

Internet Appendix A130: Tax Minimization

Pitcher's Name	Mattia Anesa	FoR category	CSR/Accounting	Date Completed	24/06/16
(A) Working Title	Field-level legitimization of corporate tax minimization				
(B) Basic Research Question	Understand the legitimization process of corporate tax minimization.				
(C) Key paper(s)	<ul style="list-style-type: none"> • Bourdieu, P. 1990. The logic of practice. Stanford, California: Stanford University Press. • Gracia, L., & Oats, L. 2012. Boundary work and tax regulation: A Bourdieusian view. Accounting Organizations and Society, 37(5): 304-321. • Malsch, B., Gendron, Y., & Grazzini, F. 2011. Investigating interdisciplinary translations: The influence of Pierre Bourdieu on accounting literature. Accounting, Auditing & Accountability Journal, 24(2): 194-228. 				
(D) Motivation/Puzzle	Despite persistent accusations of irresponsibility for the employment of tax avoidance practices and a strong narrative suggesting that private actors ought to contribute more to public finances, day-to-day tax minimization remains unchallenged and is essentially regarded as good business practice.				
THREE	Three core aspects of any empirical research project i.e. the “ IDIoTs ” guide				
(E) Idea?	Shared societal beliefs are one of the critical components underlying the enactment of practices. Such factors are reinforced through power occurring in field-level interactions. These dynamics are central to explaining the legitimization process of firmly institutionalized practices such as tax minimization strategies. However, the interdependency between beliefs and power within institutionalized fields has been hardly researched. We argue that a concurrent and in-depth analysis of these factors is needed to explain why tax minimization maintains its legitimacy. Hence we adopt a Bourdieusian perspective – a theoretical framework that focuses exactly on field-level struggles for power – to examine the legitimization process of tax minimization strategies.				
(F) Data?	The context chosen is Australia where in 2014 the released of a report offering a list of the effective tax rates (ETR) paid by ASX200-listed companies has sparked public debates on the appropriateness of current corporate tax strategies. These pressures have caused the start of a Senate Inquiry on corporate tax avoidance which in turn has seen some companies responding with public justifications for their tax positions. This chain of reactions offered the rare opportunity to examine the phenomenon of legitimization unfolding in real time and during what can be seen as a legitimacy test to the institutionalized practice of tax minimization. Since the factors under examination are socially-constructed, I decided to elicit them interpretatively through the view of field actors involved in the enactment of tax strategies. 77 semi-structured interviews, conducted between July 2014 and May 2016, were used as the primary data collection method. I started from the assumption that the only reality that I – as researcher – have access to is the one contextualized by ongoing narratives, hence I turned to media narratives on corporate taxation to identify an initial pool of actors influencing the field. From this initial sampling, I then utilized my extended professional networks to get access to more actors and further proceeded through snowball sampling until theoretical saturation was reached. The general limitations of this study are in line with the ones of other interpretive work.				
(G) Tools?	The analysis involved the identification of the four foundational Bourdieusian concepts – field, capital, habitus and doxa – within data. This was facilitated through coding and the use of NVivo software. The media narratives informing the initial sampling were also used to identify an initial set of shared beliefs – doxa – with regards to tax. We then proceeded into our interview data to refine the mapping of the field and to delineate relationships and power structures through the examination of actors' habitus and available capitals. In a final phase, we collected an additional set of media article – appearing after one year of public debates – to check the robustness of our findings. Finally all sources of data were compared to reconstruct the legitimization process of tax minimization strategies through the interaction of the concepts of field, capital, habitus and doxa.				
TWO	Two key questions				
(H) What's New?	There is a core methodological novelty, which consists in the inductive interpretative mapping of the field. I contend that this is a critical epistemological advancement that could explain why previous research – in particular neo-institutional theories – struggle to account for the complexity of the legitimization process and maintenance of institutionalized practices.				
(I) So What?	Given the current relevancy of the topic at societal level (e.g. Panama papers), this work is important to academic, practitioners as well as policy-makers to achieve a better understanding of why tax has become a prominent issue for public debate. In particular, by unpacking the details of what tax minimization 'mean' for the field and what aspect are seen acceptable and which aren't, my work gives an opportunity to better research, manage and regulate the legitimacy of what can be considered an instance of corporate irresponsibility.				
ONE	One bottom line				

Cued Template taken from Faff, Robert W., Pitching Research (January 11, 2015). Available at SSRN: <http://ssrn.com/abstract=2462059> or <http://dx.doi.org/10.2139/ssrn.2462059>

(J) Contribution?	First, I integrate extant work within the literature on legitimacy that examines change (in fact maintenance) of institutionalized practices by assessing how corporate tax minimization is legitimized and its legitimacy reinforced through its practical enactment. Second, I advance the critical management literature, and particularly the Bourdieusian stream, by characterizing the field inductively through the voices of its participants instead of superimposing a set of players as done previously. By doing this I also integrate extant accounting work on the dominance of individual actors (e.g. corporates, advisers, etc.). Finally, I extend current CSR debates on tax (ir)responsibility by shifting the focus from a blaming of corporates to a more critical and reflexive consideration of how we are all (e.g. public and academics) involved in the legitimization of business practices.
(K) Other Considerations	We had initial concerns with regards to the ambitions of the project, in particular, considering the ethical nature of the issues touched upon, with respect to the level of individual needed to make this study worth pursuing. These fears did not materialize. Target for this paper is Accounting, Organizations and Society which focuses on critical interpretative theories (including Bourdieu) for the study of management accounting issues.