**Supplemental material**

**Appendix A: Experimental questionnaire**

***Please read the following description of a country:***

*In the last census of population in April 2009 Varosia had [number of inhabitants in each participating country] inhabitants and the territory of Varosia occupies [area of each participating country]. The unemployment rate is at an average.*

Subsequently, information regarding the manipulation of trust **([low] high)** differed from one condition to other:

*Since Varosia’s autonomy it has been marked with a* ***[low] high political stability*** *and an* ***[oligarchic (authority of few)] democratic government****.* ***[Seldom] Regularly referenda*** *are held, in which the citizens of Varosia can co-decide in the legislation.*

*The government enjoys a [bad] good reputation in the population. It can be concluded from opinion polls that* ***70%*** *of the citizens are* ***[not] satisfied with*** *the current* ***government****.*

*Varosia’s* ***legislation*** *is* ***[not] transparent*** *and the government offers [no] the opportunity of free counselling on judicial subjects and tax issues in information centers. Furthermore, Varosia’s public authorities are* ***[little] very service-oriented*** *and [not] interested in supporting Varosia’s citizens.*

*The* ***budget expenditures*** *of the state are* ***[not] traceable*** *for Varosia’s citizens, because they are [not] regularly informed about the use of tax money. In an opinion poll in October 2010* ***78%*** *of Varosia’s citizens indicated to* ***have*** *the* ***impression*** *that their tax* ***money*** *is* ***[not] used reasonably****.*

*Besides [a lot of] little tax money is embezzled by politicians. According to an international corruption index (CPI), Varosia is one of the countries with the* ***[highest] lowest perceived corruption****.*

*All these factors cause that the citizens of Varosia trust their country* ***a [little] lot****.*

Afterwards, information concerning the manipulation of power **([low] high)** was adapted to each condition:

*The* ***prosecution of tax evaders*** *is* ***[not]******very effective****. Because of the tax legislation it is [difficult] easy for the government to conduct audits on its citizens and therewith to chase tax evaders.*

*The government assigns a* ***[low] high budget*** *to the tax office* ***to punish tax evasion****. With the means at hand it is [not] possible for the tax office to employ qualified tax inspectors. In addition, the members of the tax office of Varosia are perceived as [little] very present.*

*The* ***chance to be audited*** *for self-employed people is* ***very [low] high****. This is to say that self-employed are [not] audited very often. Therefore,* ***[not]*** *very many of the committed tax offences can be detected. Moreover, the* ***fines for tax evasion*** *are* ***[not] very severe*** *in Varosia. When tax evaders are detected, they do* ***[not]*** *have to anticipate severe fines. The tax office does* ***[not]*** *exercise benignity.*

*All these factors cause that the citizens of Varosia assess their government as [little] very powerful.*

**Questionnaire**

*Imagine that you are living, working and paying taxes in Varosia. You are working as a self-employed and your business is running good. Your tax declaration is due and you have to pay taxes.*

*Manipulation check trust*

* The governmental authorities in Varosia act fairly towards their citizens.
* In Varosia the interests of a few are considered stronger than the interests of the community.
* The governmental institutions of Varosia act upon their citizens’ interests.

*Manipulation check power*

* Chances that tax evasion will be detected in Varosia are high.
* It is easy to evade taxes in Varosia.
* The governmental institutions in Varosia are very effective in the suppression of tax criminality.

*Intended tax compliance*

* How likely would you be to pay your tax completely honestly?
* How much of your yearly income would you declare completely honestly?
* How likely would you be to retain part of your taxes?

*Voluntary tax compliance*

When I pay my taxes in Varosia as required by the regulations, I do so…

* ...because to me it’s obvious that this is what you do.
* ...to support the state and other citizens.
* ...because I like to contribute to everyone’s good.
* ...because for me it’s the natural thing to do.
* ...because I regard it as my duty as citizen.

*Enforced tax compliance*

When I pay my taxes in Varosia as required by the regulations, I do so…

* ... because a great many tax audits are carried out.
* ... because the tax office often carries out audits.
* ... because I know that I will be audited.
* ... because the punishments for tax evasion are very severe.
* ... because I do not know exactly how to evade taxes without attracting attention.

*Tax evasion in the form of strategic tax paying*

* A customer paid in cash and did not require an invoice. You could intentionally omit this income on your tax return. How likely is it that you would omit this income?
* You bought some of your goods privately. You could resell those goods later to established customers and omit the profit from this sale on your income tax return. How likely is it that you would omit the profit from this sale on your income tax return?
* You could intentionally declare restaurant bills for meals you had with your friends as business meals. How likely is it that you would declare those restaurant bills as business meals?
* You have been abroad to meet relatives and to have a short meeting with one of your suppliers. Regardless of this you could declare your expenses for the hotel and for the meals you invited your relatives to as business travel and business meal. How likely is it that you would declare your expenses as business travel or business meal?
* Recently you took part in a project in an acquaintance’s company. Now you could conceal this taxable additional income on your income tax return. How likely is it that you would conceal this additional income?

*Perceived* *similarity* *of Varosia and the home country*

* How similar do you perceive the country of Varosia to be in comparison to your own country?
* How similar do you perceive the power of authorities in the country of Varosia to be in comparison to your own country?
* How similar do you perceive the trust in authorities in the country of Varosia to be in comparison to your own country?

**Appendix B: Detailed demographic information**



***Figure S1****: Sample size per country/region.*



***Figure S2****: Mean age per country/region sample.*



***Figure S3****: Female ratio per country/region sample.*

**Appendix C: Detailed information on experimental questionnaire**

The questionnaires were translated from English into the respective language of the participating country/region by one independent translator and then translated back to English by another independent translator to check for accuracy. The questionnaires were handed to participants in paper format in most countries/regions, with China’s Hong Kong, Norway, and the United Kingdom entirely or partially using online versions. It took about 15 minutes to complete the questionnaire. Participation was voluntary and no monetary or other incentives were provided, except for Canada, Norway, and the UK where small incentives for completion were offered (course credit, small lottery).

The original study comprised a 2 (low trust vs. high trust) x 2 (low power vs. high power) between-subjects experimental questionnaire resulting in four conditions: (1) *low trust* and *low power*, (2) *low trust* and *high power*, (3) *high trust* and *low power*, and (4) *high trust* and *high power*. Materials were adapted from Wahl et al. (2010). Individuals were randomly assigned to one of the conditions, were asked to read the description of a fictitious country named Varosia and imagine living there as a self-employed citizen who runs a successful business with an obligation to pay taxes.

The manipulation of trust (low vs. high) was achieved by, for instance, describing the political stability, citizens’ satisfaction, transparency of legislation, service-orientation, or transparency of public expenditures in Varosia as either low or high. The manipulation of power (low vs. high) was implemented by, for instance, portraying the effectiveness of prosecution and prevention of tax evasion, chances to be audited, or fines for tax evasion as either low or high.

After reading the scenarios, participants were asked to fill out a questionnaire containing scales on manipulation checks of trust and power, several tax-related variables (not analysed in the present study; for results see Batrancea et al., 2019), and perceived similarity between Varosia and their home country/region.

The manipulation checks regarding trust in authorities (e.g., ‘The governmental authorities in Varosia act fairly towards their citizens’) and perceived power of the authorities (e.g., ‘Chances that tax evasion will be detected in Varosia are high.’) consisted of three items each and answers were given on a scale ranging from 1 (*strong disagreement*) to 9 (*strong agreement*). Both scales showed high reliability (αtrust = .83; αpower = .85).

Similarity between Varosia and the respective home country/region was assessed with three items. One item measured the general similarity between the description of Varosia in the scenarios and the country/region of participation (i.e., ‘How similar do you perceive the country of Varosia in comparison to your own country?’). Two further items specifically addressed the similarity of trust and power descriptions in Varosia and the respective home country/region (e.g., ‘How similar do you perceive the trust in authorities in the country of Varosia in comparison to your own country?’). The answering format ranged from 1 (*very dissimilar*) to 9 (*very similar*).

**Appendix D: Manipulation check trust and power**

One precondition of calculating trust and power indices per country/region was a successful manipulation of low versus high trust and power, respectively. The data were structured on two levels with variations occurring at class level (i.e., countries/regions) and at individual level (i.e., responses of each individual). To account for this structure while testing whether the manipulation of trust and power was successful, we ran two linear mixed-effects regressions with perceived trust and power manipulation check scores as dependent variables and the manipulation of trust and power, along with their interaction, as independent variables at the individual level. We specified the independent variables as fixed effects (testing the overall effect of trust and power on the manipulation check scores) along with a random intercept for country/region and random slopes of the independent variables (testing how much the effect of trust and power varied between countries/regions). The results of both regression models are presented in Table S1.

***Table S1****: Linear mixed-effects regression models for the manipulation check scores.*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Check Trust | |  | Check Power | |  |
| Fixed effects |  | B | SE |  | B | SE |  |
| Intercept |  | 2.71\*\*\* | 0.07 |  | 2.89\*\*\* | 0.09 |  |
| Trust |  | 3.05\*\*\* | 0.10 |  | 0.29\*\*\* | 0.05 |  |
| Power |  | 0.25\*\*\* | 0.06 |  | 3.66\*\*\* | 0.17 |  |
| Trust \* Power |  | 0.79\*\*\* | 0.08 |  | 0.32\*\*\* | 0.10 |  |
|  |  |  |  |  |  |  |  |
| Random effects |  | σ2 | |  | σ2 | |  |
| Intercept |  | 0.17 | |  | 0.34 | |  |
| Trust |  | 0.35\*\*\* | |  | 0.04\*\*\* | |  |
| Power |  | 0.09\*\*\* | |  | 1.28\*\*\* | |  |
| Trust \* Power |  | 0.18\*\*\* | |  | 0.28\*\*\* | |  |
| Residual |  | 2.54 | |  | 2.68 | |  |
|  |  |  |  |  |  |  |  |
| Fit indicator |  |  |  |  |  |  |  |
| Pseudo R2marginal |  | 0.53 | |  | 0.55 | |  |

*Note*. *N* = 14,509, *N*class-level *=* 44. Trust and power were coded with 0 = *low* and 1 = *high*. \*\*\**p* < .001.

Regarding the manipulation of trust, as expected, participants in the high trust and low power condition indicated more trust in the authorities of Varosia than those in the low trust and low power condition. The simple effect of power also showed an influence on the level of perceived trust, however, to a much smaller extent. There was also a significant interaction term expressing that a combination of high trust and high power led to higher perceived trust than expected from the additive effect of the two simple effects. The random slope results are illustrated in Figure S4 and express between-country/region variability for all three effects. The effect variance was most pronounced for the simple effect of trust. Effects ranged from *B* = 1.49, 95% CI [1.09, 1.89], in the UAE to *B* = 3.89, 95% CI [3.51, 4.26], in Sweden. Note that effect estimates for all countries/regions were positive, expressing a successful manipulation of trust for the full sample.

Regarding the manipulation of power, participants in the low trust and high power conditions perceived power of authorities significantly higher as compared to participants in the low trust and low power condition. Furthermore, participants in the high trust and low power condition reported higher perceptions of power than those in the low trust and low power condition. Again, this cross-effect was clearly smaller than the simple effect of power. As before, the positive interaction term indicated that a combination of high trust and high power yielded levels of perceived power beyond the additive prediction of the two simple effects. For the random slope results see Figure S5. The variance of the simple effect of power was most pronounced and of negligible size for the remaining effects. The effect of power ranged from *B* = 1.17, 95% CI [0.75, 1.60], in the UAE to *B* = 5.68, 95% CI [5.25, 6.11], in Germany. As before, effect estimates for all countries/regions were positive, expressing a successful manipulation of power for the full sample.



***Figure S4****: Regression coefficients of trust and power condition dummies, and their interaction, for the manipulation check score of trust in authorities by country/region. For each individual figure, the thick vertical line indicates a null effect. The thin vertical line indicates the overall fixed effect parameter, which is enhanced by two blue lines marking the limits of the 95% confidence interval (CI) of the fixed effect that is emphasized in blue shading. Black dots show country/region-specific effects with error bars expressing their 95% CI. Should a country/region-specific interval not incorporate the null effect line, the country/region-specific effect is deemed significant. Should a country/region-specific interval not superimpose on the blue shaded area, the country/region-specific effect significantly deviates from the overall fixed effect.*



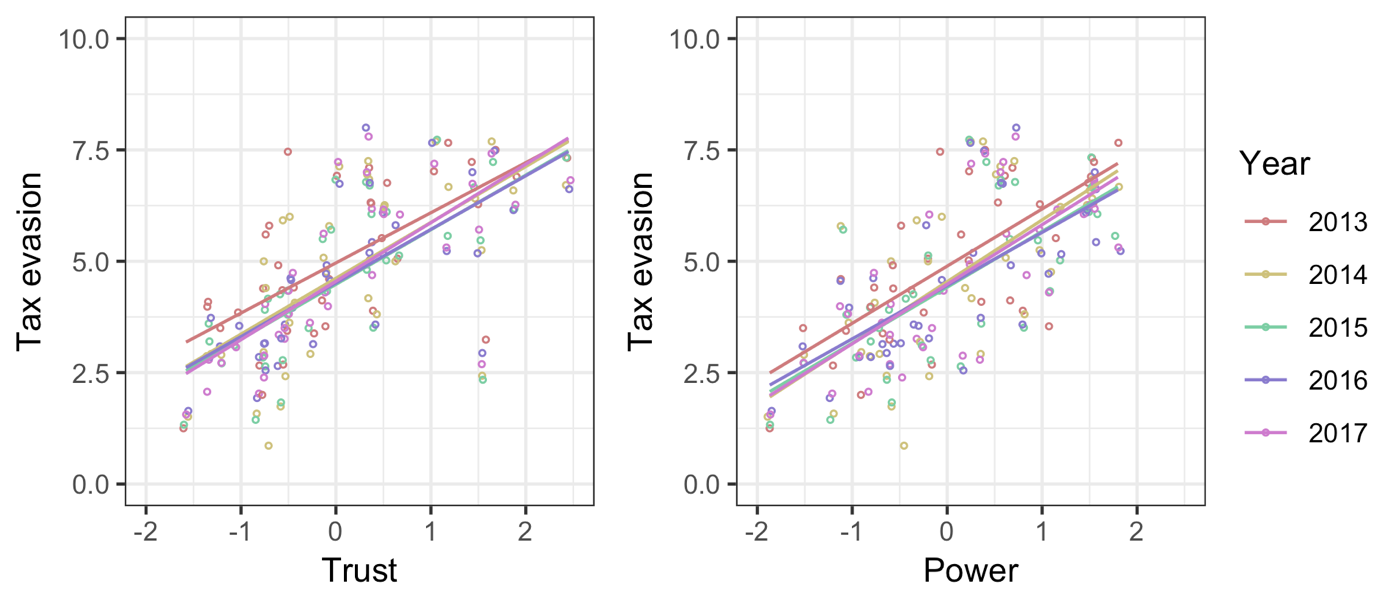
***Figure S5****: Regression coefficients of trust and power condition dummies, and their interaction, for the manipulation check score of power of authorities by country/region. For each individual figure, the thick vertical line indicates a null effect. The thin vertical line indicates the overall fixed effect parameter, which is enhanced by two blue lines marking the limits of the 95% confidence interval (CI) of the fixed effect that is emphasized in blue shading. Black dots show country/region-specific effects with error bars expressing their 95% CI. Should a country/region-specific interval not incorporate the null effect line, the country/region-specific effect is deemed significant. Should a country/region-specific interval not superimpose on the blue shaded area, the country/region-specific effect significantly deviates from the overall fixed effect.*

**Appendix E: Additional confirmatory analysis**

***Table S2****: Linear mixed-effects models with tax evasion as dependent variable.*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Model 1 | |  | Model 2 | |  | Model 3 | |  |
| Fixed effects |  | *B* | *SE* |  | *B* | *SE* |  | *B* | *SE* |  |
| Intercept |  | 4.63\*\*\* | 0.19 |  | 4.56\*\*\* | 0.18 |  | 4.65\*\*\* | 0.20 |  |
| Trust |  | 1.22\*\*\* | 0.19 |  |  |  |  | 0.73\*\* | 0.23 |  |
| Power |  |  |  |  | 1.29\*\*\* | 0.19 |  | 0.80\*\* | 0.23 |  |
| Trust \* Power |  |  |  |  |  |  |  | –0.13 | 0.17 |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Random effects |  | σ2 | |  | σ2 | |  | σ2 | |  |
| Intercept |  | 1.21 | |  | 1.15 | |  | 44.09 | |  |
| Residual |  | 0.46 | |  | 0.46 | |  | 0.73 | |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Fit indicators |  |  |  |  |  |  |  |  |  |  |
| Pseudo R2marginal |  | 0.47 | |  | 0.49 | |  | 0.57 | |  |
| AIC |  | 486.5 | |  | 484.5 | |  | 480.0 | |  |

*Note. N* = 185, *N*class-level *=* 37, \*\**p* < .01, \*\*\**p* < .001.



***Figure S6****: Scatterplot of the tax evasion item scores by trust and power*