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Certain but stable? A diachronic analysis of taxation in Ireland from 1970-2015

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Certain but Stable? A Diachronic Analysis of Taxation in Ireland from 1970-2015s

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Discourse Analysis Group

1. Introduction

'…in this world nothing can be said to be certain, except death and taxes.'
Ben Franklin, 1789.

Introduction

- Taxation can be constructed as essential to run an economy, as theft, as a burden, as a way of distributing what has been produced, as a way of influencing what is produced etc. (Graham & O'Rourke, 2017; Lakeoff, 2016; NEON et al.,2018).

- Taxation is an important area of public policy from corporation taxation issues, to who pays most to what the state should do with its proceeds.

- How is 'taxation' constructed in Irish Budget Speeches 1970-2015?

Taxation & Budgets certainly go together. But is the way it is constructed stable across time? Can we use corpus linguistics to give an interpretation of our corpus of about 500, 000 words of Irish Budget Speeches (1970-2015) that might explain both stability and change across time in the construction of taxation?

Outline of rest of the presentation

1. Introduction
2. **Periodization**
3. **Looking for patterns with collocates of Tax***
4. **Looking at time-pattern of relief/s / no reliefs**
5. **. Qualitative Exploration of a ‘relief/s’ salient and a non-salient period.**
6. **Comments & Conclusions**

References

2. Periodization

Many theoretical resources could be used to periodize the data (e.g. O'Rourke & Hogan, 2017; Hogan & O'Rourke, 2016 etc.) but …

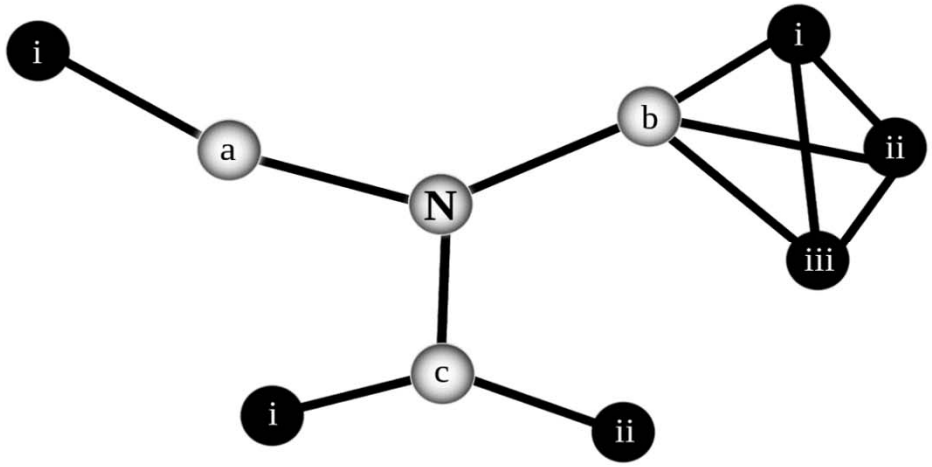
> '*…periodisation is often used as [a] seemingly neutral instrument for organising historical materials and narrating change. Yet the division of a time line into periods inevitably carries with it assumptions about the nature of change, and even about the causal relationships driving change*'. (Stayner & Mihelj, 2016, p.273)

Rather than use such a top down periodization of the data, we try for a more bottom- up approach (Marchi, 2018) to see if our analysis of language use in our corpus of Irish Budget Speeches could induce a more text / empirically based periodization.

3. Nodal Word and Collocates

Tax as a node

- We draw on discourse theories including postfoundational discourse analysis (Martilla, 2016) to focus on tax as a node around which different constructions are build.



Words collocated with ‘Tax*’ as indicators

We draw on draw on measures of collocation from Corpus Linguistics (to provide an exploration of constructions around the node and used Antconc software (Anthony, 2014) to automate the process.

Looking through our Irish Budget Speech Corpus we identified where tax and its lemmas (tax*) occurred.

We then counted words which occurred frequently in a window of 5 words to the left and to the right of tax*.

We used a ‘stop list’ of words to exclude words such as ‘the’, ‘and’ that we felt were semantically light.

We also used a mutual information (MI) measure to see if the frequently collocated words where indeed saliently connected with our node of tax*

MI is a measure of how much you know from the occurrence of one phenomena from the present of another.

MI will lower its measure of collocation if the collocate occurs more frequently with other words other than the node – so it weighs the exclusivity of a collocate quite heavily (Stubbs, 1995).

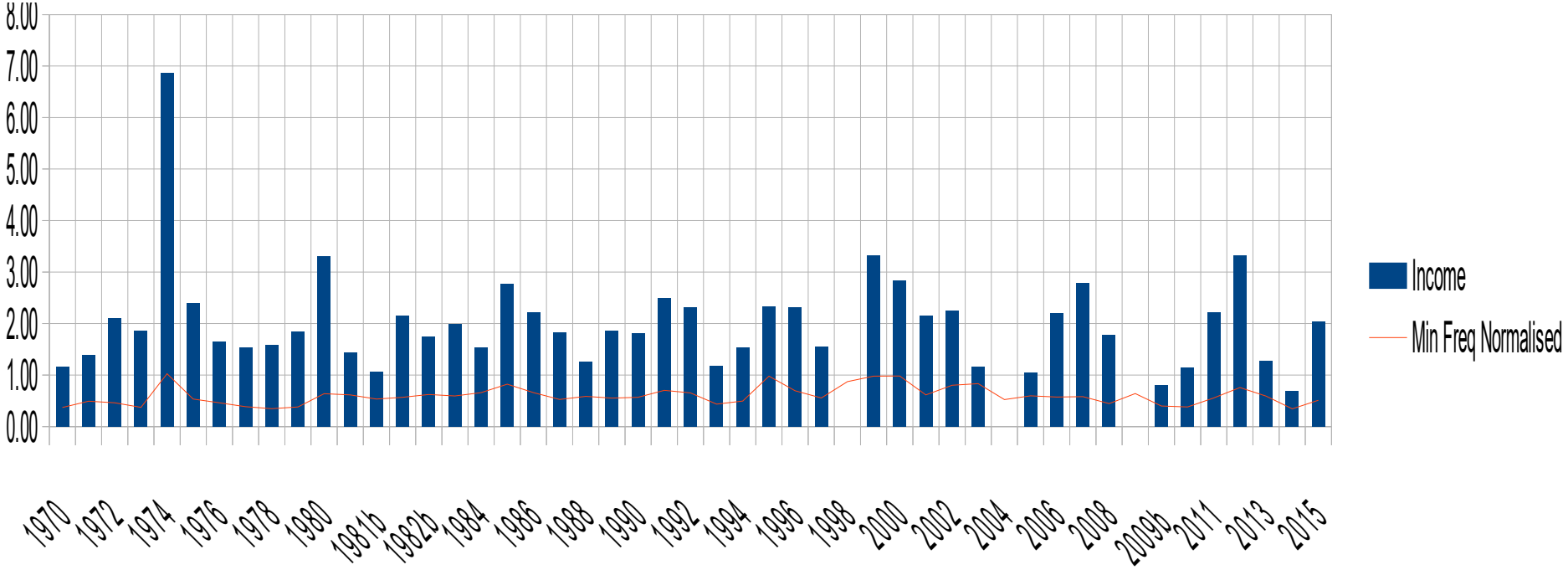
4. Looking for patterns of collocates of tax*

Salient collocates of *tax** for Entire Period 1970-2015

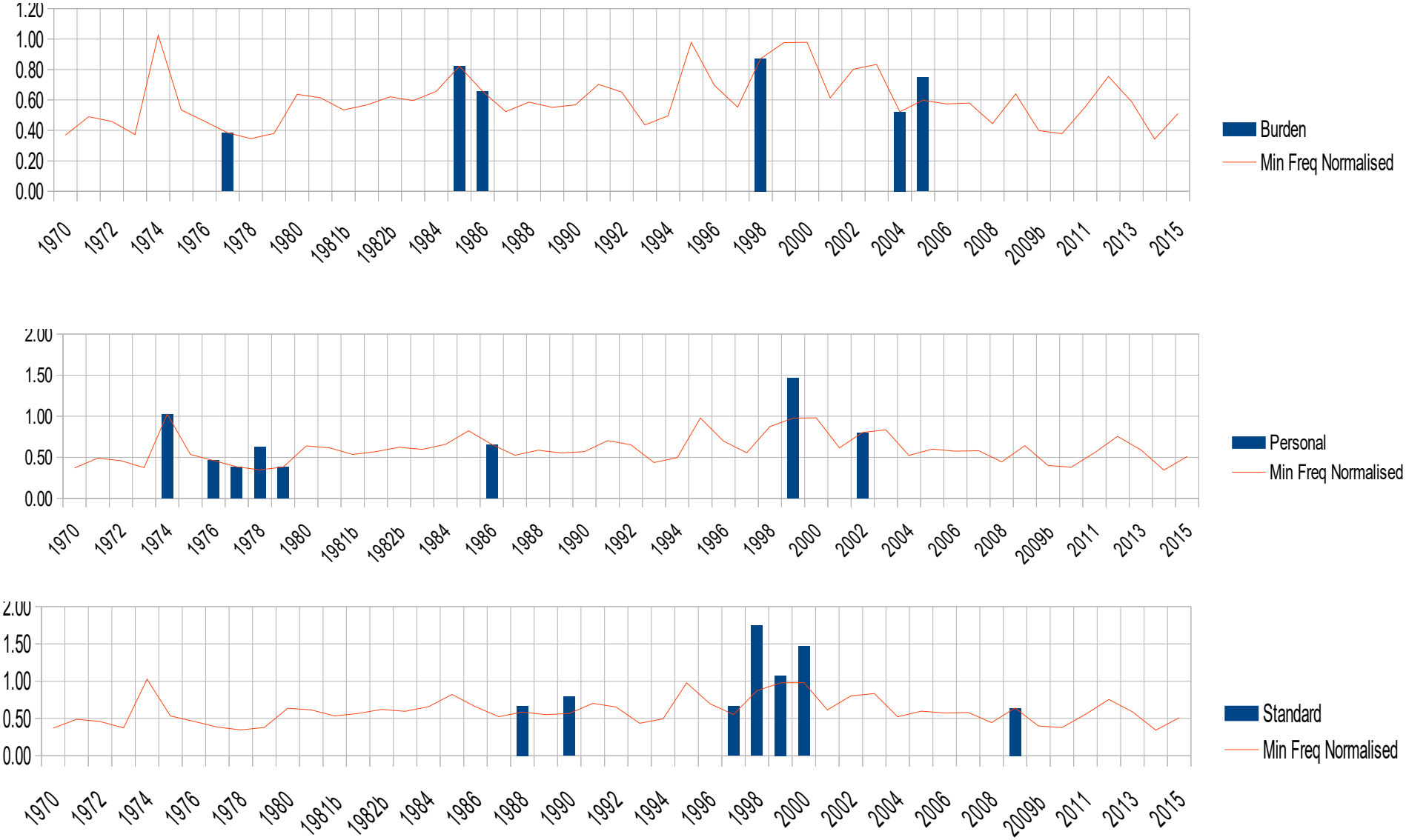
Rank by MI	Freq	MI	Collocates
1	139	6.24575	indirect
2	286	6.19718	corporation
3	152	5.78593	gains
4	1126	5.47971	income
5	159	5.2058	reliefs
6	129	5.1613	reform
7	126	5.06987	burden
8	148	4.95331	standard
9	141	4.92836	personal
10	308	4.90611	system

Minimum collocate frequency threshold: 100. Word span 5Left: 5Right

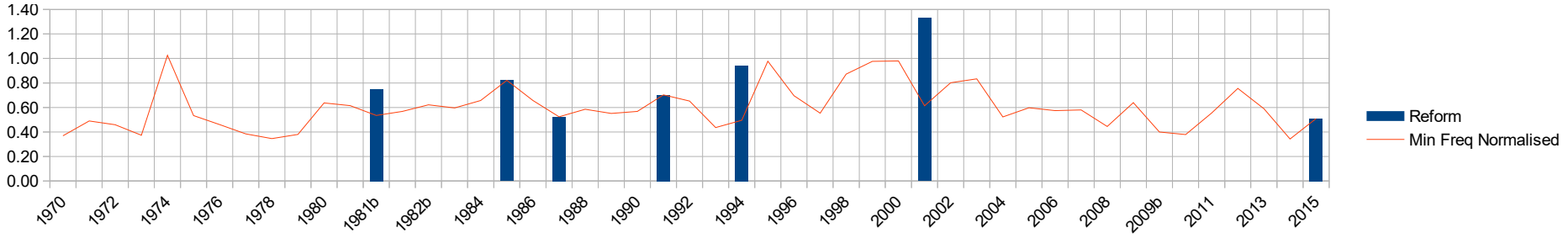
We can seen no major time-pattern in the collocate ‘income’ – it seems nearly always very salient…



Frequency is normalised = (number of occurrences/total words) multiplied by 1000



Nor in our other top ten collocates like ‘income’, ‘personal’, ‘standard’, ‘corporation’, ‘reform’, ‘indirect’ etc.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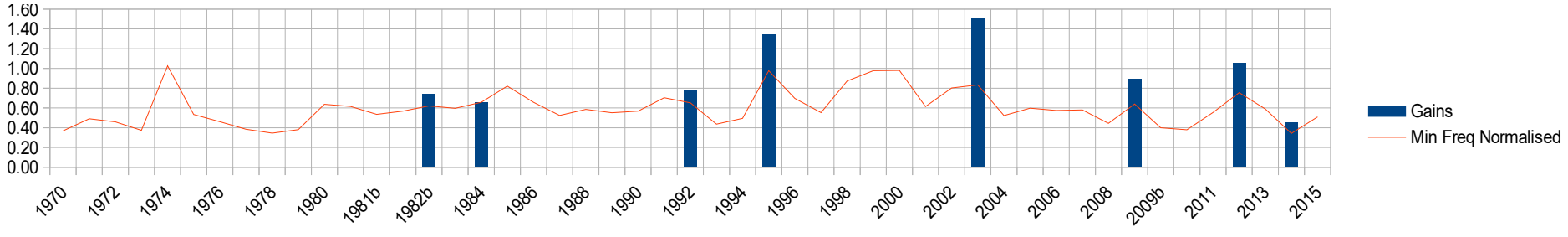
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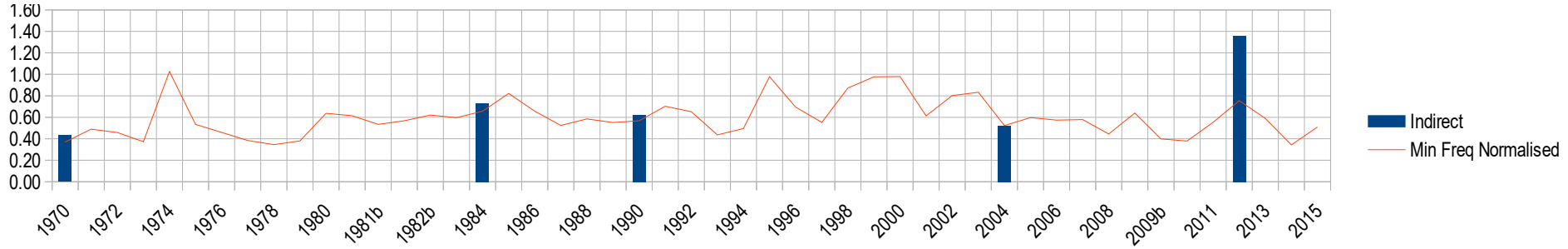
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Indirect
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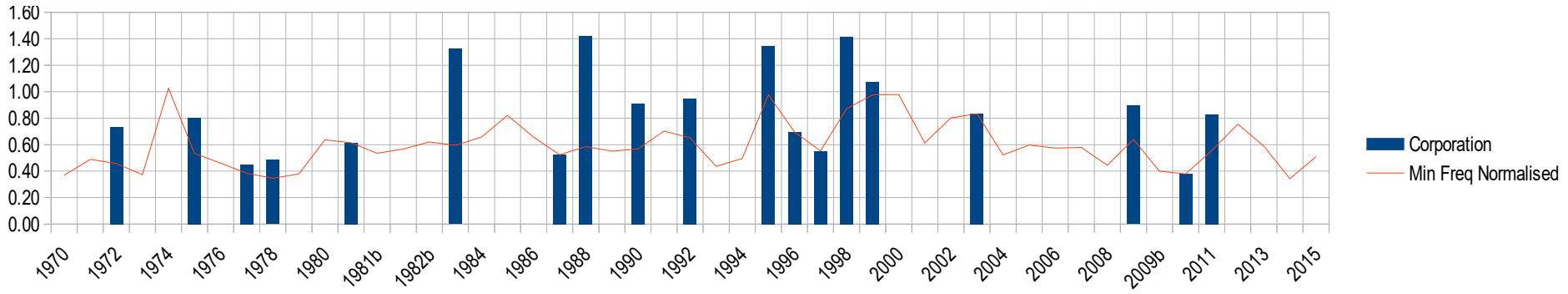
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Corporation
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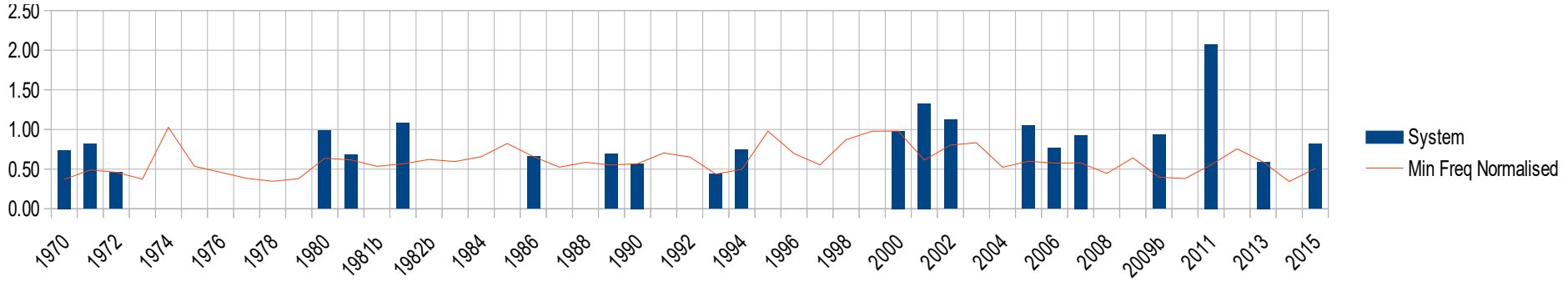
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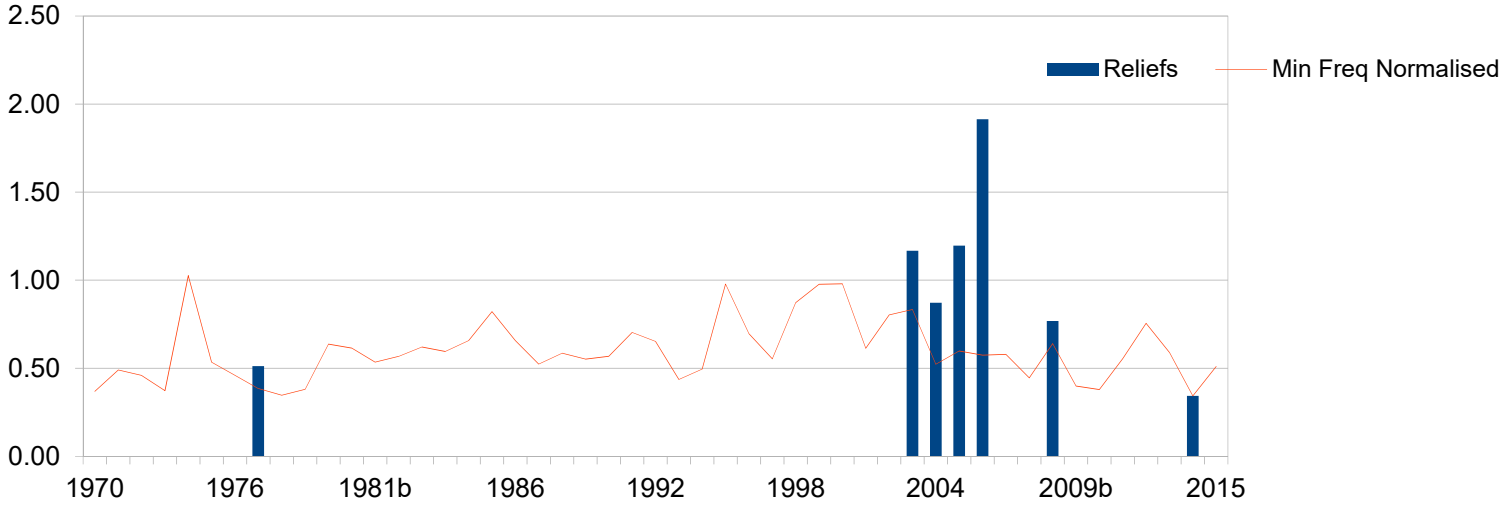
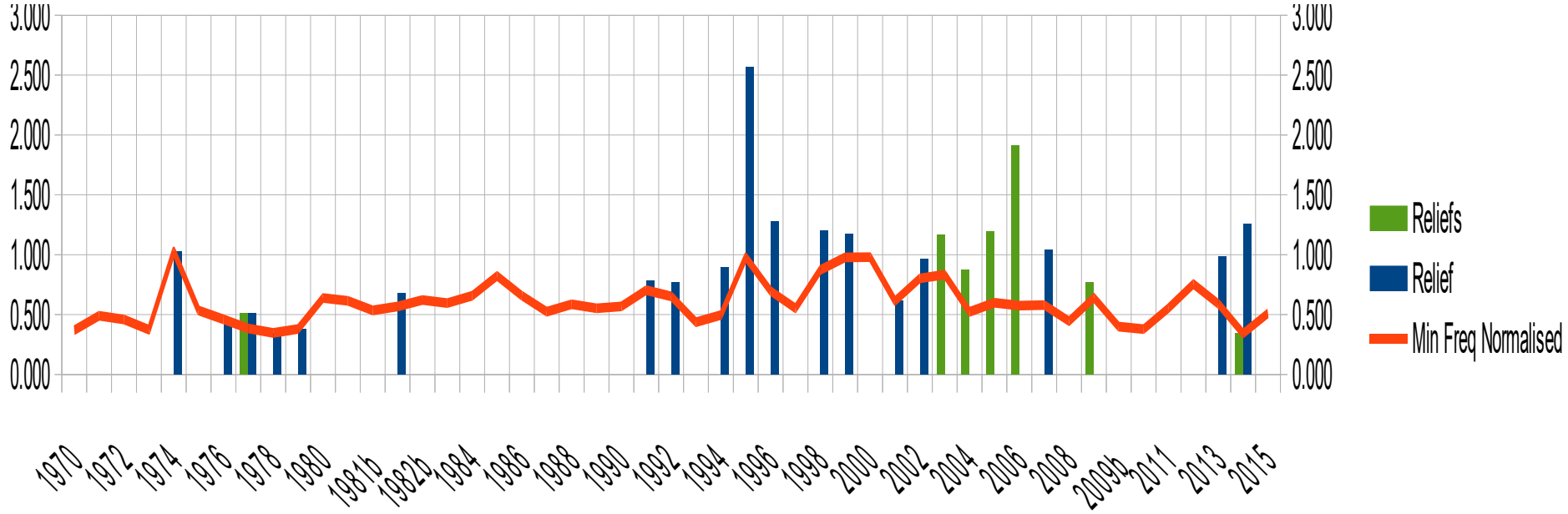
System
Min Freq Normalised

But the pattern of ‘Reliefs’ with Tax* over time did strike as worthy of further investigation……



And when you include ‘relief’ and reliefs it looks more interesting again…

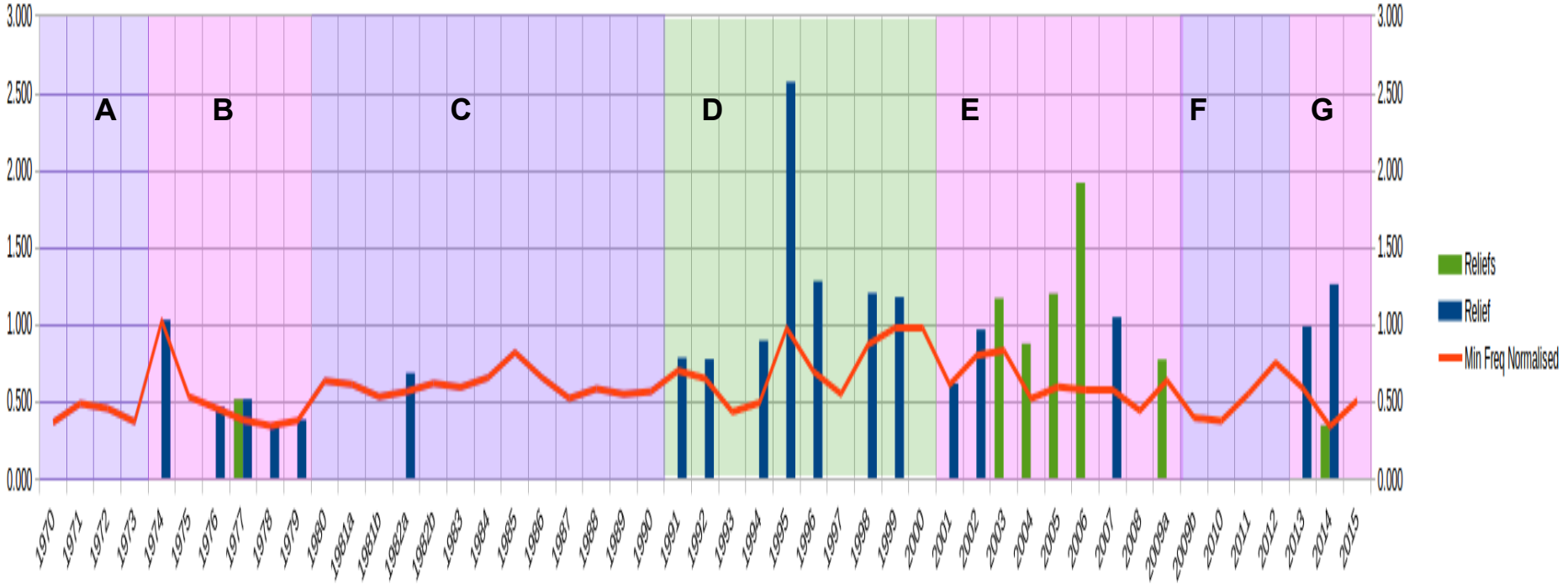


Periodisation of the data using reliefs and reliefs

Periods B, E and G: Relief as a consistently salient

Periods A, C and F: Relief lacking salience

Period D: Relief with recurrent salience



5. Qualitative Exploration of a ‘relief/s’ salient and a non-salient period.

Taking a more qualitative approach Periods E and F were examined further and our reading is that periods can be differentiated as follows:

Period E – 2001 to 2009a (Relief/s has salience): Populist neoliberalism

Period F – 2009b to 2012 (Relief/s not salient): Austere neoliberalism.

Neoliberalism – here viewed as a discourse that is talk about how society is best constructed and reconstructed as markets, and the state should focus on insuring that the world is ordered to support such an emergent order, and decrease its other activities (Mirowski, 2011; Mirowski & Plehwe, 2009; Springer, 2012).

We take it that neoliberalism covers the period (O'Rourke & Hogan, 2017)

For our purposes here we adopt a simple, content and rather mainstream definition of populism:

'For us 'economic populism' is an approach to economics that emphasizes growth and income redistribution and deemphasizes the risks of inflation and deficit finance, external constraints, and the reaction of economic agents to aggressive nonmarket policies'
(Dombusch & Edwards, 1991, p.9)

By austerity we mean the reduction in state controlled expenditure involve might involve increased state expenditure that constructs markets, gives tax reliefs for market activity, spends state money on public private partnership, privates a previously state controlled activity (McBride, 2016; McBride & Whiteside, 2011; Mirowski, 2013; Mirowski & Plehwe, 2016)

Period E (2001-2009a) : Relief/s as a salient collocate of tax (Populist neoliberalism)

‘We have additional resources available to us now because **we have followed the correct tax path of lower rates yielding more revenue.** It is the tax take that counts, not the tax rate, as **this year’s record capital gains tax yield shows**.’ (Cowen, 2006)

(Emboldening not in original and only notes interpretative interest not speaker stress)

Period E (2001-2009a): Relief/s as a salient collocate of tax (Populist neoliberalism)

‘The debate on tax reliefs has attracted much comment in recent weeks. In any such debate we must be clear which reliefs we are talking about. First, many tax reliefs are in fact inherent in the tax system and others lessen **the burden on taxpayers with specific payments or expenses. This is the case with mortgage interest relief, medical expenses relief and pension contributions**. Second, other normal reliefs allow for the expenses of business, such as depreciation, interest and accumulated trade losses. If they did not, the real cost to business of capital investment would not be provided for and **business and employment would suffer as a result.** One can limit the potential for abuse of these reliefs, as this Government has done, but **it is not appropriate to eliminate them**. The great bulk of the €8 billion cost of the major tax reliefs generally referred to in recent public discourse falls into those categories which are used by ordinary taxpayers and businesses’. (Cowen, 2005)

Period F (2009b-2012): : Relief lacks salience (Austere neoliberalism)

‘Everybody knows that under the EU-IMF programme, **expenditure has to decrease and taxes have to increase.** Direct taxes such as income tax and PRSI have a bigger impact on jobs than indirect taxes. If one taxes something, one usually gets less of it and **income tax and PRSI are taxes on jobs. Indirect taxes have a lower impact on economic growth and jobs.** That is why the bulk of the adjustments being made in this budget will be through increases in VAT and capital taxes.’ (Noonan, 2012)

Period F (2009b-2012): Relief lacks salience (austere neoliberalism)

'A Cheann Comhairle, **the primary purpose of the tax system is to provide the resources to pay for the services the public expect from the State.** Our tax system no longer fulfils that purpose well. The line of least resistance would be to increase the rates, but **revenue is generated by economic activity and not by increased tax rates**. High tax rates on a narrow base of economic activity may raise far less revenue than lower rates on a much wider base. **We cannot have a tax system that damages our potential to grow.** That is why the Government has decided in the national recovery plan **that two thirds of the required budgetary adjustment over the period from 2011 to 2014 should be through expenditure reductions and one third should be raised by taxation.'** (Lenihan, 2011)

6. Comments & Conclusions

- It looks like corpus linguistics might allow us to see a periodization that might not have been seen without and it is different from *a priori* theoretical periodisation. We see this interpretative activity as being judged by the insight it provides.

- This project will explore the relationship between discursive shifts in Irish budget speeches, discursive shifts in budget speeches internationally, more general discursive shifts and periodization arising from non-discourse theories.

- We explore briefly, and tentatively to show a distinction between the austere and the populist might help explain the differences between the periods.

Thank you.

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http://www.dit.ie/researchandenterprise/researchgroups/dag/

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