their experiences. Additionally, some respondents explicitly stated that they distrust official reports and propaganda materials, including the provided message. They also criticized the lack of transparency in local congressional elections, despite repeated government claims about their value and benefits. This qualitative evidence aligns with Stockmann (2013), who argues that Chinese citizens often resist political messages perceived to originate from government sources, such as official newspapers.

Another potential explanation is a lack of trust in the political actors featured in the vignette. The established literature on persuasive communication has demonstrated that message acceptance correlates strongly with source credibility (Lupia and McCubbins 1998). Studies have shown that Chinese citizens' political trust often depends on the level of government:

the central government is generally viewed as more trustworthy than local governments (Li 2004). Statistical results from the 2008 China Survey corroborate this, showing significantly higher confidence in the central government compared to local governments.³ Similarly, Tang (2016) provides evidence that the central government is often perceived as highly responsive to public needs. It is possible, therefore, that the information treatment in this study might have been more persuasive if the central government, rather than local congress delegates, had been the focal political actor in the vignette.

Temporal context constitutes a third plausible explanation for the observed backfire effect. In September 2016, 454 members of the Liaoning Provincial Congress were removed from office following widespread allegations of vote buying and bribery. Earlier that year, the Chinese government launched an investigation into the scandal, culminating in the expulsion of Wang Min, the former Communist Party head of Liaoning province. This highly publicized governance failure likely primed respondents to approach claims of improved congressional responsiveness with

heightened critical scrutiny, potentially amplifying the negative evaluation of the treatment message.

It is important to note that respondents' negative reactions to the treatment were unlikely directed at the specific types of public goods mentioned in the treatment (roads, irrigation systems, public order).⁴ Rather, as evident from the open-ended responses, respondents fundamentally rejected the premise that local congress delegates had become more responsive in providing these goods. The backfire effect occurred because respondents perceived a disconnect between the positive message about improved responsiveness and their contradictory personal experiences with local governance. This distinction clarifies that the issue was not dissatisfaction with the public goods themselves, but rather disbelief in the claim of increased government responsiveness in delivering these goods.

Limitations of this study should also be noted. First, my treatment provides general information about improved congressional responsiveness rather than detailed expenditure breakdowns or specific implementation examples. This design differs substantively from the approach employed by Hallsworth et al. (2017), which demonstrated enhanced compliance when taxpayers received highly detailed information about public expenditure allocations. Future research can examine whether more specific, quantifiable, and verifiable information about government responsiveness might reduce skepticism and mitigate the backfire effect observed in this study. It is possible that increasing the level of detail and providing concrete evidence of responsiveness might overcome the perception of reported government responsiveness as propaganda. Second, my study sample predominantly comprised individuals from China's coastal regions, where political attitudes typically demonstrate greater divergence from elite preferences (Harmel et al. 2024). This geographic concentration introduces a potential scope condition for the observed effects, as the magnitude of backfire may be attenuated in regions where citizens exhibit higher levels of elite-conforming attitudes.

To conclude, although fiscal contract theory has long argued that individuals' willingness to pay taxes depends on their perceptions of government responsiveness, its applicability to authoritarian contexts remains elusive. To address this gap, I conducted an experiment in China and found supporting evidence for the theory. A more intriguing finding is that respondents negatively processed the information about China's improved congressional representation, resulting in a backfire effect on citizen compliance. My qualitative evidence suggests that Chinese respondents perceived the information as state propaganda. These results align with belief-preserving mechanisms outlined in the literature and complement recent studies showing that hard propaganda often backfires.

Ethics Statement

This study obtained IRB approval from the University of Texas at Austin, Austin, Texas, USA.

Conflicts of Interest

The author declares no conflicts of interest.

Endnotes

- ¹ Throughout this paper, I use tax morale, willingness to pay taxes, and attitudes toward tax compliance interchangeably.
- ² I used block random assignment to enhance statistical power, dividing respondents into three blocks (two for MBA classes and one for university alumni) and performing random assignment within each block.
- ³ Mean confidence scores were calculated using a survey question asking respondents how much confidence they had in the central and local governments, rated on a scale from 0 (least confident) to 10 (most confident). The average score of trust in central government is 8.17 (SD: 2.197) while 6.54 (SD: 2.65) for trust in local government.
- ⁴ Dickson et al. (2016) demonstrate in their study of urban China that citizens generally value these types of public goods, and better provision typically correlates with higher regime support.

References

- Ali, M., O.-H. Fjeldstad, and I. H. Sjørnsen. 2014. "To Pay or Not to Pay? Citizens' Attitudes Toward Taxation in Kenya, Tanzania, Uganda, and South Africa." *World Development* 64: 828–842.
- Allingham, M. G., and A. Sandmo. 1972. "Income Tax Evasion: A Theoretical Analysis." *Journal of Public Economics* 1, no. 3: 323–338.
- Alm, J., G. H. McClelland, and W. D. Schulze. 1992. "Why Do People Pay Taxes?" *Journal of Public Economics* 48, no. 1: 21–38.
- Alm, J., G. H. McClelland, and W. D. Schulze. 1999. "Changing the Social Norm of Tax Compliance by Voting." *Kyklos* 52, no. 2: 141–171.
- Becker, G. S. 1968. "Crime and Punishment: An Economic Approach." *Journal of Political Economy* 76, no. 2: 169–217.
- Berinsky, A., and H. Lavine. 2011. "Self-Monitoring and Political Attitudes." In *Improving Public Opinion Surveys: Interdisciplinary Innovation and the American National Election Studies*, 27–45. Princeton University Press.
- Blumenthal, M., C. Christian, J. Slemrod, and M. G. Smith. 2001. "Do Normative Appeals Affect Tax Compliance? Evidence From a Controlled Experiment in Minnesota." *National Tax Journal* 54, no. 1: 125–138.
- Brautigam, D., O.-H. Fjeldstad, and M. Moore. 2008. *Taxation and State-Building in Developing Countries: Capacity and Consent*. Cambridge University Press.
- Bush, S. S., A. Erlich, L. Prather, and Y. Zeira. 2016. "The Effects of Authoritarian Iconography: An Experimental Test." *Comparative Political Studies* 49, no. 13: 1704–1738.
- Carpio, L. D. 2013. "Are the Neighbors Cheating? Evidence From a Social Norm Experiment on Property Taxes in Peru." Working Paper.
- Castro, L., and C. Scartascini. 2015. "Tax Compliance and Enforcement in the Pampas Evidence From a Field Experiment." *Journal of Economic Behavior & Organization* 116: 65–82.
- China Briefing News. 2014. "China Gets Serious in the Fight Against Tax Evasion." *China Briefing*. Publication Date: March 27, 2014. <https://www.china-briefing.com/news/china-gets-serious-fight-tax-evasion/>.
- Cummings, R. G., J. Martinez-Vazquez, M. McKee, and B. Torgler. 2009. "Tax Morale Affects Tax Compliance: Evidence From Surveys and an Artefactual Field Experiment." *Journal of Economic Behavior & Organization* 70, no. 3: 447–457.
- Daude, C., H. Gutiérrez, and N. M. Sánchez. 2013. "What Drives Tax Morale? A Focus on Emerging Economies." *Review of Public Economics* 4, no. 207: 9–40.
- Dickson, B. J., P. F. Landry, M. Shen, and J. Yan. 2016. "Public Goods and Regime Support in Urban China." *The China Quarterly* 228: 859–880.
- Dwenger, N., H. Kleven, I. Rasul, and J. Rincke. 2016. "Extrinsic and Intrinsic Motivations for Tax Compliance: Evidence From a Field

- Experiment in Germany." *American Economic Journal: Economic Policy* 8, no. 3: 203–232.
- Feld, L. P., and B. S. Frey. 2007. "Tax Compliance as the Result of a Psychological Tax Contract: The Role of Incentives and Responsive Regulation." *Law & Policy* 29, no. 1: 102–120.
- Feld, L. P., and J.-R. Tyran. 2002. "Tax Evasion and Voting: An Experimental Analysis." *Kyklos* 55, no. 2: 197–221.
- Fellner, G., R. Sausgruber, and C. Traxler. 2013. "Testing Enforcement Strategies in the Field: Threat, Moral Appeal and Social Information." *Journal of the European Economic Association* 11, no. 3: 634–660.
- Gangestad, S. W., and M. Snyder. 2000. "Self-Monitoring: Appraisal and Reappraisal." *Psychological Bulletin* 126, no. 4: 530–555.
- Graetz, M., and L. Wilde. 1985. "The Economics of Tax Compliance: Fact and Fantasy." *National Tax Journal* 38, no. 3: 355–363.
- Halla, M. 2012. "Tax Morale and Compliance Behavior: First Evidence on a Causal Link." *The B.E. Journal of Economic Analysis & Policy* 12, no. 1.
- Hallsworth, M., J. A. List, R. D. Metcalfe, and I. Vlaev. 2017. "The Behavioralist as Tax Collector: Using Natural Field Experiments to Enhance Tax Compliance." *Journal of Public Economics* 148: 14–31.
- Harmel, R., Z. Li, C. Shen, and Y.-Y. Yeh. 2024. "Monolithic Chinese Political Culture?: A Cross-Regional Exploration." *Social Science Quarterly* 105, no. 5: 1457–1473.
- Huang, H. 2018. "The Pathology of Hard Propaganda." *Journal of Politics* 80, no. 3: 1034–1038.
- Lü, X., L. Tsai, P. Zhang, and M. Trinh. 2025. "Do Government Accountability and Responsiveness Enhance Support for Property Taxes? Experimental Evidence From China." *World Development* 194: 107051.
- Levi, M. 1989. *Of Rule and Revenue*. University of California Press.
- Li, L. 2004. "Political Trust in Rural China." *Modern China* 30, no. 2: 228–258.
- Li, L., and G. Ma. 2015. "Government Size and Tax Evasion: Evidence From China." *Pacific Economic Review* 20, no. 2: 346–364.
- Lupia, A., and M. D. McCubbins. 1998. *The Democratic Dilemma: Can Citizens Learn What They Need to Know?* Cambridge University Press.
- Luttmer, E. F. P., and M. Singhal. 2014. "Tax Morale." *The Journal of Economic Perspectives* 28, no. 4: 149–168.
- Manion, M. 2016. *Information for Autocrats: Representation in Chinese Local Congresses*. Cambridge University Press.
- Moore, M. 2004. "Revenues, State Formation and the Quality of Governance in Developing Countries." *International Political Science Review* 25, no. 3: 297–319.
- Nyhan, B., and J. Reifler. 2010. "When Corrections Fail: The Persistence of Political Misperceptions." *Political Behavior* 32, no. 2: 303–330.
- Redlawsk, D. P. 2002. "Hot Cognition or Cool Consideration? Testing the Effects of Motivated Reasoning on Political Decision Making." *Journal of Politics* 64, no. 4: 1021–1044.
- Ross, M. L. 2001. "Does Oil Hinder Democracy?" *World Politics* 53, no. 03: 325–361.
- Slemrod, J., M. Blumenthal, and C. Christian. 2001. "Taxpayer Response to an Increased Probability of Audit: Evidence From a Controlled Experiment in Minnesota." *Journal of Public Economics* 79, no. 3: 455–483.
- Stockmann, D. 2013. *Media Commercialization and Authoritarian Rule in China*. Cambridge University Press.
- Taber, C. S., and M. Lodge. 2006. "Motivated Skepticism in the Evaluation of Political Beliefs." *American Journal of Political Science* 50, no. 3: 755–769.
- Tang, W. 2016. *Populist Authoritarianism: Chinese Political Culture and Regime Sustainability*. Oxford University Press.
- Tilly, C. 1992. *Coercion, Capital and European States A.D. 990–1992*, rev. ed. Wiley-Blackwell.
- Timmons, J. F. 2005. "The Fiscal Contract: States, Taxes, and Public Services." *World Politics* 57, no. 4: 530–567.
- Torgler, B. 2004. "Moral Suasion: An Alternative Tax Policy Strategy? Evidence From a Controlled Field Experiment in Switzerland." *Economics of Governance* 5, no. 3: 235–253.
- Torgler, B. 2005. "Tax Morale and Direct Democracy." *European Journal of Political Economy* 21, no. 2: 525–531.
- Torgler, B. 2007. *Tax Compliance and Tax Morale: A Theoretical and Empirical Analysis*. Edward Elgar.
- Truex, R. 2016. *Making Autocracy Work: Representation and Responsiveness in Modern China*. Cambridge University Press.

Supporting Information

Additional supporting information can be found online in the Supporting Information section.

Table SI-1: Treatment Effect on Tax Compliance Attitudes