
Political Connection and Tax Avoidance: A Systematic Literature Review and Future Research Direction

Fadilla Nurhaliza¹, Bambang Sutopo²

¹Faculty of Economic and Business, Sebelas Maret University,

Jl. Ir. Sutami No.36A, Surakarta, Indonesia

²Faculty of Economic and Business, Sebelas Maret University,

Jl. Ir. Sutami No.36A, Surakarta, Indonesia

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Abstract

The increased interest among academicians to explore more about political connections and tax avoidance. This paper aims to identify factors affecting tax avoidance and political connections. This paper reviewed 34 articles published between 2018-2024 using a systematic literature review approach. This study used “Tax Avoidance” OR “Political Connection” as search strings to extract the relevant literature from the Scopus database. This study is comprehensive analysis of existing literature on political connections and tax avoidance. Further, the keyword network analysis has been used to find out the most explored research areas related to political connection and tax avoidance using VOSviewer software. This study found that based on country distribution, the number of articles spread from several countries showed a significant dominance by Indonesia with nine articles. Articles with the theme of political connections and tax avoidance are mostly published by Sustainability Journal. In 2022 recorded the highest number of articles as many as 11 articles (32.3%). Research by Alsmady (2023), Lopo Martinez et al., (2020) and Silvera et al., (2022) highlighted the role of political connections in supporting tax avoidance practices, while Stefany & Agustina (2022) showed their influence on the performance and stability of the banking sector. Other studies, such as by Rudyanto et al. (2023), reveal how political connections can be a double-edged sword, supporting corporate efficiency but also increasing the risk of manipulation such as tax aggressiveness during the COVID-19 pandemic. This study also provides a trough coverage of existing literature on political connection and tax avoidance and is helpful for new researcher who want to understand this concept and also for those who are looking to explore new direction in the sama field.

Keywords: Tax avoidance, Political Connection, Literature Review, Interpretative, Scopus

1. Introduction

The implementation of tax collection carried out by the government does not always get a positive response from companies (Song & Xian, 2024). This is because there are differences in interests between the two which cause taxpayers to tend to reduce the amount of tax payments, companies try to pay the lowest possible tax because taxes will reduce net income while the government wants high taxes because it is to finance government administration (Desai & Dharmapala, 2006; Kanagaretnam et al., 2018; Wilda et al., 2023). One of the company's decisions in minimising taxes to be paid is to carry out tax planning by means of tax avoidance (Alfiyah et al., 2022). This activity is considered the most effective step in increasing company profits according to financial management.

Corporate tax avoidance is a problem faced globally. Overall, almost all countries, both developing and developed, have weaknesses in their tax rules that provide opportunities for companies to avoid paying taxes (Dyreng et al., 2010; Griffin & Kruger, 2023). Tax avoidance activities can be carried out by exploiting loopholes in tax laws to minimise tax burdens, for example according to Law No. 36 of 2008 related to Income Tax, debt interest can be used as a tax deduction and this opportunity is widely used to minimise taxes (Nurhaliza & Widarjo, 2023; Pratiwi & Siregar, 2019). The Organisation for Economic Co-operation and Development (OECD) describes tax avoidance as an effort by taxpayers to reduce taxes payable, although this effort may not violate the law 'the letter of the law' but actually contradicts the purpose of tax legislation "the spirit of the law" (Iswari et al., 2019). Therefore, tax avoidance is also included in the *fraus legis* category, which is a grey area that is positioned between tax compliance and tax evasion (news.ddtc.co.id). Until now, there are still many large companies that practice tax avoidance both internationally and nationally (Alfiyah et al., 2022; Pratiwi & Ratnasari, 2019; Wilda et al., 2023).

The phenomenon of tax avoidance in the international world occurs in the companies Apple Incorporation, Suzuki Motor Corporation and Nike Incorporation, while tax avoidance cases in the national world occur in the companies PT Coca Cola Indonesia, PT Rajawali Nusantara Indonesia and PT Ancora Mining Service. In addition, the phenomenon of tax avoidance in Indonesia occurs in mining companies, namely PT Adaro Energy Tbk, which conducts tax avoidance by transfer pricing to subsidiaries in Singapore Coaltrade Services International which has been carried out during 2009 - 2017. The political figure in PT Adaro Energy who serves as one of the shareholders is Sandiaga Salahudin Uno. This phenomenon shows that political connections are one of the efforts to form tax avoidance practices (www. detik finance.com). This research is still important to do because there are still many cases of tax avoidance that occur in Indonesia, especially in mining companies. The growth rate of mining tax revenue fluctuates every year and the average is only 9.2%.

Indonesia has a long history of close ties between the world of politics and business, where this relationship has an impact on various corporate transactions and activities. Various studies have shown the relationship between corporate political connections and ease of access to financing, corporate governance, earnings management practices, and tax avoidance (Abdul Wahab et al.,

2024; Harymawan et al., 2019; Junus et al., 2022). Research conducted by Abdul Wahab et al., (2024) analysed the effect of political stability and government effectiveness on earnings quality in Indonesia. The results show that the benefits of political connections tend to decrease as government effectiveness increases. This encourages companies with political connections to be more responsive to market pressures and produce better earnings quality (Kurniasih et al., 2022). Harymawan (2018) revealed that connected companies significantly enjoy lower debt interest rates than non-connected companies. Companies that have a relationship with the government tend to have a greater chance of getting a loan in accordance with the amount they apply for. Previous research by Fisman (2001) revealed that firms in Indonesia with political connections rely heavily on the benefits of these connections. Then than that companies that have political connections tend to disclose accounting reports with low quality to manipulate net income, it can expose them to a high level of aggressiveness (Junus et al., 2022; Kim & Lee, 2021). The phenomenon of tax avoidance and political connections has been studied by previous researchers with different objects, periods and results so that researchers want to re-examine related to this case in mining companies with the aim of obtaining empirical evidence about political connections on tax avoidance.

2. Method

This research uses the Systematic Literature Review (SLR) approach to analyse the literature related to Political Connection and Tax Avoidance. Systematic Literature Review is known as a method that is objective, thorough and allows replication (Moher et al., 2010; Tranfield et al., 2003). This method involves a comprehensive search for significant contributions on a particular topic which are then evaluated and summarised using established procedures. To achieve this goal, four main steps are followed: (1) planning, (2) searching, (3) screening, and (4) extraction, synthesis and reporting (Tranfield et al., 2003). The following sections outline these steps in more depth (Figure 1).

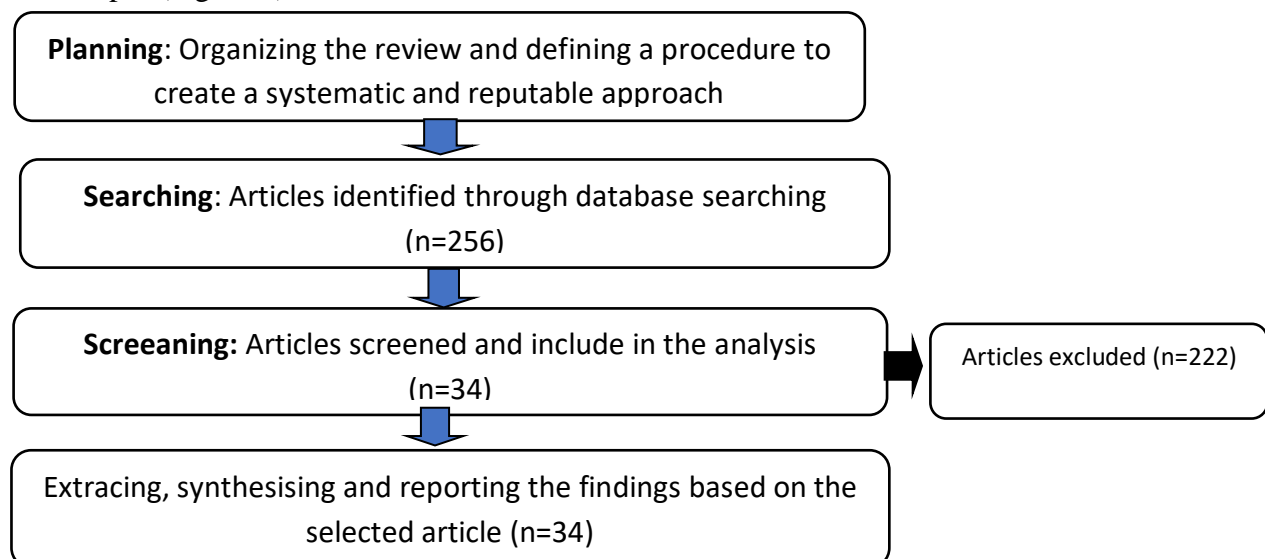


Figure 1. Research Framework

SLR begins by organising the review and defining procedures to create a systematic and repeatable approach. This initial stage determines the research area to focus on. Trusted databases and publishers were selected to search for articles on avoidance and political connections (Whait et al., 2018). A total of 278 articles related to tax avoidance and political connections were found according to the inclusion criteria. Table 1 describes the inclusion criteria used to screen these articles (Moher et al., 2010). In this study, 34 articles that included the search terms in the abstract and main body were selected for analysis and reporting. A two-stage writing approach was used in reporting (Tranfield et al., 2003) descriptive and thematic analyses. Descriptive analysis provides information such as the number of studies related to tax avoidance and political connections, study type, publication, and number of citations. The thematic analysis emphasises the theoretical and empirical approaches to the study of tax avoidance and political connections.

Table. 1 Inclusion Criteria for Article Selection

| Description | Inclusion Criteria |
|-------------------|---|
| Subject Area | Taxation, Tax Avoidance, Political Connection |
| Document Type | Article |
| Source Type | Journal |
| Search Type | Business, Management and Accounting |
| Language | English |
| Publication Stage | Open Access |

3. Results and Discussion

3.1 Descriptive analysis of selected paper

A summary of works published in journals is shown in Table 3. The table shows the percentage of studies on a particular topic that appeared in Scopus journals in 2018-2024, such as Journal Review of economic and Finance and Journal of Environmental Planning and Management followed by one or two publications in other journals. Academic interest in political connections and tax avoidance has increased significantly in recent years in 2018-2024.

Table. 2 Summary Journal for Review

| | Name of Journal | f | Index by |
|----|---|----------|-----------------|
| 1 | International Journal of Professional Business Review | 1 | Scopus Q4 |
| 2 | International Journal of Economic and Management | 1 | Scopus Q3 |
| 3 | Journal of Risk and Financial Management | 1 | Scopus Q2 |
| 4 | Sustainability Journal | 4 | Scopus Q1 |
| 5 | PloS One Journal | 2 | Scopus Q1 |
| 6 | International Journal Of Energy Economics and Policy | 1 | Scopus Q2 |
| 7 | Review of Economic and Finance | 1 | Scopus Q1 |
| 8 | Asian Academy of Management Journal of Accounting and Finance | 1 | Scopus Q3 |
| 9 | RAUSP Management Journal | 1 | Scopus Q3 |
| 10 | International Journal Of Sustainable Development and Planning | 1 | Scopus Q3 |
| 11 | China Journal of Accounting Studies | 1 | Scopus Q3 |
| 12 | Cogent Economic & Finance | 2 | Scopus Q3 |
| 13 | Journal of Environmental Planning and Management | 1 | Scopus Q1 |
| 14 | Political Studies Journal | 1 | Scopus Q1 |
| 15 | Investment Management and Financial Innovations | 1 | Scopus Q3 |
| 16 | The European Journal of Finance | 1 | Scopus Q1 |
| 17 | British Accounting Review | 1 | Scopus Q1 |
| 18 | Pacific Accounting Review | 1 | Scopus Q2 |
| 19 | Pacific Basin Finance Journal | 1 | Scopus Q1 |
| 20 | Journal Of Corporate Finance | 1 | Scopus Q |
| 21 | Asian Journal of Accounting Research | 1 | Scopus Q2 |
| 22 | Business: Theory and Practice | 1 | Scopus Q3 |
| 23 | International Journal of Financial Studies | 1 | Scopus Q2 |
| 24 | Malaysian Journal of Economic Studies | 1 | Scopus Q3 |
| 25 | Financial Market Institutions and instrument | 1 | Scopus Q2 |

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|----|--------------------------------------|-----------|-----------|
| 26 | Journal of Governance and Regulation | 1 | Scopus Q4 |
| 27 | Management and Accounting Review | 1 | Scopus Q4 |
| 28 | Foundations and Trends in Finance | 1 | Scopus Q1 |
| 29 | Review of Accounting Studies | 1 | Scopus Q1 |
| | TOTAL | 34 | |

Berdasarkan Table 2, diketahui bahwa distribusi artikel yang dipilih untuk tinjauan atau analisis melibatkan 29 journal internasional bereputasi yang terindeks oleh Scopus Q1, Q2, Q3 dan Q4. Artikel yang dipilih untuk ditinjau oleh penulis umumnya memiliki H-index yang tinggi. Diketahui bahwa Sustainability Journal memiliki empat artikel terkait political connection dan tax avoidance. Pada Cogent Economic and Finance memiliki dua artikel terkait dengan tema penelitian. Selain itu, terdapat dua artikel yang relevan dengan penelitian ini, yaitu dari Plos one Journal. Sementara itu, pada jurnal seperti Asian Academy of Management Journal of Accounting and Finance, RAUSP Management journal, International Journal of Sustainable Development and Planning, China Journal of Accounting studies, Political Studies Journal, The European Journal of finance masing-masing ditemukan satu artikel.

3.2 Summary of past studies

Table. 3 List Article Published 2018-2024

| Years | Number of articles | Percentage (%) |
|--------------|---------------------------|-----------------------|
| 2024 | 5 | 14,7 |
| 2023 | 8 | 23,5 |
| 2022 | 11 | 32,3 |
| 2021 | 3 | 8,82 |
| 2020 | 1 | 2,94 |
| 2019 | 3 | 8,82 |
| 2018 | 3 | 8,82 |
| Total | 34 | 100 |

In addition, Table 3 shows a list of articles published from 2010 to 2023, with more than 50% published in the last seven years. The results of the Systematic Literature Review (SLR) analysis based on the data in the table show that of the total 34 articles published in the period 2018 to 2024, there is a significant concentration in the last five years (2020-2024), with more than 50% of the publications occurring in that time span. The year 2022 recorded the highest number of articles with 11 (32.3%), followed by 2023 with 8 (23.5%) and 2024 with 5 (14.7%). This trend indicates an increased research interest in the analysed topics, especially in the last three years, which indicates the relevance and urgency of the topics in the context of contemporary research.

In contrast, the number of articles published before 2020 is relatively low. 2020 recorded only one article (2.94%), while 2019 and 2018 recorded three articles each (8.82%). This indicates that attention to this topic has only increased significantly in the most recent period, possibly due to the development of relevant global or regional issues. This distribution pattern also reflects a more recent shift in research focus to respond to changing policy needs or challenges that have emerged in recent years.

3.3 Discussion and Future Research Agenda

Table. 4 Comparison between the key political connection and tax avoidance

| No | Authors | Discussion Topics | Variabel |
|----|-----------------------------|--|--|
| 1 | Alsmady A (2022) | Accounting Information Quality, Tax Avoidance and Companies Performance: The Moderate Role of Political Connection | Accounting Information, Quality, Tax Avoidance, Political Connection, Companies Performance |
| 2 | Kurniasih L et al., (2022) | Association Of Tax Haven and Corporate Tax Avoidance: Does Political Connection Matter? | Political Connection, Tax Avoidance and Tax Heaven |
| 3 | Namakavarani et al., (2021) | Audit Committee Characteristics and Quality of Financial Information: The Role of the Internal Information Environment and Political Connections | Audit Committee Characteristics, Accounting Information Quality, Internal Information Environment, Political Connections |
| 4 | Zheng et al., (2022) | Can Green Innovation Affect ESG ratings and Financial Performance ? Evidence from Chinese GEM Listed Companies | Green Innovation, ESG Indicators, Financial Performance, GEM listed companies |
| 5 | Wu Y and Zhang B (2022) | Can securities supervision reduce corporate tax avoidance? Financial constraints and corporate governance as moderating variables for | Tax Avoidance, Political Connection, Tax Administrations. |

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|----|--|---|---|
| | | the determinants of tax avoidance | |
| 6 | Kawulur R et al.,(2024) | Carbon Strategy, Political Connection and Carbon Performance: Evidence from Polluting Industries | Carbon Performance, Carbon Strategy, Political Connection, Mitigation Strategy, Polluting Industries |
| 7 | Hemdan M et al (2023) | CEO Creer Horizon, CEO Power, Corporate Governance and Earnings Quality: Evidence from Egypt | Horizon, CEO Power, Corporate Governance, Earnings Quality |
| 8 | Hemdan D, Rehman S & Faisal K (2023) | CEO Power, Corporate Governance Mechanism and Earning Quality | CEO duality, CEO ownership, CEO tenure, CEO Political connection, Gender diversity, Board Independence, Gender critical |
| 9 | Martinez L, Telles H and Chiachio V (2019) | Corporate electoral Donations and Tax Aggressiveness | Donations, Political connections, Tax aggressiveness, Campaign financing |
| 10 | Wu Y, Zhang W and Li H.(2024) | Diversity of returnee executives' foreign experience and corporate social responsibility performance | corporate social responsibility, foreign experience |
| 11 | Stefany J and Agustina L (2022) | Do Corporate Social Responsibility and Political Connections Matter to Financial Performance and Financial Stability in the Banking Sector? Evidence from Indonesia | corporate social responsibility, political connections, financial performance, financial stability |

| | | | |
|----|--|---|---|
| 12 | Arifin T and Kabir R (2024) | Does it cost to be politically connected? An examination of the grabbing hand hypothesis using corporate taxes | Corporate tax, election, political connections |
| 13 | Zhang T, Zhang X dan Yang D (2021) | Does Industrial policy suppress corporate tax avoidance? A Study on the perspective of provincial Industry Policy | Industrial policy, provincial Government, tax avoidance |
| 14 | Abdullah et al (2022) | Does tax aggressiveness and cost of debt affect firm performance? The Moderating role of political Connections | tax aggressiveness; cost of debt; firm performance; political connections |
| 15 | Eiadat H and Castro (2022) | Do formal and informal institutions matter for firm-level strategic environmental actions? A multi-level perspective from Jordan. | Firm-level strategic environmental actions; formal institutions; informal institutions; multilevel analysis; Jordan |
| 16 | Lundquist S (2024) | Do Parties Matter for Environmental Policy Stringency? Exploring the Program-to-Policy Link for Environmental Issues in 28 Countries 1990–2015. | political parties, environmentalism, environmental policy stringency, environmental policy, environmental politics |
| 17 | Silvera, Hizazi, Hidayat dan Rahayu (2022) | Financial constraints and corporate governance as moderating variables for the determinants of tax | Tax avoidance, financial constraint, corporate governance, foreign activity, corporate social responsibility |

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- | | | | |
|----|---------------------------------------|---|---|
| | | avoidance | and political connections. |
| 18 | Kim H and Lee J (2021) | How CEO Political Connections Induce Corporate Social Irresponsibility: An Empirical Study of Tax Avoidance in South Korea. | Social irresponsibility; tax avoidance; tax aggressiveness; CEO political connections; CEO tenure |
| 19 | Wang Z, Gerhard K and Peter R (2023) | Kindness or hypocrisy: Political mindset and Corporate social responsibility decoupling in Chinese firms | Corporate governance, Political mindset, CSR, Decoupling |
| 20 | Wang, Richardson G and Cao Y (2024) | Long live the walking dead? Corporate tax avoidance and zombie firms in China | Zombie Firms, Corporate Tax Avoidance, Political Connection, Information opacity. |
| 21 | Wahab E et al (2023) | Military connections, corporate governance and corporate tax avoidance | Governance, Indonesia, Military connection, Tax avoidance |
| 22 | Yue S, Anderson H and Liao J | Negative information hoarding in politically connected firms: The influence from the central environmental protection inspections | Political Connection, Stock Price crash risk, Invenronmental inspection, Campaign style enforcement |
| 23 | Rudyanto A, Julisar and Debora (2023) | Political connection as a double edged sword: The case of tax aggressiveness practice during the COVID 19 Pandemic | Political connection, Tax aggressiveness, CSR activities, COVID-19 |

- | | | | |
|----|---|--|---|
| 24 | Nuraina, Nasih and Agustia (2022) | Political Connection, Foreign Institutional Investor and Tunneling: Evidence From Indonesia | tunneling, political connection, foreign institutional investors, minority shareholders, reputation. |
| 25 | Hrymawan I, Lam B, Nasih M and Rummya (2019) | Political Connections and Stock Price Crash Risk: Empirical Evidence from the Fall of Suharto | Politically connected Firms, Stok Price crash risk, complex firm structure |
| 26 | Fang F, Duan T and Kun Li (2022) | Political Connections, Ownership and Within Firm Pay Gap | political connections; ownership; income distribution; pay gap |
| 27 | Tee C, Teoh T and Hooy C (2022) | Political Connection Types and Corporate Tax Avoidance: Evidence From Malaysia | Corporate tax avoidance, political connections, institutional investor, CEO |
| 28 | Junus O, Nasih M, Anshori M and Hrymawan I (2022) | Politically connected independent board and firm performance | General Accounting and auditing, accounting, Government Policy and Regulations |
| 29 | Wang Z, Liu X and Liu Q (2019) | Study of the Relationship between Political Connections and Corporate Re Entrepreneurial Performance | Political Connections, entrepreneurial resource acquisition; re-entrepreneurship; institutional environment; corporate performance. |
| 30 | Alsmady A (2023) | The effect of political connection on corporate tax avoidance: The Moderating Role of | Political Connection, Accounting Information Quality, |

| | | | | |
|----|---|--|---|---------------|
| | | accounting quality | information | Tax Avoidance |
| 31 | Altarawneh M et al (2023) | The Impact of CEO Characteristics and Political Connections on Investment Efficiency: Evidence from an Emerging Market | CEO characteristics, Political connections, Investment efficiency, Underinvestment, Overinvestment. | |
| 32 | Arifin T, Hasan I dan Kabir R (2020) | Transactional and relational approaches to political connections and the cost of debt | Political Connection, Cost of debt, cost of bank loans, Corporate Governance | |
| 33 | Griffin J dan Kruger S (2024) | What is Forensic Finance? | Fraud, Manipulations, Conflist of Interest | |
| 34 | Dong Q, Raghunandan A, Rajgopal S (2023). | When do firms deliver on the jobs they promise in return for state aid? | Subsidies, Political Connections, Transparency, Job Creations, Labor practies. | |

In Table. 4 highlighting the keywords Political connection and tax avoidance shows that political connection is one of the most frequently studied variables in various studies. Political connection is related to various strategic issues such as tax avoidance, firm performance, corporate social responsibility, and financial stability. For example, research by Alsmady (2023), Lopo Martinez et al., (2020) and Silvera et al., (2022) highlight the role of political connections in supporting tax avoidance practices, while Stefany & Agustina (2022) show its influence on the performance and stability of the banking sector. Other studies, such as by Rudyanto et al. (2023), reveal how political connections can be a double-edged sword, supporting corporate efficiency but also increasing the risk of manipulation such as tax aggressiveness during the COVID-19 pandemic.

In addition, environmental and sustainability issues are also a significant concern in research related to political connections. Research by Kawulur et al. (2024) shows the influence of political connections on carbon strategies in environmentally polluting industries, while Lundquist (2024) explores the influence of political connections on environmental policies at the

global level. In addition, the impact of political connections on corporate governance and income inequality is also an important theme, as discussed in the studies of Fang et al. (2022) and Yue et al. (2024). Overall, this table shows that political connection is a key variable that has a broad influence on various strategic dimensions of the firm, ranging from financial, social, to environmental aspects that contribute significantly to our understanding of the relationship between politics and business.

3.4 Analysis of Countries

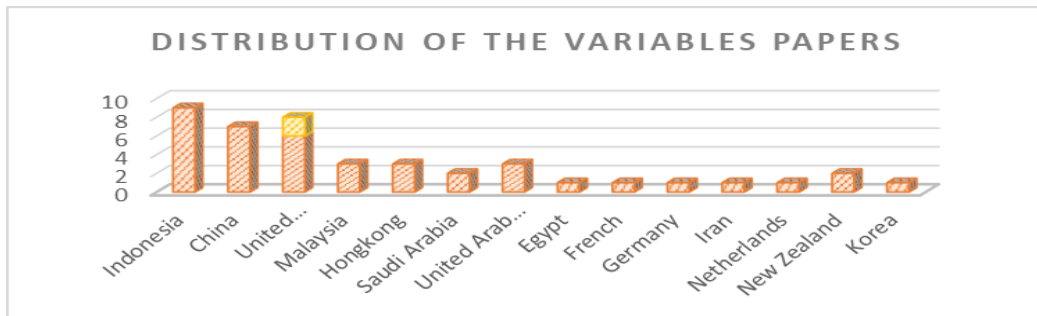
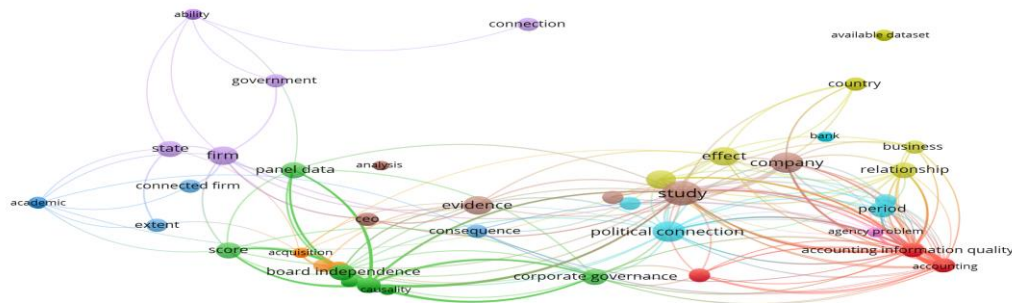


Figure 2. Distribution of The Variables Papers

Based on Figure 2. Distribution of the variable papers from Scopus data sources in 2018 - 2024, the results show that the number of articles spread from several countries shows significant dominance by Indonesia with 9 articles. China is in second place with 7 articles, showing considerable participation. Malaysia, Hong Kong, and the United Arab Emirates each contributed 3 articles. Meanwhile, countries such as Saudi Arabia and New Zealand contributed 2 articles, followed by a number of other countries such as Egypt, France, Germany, Iran and Korea which contributed only 1 article each. The results of this analysis reflect the inequality in the distribution of the number of articles based on country of origin. Countries with high contributions, such as Indonesia and China, show more intensive involvement than other countries. This phenomenon could be due to various factors, including the level of development of the research industry, academic writing capacity, or the thematic focus of these countries. To improve the balance of article contributions, more attention can be given to countries with lower contributions through research support or strengthening international collaboration networks. Research using the Systematic Literature Review method by categorizing by country has also been carried out previously (Nurhaliza & Widarjo, 2023).

3.5 Analysis of Keyword

Analysis of 34 Scopus articles, there are 524 keywords which can be explained as follows :



The figure above shows that the variable 'political connection' has a central role in the research, with extensive connections to other variables such as tax avoidance and corporate social responsibility. This relationship reflects the importance of political connections in influencing companies' tax avoidance practices as well as CSR implementation. In addition, there is a close correlation between CSR and financial performance, especially in the banking sector, indicating that firms with strong political connections tend to utilize CSR to enhance reputation and legitimacy. Clusters also show a focus on environmental issues, such as carbon performance, which relates to the influence of political connections in shaping corporate environmental policies. In addition, the visualization clusters variables by key themes. The green cluster highlights the association of CSR with financial performance and specific sectors, such as banking, while the purple cluster links political connections with tax avoidance and market risk, such as stock price crash risk. The red clusters show a geographical focus, particularly in Asian regions, such as China, suggesting the influence of regional context on the results. Overall, this visualization illustrates the complexity of the relationship between political connections, CSR and tax avoidance strategies, providing a basis for further research into the impact of political connections on corporate transparency, integrity and performance.

4. Conclusion

Based on research using the Systematic Literature Review (SLR) approach related to political connection and tax avoidance, it can be concluded that this topic has significant relevance in the fields of accounting, management, and public policy. Analysis of 34 Scopus indexed articles published between 2018-2024 shows that political connections have a complex impact on various strategic aspects of the company, including tax avoidance, financial performance, and implementation of corporate social responsibility. This phenomenon reflects the close relationship between business and politics, especially in developing countries such as Indonesia. In this study, Indonesia dominated the research with nine articles contributed.

Then than that, articles with the theme of political connection and tax avoidance are mostly published by Sustainability Journal. The year 2022 recorded the highest number of articles as many as 11 articles (32.3%). China came second with 7 articles, showing considerable

participation. Malaysia, Hong Kong, and the United Arab Emirates each contributed 3 articles. Meanwhile, countries such as Saudi Arabia and New Zealand contributed 2 articles, followed by a number of other countries such as Egypt, France and others. Then when reviewed based on the analysis of keywords, it shows that the variable 'political connection' has a central role in the study, with extensive connections to the tax avoidance variable.

This study also highlights that the effect of political connections on tax avoidance can be positive or negative. Some studies show that political connections provide strategic advantages in the form of corporate efficiency and access to financing, but also increase the risk of manipulation such as tax aggressiveness. For example, findings from Rudyanto et al., (2023) indicate that political connections are a double-edged sword during the COVID-19 pandemic, supporting corporate efficiency but exacerbating the risk of tax manipulation. In addition, the influence of political connections on sustainability and environmental issues is also gaining attention, with a focus on carbon strategies and corporate environmental performance. The final conclusion of this study is that political connection is a key variable in understanding the dynamics of tax avoidance and other strategic aspects of the firm. This study makes an important contribution in mapping the existing literature and identifying research gaps for future study development. Further research is expected to explore the influence of political connections on specific industry contexts, better policy approaches, as well as the impact on transparency and corporate integrity.

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