



## **Is Social Transparency Associated with Tax Avoidance?**

**Paul Muturi Kabete\***

School of Business and Economics, Moi University, Kenya

[pmkabete@gmail.com](mailto:pmkabete@gmail.com)

\*Corresponding Author

**Josephat Cheboi**

School of Business and Economics, Moi University, Kenya.

**Ambrose Kemboi**

School of Business and Economics, Moi University, Kenya.

### **Abstract**

Tax avoidance has been considered as an act of minimizing the amount of taxes to be paid through appropriate methods by recent tax evasion research. The study aims to examine the effect of social transparency on tax avoidance among firms listed Kenyan. The study is grounded in stakeholders' theory together with the Agency theory. The study employed Generalized Methods of Moments (GMM) estimation method and a panel data set drawn from a sample of 31 listed firms in the Nairobi Securities Exchange (NSE) over the period 2009 - 2018. Overall, the empirical results show a positive and statistically significant association between social transparency and corporate tax avoidance ( $\beta = 0.027$ ,  $p < 0.05$ ); thus, firms that are more social transparent are less likely to engage in tax avoidance. Based on these findings, the study has important implications for policy makers, managers and stakeholders

**Keywords:** *Social transparency, Corporate Social Responsibility (CSR), Tax avoidance, listed firms*

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