# ONLINE APPENDIX: How Shared Ideas May Hinder Lobbying Success

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This document summarizes the coding rules and procedures used in the analysis whose results appear in "How Shared Ideas May Hinder Lobbying Success: British Preference Formation in the G20", Forthcoming in the *Cambridge Review of International Affairs* . I begin with some preliminary remarks.

## Corpus characteristics

The corpus contains 120 news articles and interest group statements as well as official transcripts of 130 House of Commons debates (92 for tax evasion/avoidance and 38 for the bank levy). All uncoded documents included in the analysis are available in the dataset at Harvard Dataverse where this appendix was accessed.

## Data collection

*Parliamentary debates* were collected via targeted searching of the Hansard Archive: https://hansard.parliament.uk/. *News articles and government statements not excerpted from parliamentary debates* (e.g. press conference statements) were collected via targeted searching of the Nexis database: https://www.nexis.com/. Interest group statements were collected via targeted use of the Google search engine.

Targeted searching involved gradually broadening the scope of search terms to obtain relevant statements. For instance, if searches for '"BEPS" or "base erosion and profit shifting"' yield little evidence, one could subsequently search for 'tax evasion' and/or 'G20'. One must then manually identify which of the search results are relevant for the case study.

## Coding unit

Coded segments ranged from a single sentence to multiple paragraphs.

## Which document sections were coded

Given the length and multi-topic nature of UK parliamentary debates, news articles and interest group statements, not all sections of each document were coded. News articles and interest group statements were read in their entirety, but only sections relevant to a given case study were coded. For parliamentary debates, I performed keyword searches to identify relevant passages. Using the search results as a starting point, I then read through the passages (including preceding and subsequent text) to determine where coding should begin and end based on relevance to the case study.

Coding procedures

The analysis is based on a qualitative content analysis (see Hsieh and Shannon 2005) of the above-described corpus. Building on calls in the framing literature to examine lobbying activities in reference to general categories which apply across issue areas (De Bruycker, 2017), a pre-determined pair of economic interests was traced, namely, the costs and benefits expected from proposed changes. Relevant ideas were determined inductively and also organised in pairs. The following pairs were deemed relevant in the two case studies: confidentiality vs transparency; market regulation vs trust in market forces; individual responsibility vs public solidarity; and multilateral vs unilateral approaches to decision-making.

Organising ideas in pairs creates a high level of contrast between individual ideas or interests, thereby simplifying the coding process. For example, a statement identifying a social contract between banks and voters represents support for public solidarity. Statements emphasising the opposite, that is, banks' accountability to shareholders over voters, reflect support for individual responsibility. Ultimately, all documents were coded using the finalized coding scheme to ensure validity across texts and throughout the coding process.

## CODING RULES

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| **INTERESTS** | *Building on previous work (see Mahrenbach 2013 or Schirm 2009),* ***interests*** *are defined as the economic costs and benefits which arise for actors from governance and/or policy changes.*<br><br>*Examples of* ***benefits*** *include more money in public coffers arising from improved tax collection or planning security for businesses arising from new government policies on corporate taxation.*<br><br>*Examples of* ***costs*** *include competitive losses for businesses arising from a bank levy or increased borrowing costs for consumers arising from increased government taxation of banks.* |
| *Benefits* | ° Statements detailing the economic benefits expected from proposed governance changes and/or from existing policies |
| *Costs* | ° Statements detailing the economic costs expected from proposed governance changes and/or from existing policies |
| **IDEAS** | ***Ideas*** *are defined as 'causal beliefs about economic, social and political phenomena' (Béland and Cox 2016, 430). They are causal in that they 'posit relationships between things and events' (430).*<br><br>*The causal relationships evident in each of the ideational pairs included in the analysis are as follows:*<br><br>*-* ***Public solidarity vs individual responsibility:*** *who is responsible for mediating the domestic impact of economic policies*<br>*-* ***Confidentiality vs transparency:*** *how information availability affects the quality of governance*<br>*-* ***Market regulation vs trust in markets*** *: how government involvement in markets affects the performance of those markets and related economic outcomes*<br>*-* ***Multilateralism vs unilateralism:*** *how the level of governance/decision-making affects the potential for policy solutions* |
| *Confidentiality* | ° Statements opposing and/or identifying the costs of more transparency and/or disclosure of information to the public and/or policymakers<br>° Statements refusing to discuss or disclose details relvant to a given policy decision or issue area<br>° Statements promoting the benefits of confidentiality and/or calling for more confidentiality |
| *Transparency* | ° Statements calling for and/or identifying the benefits of more transparency and/or disclosure of information to the public and/or policymakers<br>° Statements promoting the benefits of transparency and/or calling for more transparency |

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| *Market regulation* | ° Statements calling for more regulation of markets<br>° Statements calling for new rules/laws and/or promoting better enforcement of existing laws/rules<br>° Statements depicting more rules/maintenance of rules as a primary means of addressing economic and social challenges |
| *Trust in market forces* | ° Statements calling for more trust in market forces<br>° Statements opposing the creation of new rules/laws and/or prioritizing policy-relevant principles over enforceable rules/laws<br>° Statements calling for less regulation of markets and more economic freedom as a primary means of addressing economic and social challenges |
| *Individual responsibility* | ° Statements indicating actors' primary responsibility is the pursuit of their own interests and preferences<br>° Statements dismissing questions of morality or fairness regarding policymaking, policy decisions and/or the relationship between economic actors and the public |
| *Public solidarity* | ° Statements indicating actors have a (moral) responsibility to contribute to the common good<br>° Statements indicating actors should be held responsible for the consequences of their actions vis-a-vis the public<br>° Statements highlighting questions of fairness regarding policymaking, policy decisions and/or the relationship between economic actors and the public |
| *Multilateralism* | ° Statements advocating for multilateral solutions to policy challenges, for example, via cooperation with other governments, international organizations or groupings, etc.<br>° Statements rejecting the viability/desirability of national or unilateral solutions |
| *Unilateralism* | ° Statements advocating for national solutions to policy challenges<br>° Statements rejecting the viability/desirability of bilateral or multilateral solutions |

**EXAMPLES OF CODED SEGMENTS**

Examples of coded segments from each actor for each idea and interest appear in the table below. Clarifying comments have been added in brackets where necessary. In some instances, the coded passage has been abridged to save space.

While I have tried to select statements which stand alone relative to a given code, some may require contextual information to understand the coding. Please refer to the original documents as necessary.

| **INTERESTS** | ***Interest group*** | ***Policymaker*** |
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| *Benefits* | ° *Confederation of British Industry (CBI) Director-general Richard Lambert* : "We need a sense of perspective about what the financial sector is, and how it works. It's not a walled garden, barricaded off in the City. Rather, over 70% of the workforce is located outside London, generating output per head which is well above average and spreading decently paid jobs right across the UK" ("CBI boss hits back at Adair Turner" 2009)<br>° *CBI Director-general Richard Lambert* : "The five-year route map for corporation tax provides much needed consistency and certainty. Taken together with proposals on foreign profits and intellectual property, these will help prevent and could even reverse the flow of companies overseas" (Bowers 2010).<br>° *Association of British Insurers (ABI) response to HM Treasury Paper* : "One advantage of taxing all transactions might be that it would avoid the distortions that have seen a thriving market in contracts for difference (CfD) develop as the market sought to evade stamp duty" (ABI 2010). | ° *George Osborne, Chancellor of the Exchequer* : "Once fully in place, we expect the [bank] levy to generate over £2 billion of annual revenues" (Osborne June 22, 2010).<br>° *Karl McCartney, Member for Lincoln* : "What I am more interested in is that they [MNCs] bring their jobs and spending power to our shores. It fills our restaurants, houses and shops. It provides secondary support service employment across a plethora of sectors in Great Britain" (House of Commons Debate, January 7, 2013).<br>° *Exchequer Secretary to the Treasury, David Gauke* : "Of that figure, tax avoidance constitutes around 14%, which is down from 17.5% in 2007-08. The tax gap arising from tax evasion is also falling, from 17.5% in 2007-08 to 12% in 2009-10" (House of Commons Debate, September 13, 2012). |
| *Costs* | ° *Matthew Fell, CBI Director for Competitive Markets:* "The UK government is right to reject a Financial Transaction Tax as damaging for jobs and growth. It is disappointing that Eurozone economies are pursuing the FTT, whose costs ultimately fall on consumers and businesses, and will be a drag on the Eurozone recovery" ("CBI Comments on Financial Transaction Tax Vote" 2013).<br>° *Angela Knight, CEO of British Bankers' Association (BBA)* : "We have to get some of these complexity bits right. Otherwise we are going to disadvantage some of the banks and that would be very wrong indeed" ("Angela Knight, CEO of British Bankers' Association Talks about the Finanical Climate of the UK on Blooomberg" 2010).<br>° *ABI response to HM Treasury Paper* : "It may be true that some banks and other financial market participants have become over-reliant on short term trading, but there is a large risk of unintended consequences – including a loss of liquidity in key markets - in introducing a tax on all transactions" (ABI 2010). | ° *Chris White, Member for Warwick and Leamington* : "We do not wish to crush enterprise, nor do we wish to penalise international businesses that invest in our country" (House of Commons Debate, June 27, 2013).<br>° *Stewart Hosie, Member for Dundee East* : "I make the point not because I do not want the banks to take their full share, but because for every £1 billion in bank levy, there is £20 billion less to lend in the real economy. A little understanding of the relationship between the bank levy and other draws on banks' cash would be helpful" (House of Commons Debate, June 22, 2010).<br>° *John McDonnell, Member for Hayes and Harlington* : "As I have said, far from serving to promote employment and therefore be a benefit to the economy, it appears these reforms will be an expensive tax avoidance scheme, with up to £1 billion lost to the Exchequer" (House of Commons Debate, December 17, 2012). |

| **IDEAS** | | |
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| *Confidentiality* | ° *Frédéric Donnedieu de Vabres, chairman of Taxand* : "The first countries to adopt full transparency are likely to suffer a competitive disadvantage" (Cooper 2013) | ° *Stephen McPartland, Member for Stevenage* : "The refreshingly honest response from Aggreko summed up what many other companies felt: that they pay lots of tax and probably more than is needed, but that greater tax transparency is 'a lousy idea'" (House of Commons Debate, February 6, 2013).<br>° *Exchequer Secretary to the Treasury, David Gauke* : "One of the difficulties that HMRC has is that it is bound by taxpayer confidentiality. It cannot give a running commentary to this House on the action that it takes, but the numbers demonstrate that HMRC is effective in getting money in" (House of Commons Debate, June 27, 2013). |
| *Transparency* | ° *CBI Statement of Tax Principles* : "Transparency and co-operation between HMRC and business contributes to greater compliance and a better functioning tax system" (CBI 2012).<br>° *David Lonsdale, assistant director of CBI Scotland:* "The CBI is clear that firms operating in the UK need to do a better job of explaining their tax affairs to the public. We are encouraging firms to explain why they pay what they do in a straight-forward, transparent and accessible manner" (Bradley 2013). | ° *Dennis Skinner, Member from Bolsover* : "Now that the Prime Minister has had his Jimmy Carr moment, would it not be a good idea to publish a list of all those using tax avoidance schemes, including those closer to home and those who inhabit millionaires' row?" (House of Commons Debate, June 25, 2012).<br>° *Exchequer Secretary to the Treasury, David Gauke* : "We have also strengthened the disclosure of tax avoidance schemes regime, making it increasingly difficult for people to peddle these artificial, contrived schemes that involve people not paying their fair share" (House of Commons Debate, March 12, 2013). |
| *Market regulation* | ° *CBI Director-General Richard Lambert:* "And if the world's financial regulators had been more challenging and aggressive in the past decade, then the financial sector without doubt would be in a lot more healthy shape than it is today" ("Richard Lambert Highlights Importance of Financial Services to UK Economy and Dismisses Tobin Tax" 2009).<br>° *CBI Director-General Richard Lambert* : "Markets are not always wise" (Treanor 2009).<br>° *CBI Statement of Tax Principles:* "Most businesses comply fully with all applicable tax laws and regulations, recognising the obligation of the UK government to protect a sustainable tax base" (CBI 2012) | ° *Dr. Vincent Cable, Member for Twickenham* : "Yes, although I think the hon. Gentleman is making several different points. The short-term intervention in the form of the bank tax must not obscure the much bigger issue of how bank bonuses will be regulated in future in such a way that banks do not take excessive risks. That is the important long-term question" (House of Commons Debate, January 7, 2010).<br>° *Katy Clark, Member for North Ayrshire and Arran* : "But as politicians we have to change the rules of the debate. That means changes in law so that we are far tougher on those who avoid taxes but also tackle those who evade taxes" (House of Commons Debate, June 27, 2013). |
| *Trust in market forces* | ° Institute of International Finance (IIF): "...warned that imposing too many harsh rules could have a wider impact, leading to lower growth and less employment" (Wilson 2010).<br>° *Angela Knight, CEO of the BBA* : "..said last Tuesday there is a 'dramatic difference' between what the G20 has agreed on and what is being implemented. 'If there is different implementation on pay, then we move from one set of regulatory arbitrage to another set of regulatory arbitrage,' she told a corporate-governance seminar"<br>(Jones and Balmer 2010). | ° *Caroline Lucas, Member for Brighton, Pavilion* : "The Bill refers to the importance of a general avoidance principle rather than rules. The problem with rules is that people can bend them and get round them. A general avoidance principle is much harder to get round and has much wider scope" (House of Commons Debate, January 7, 2013).<br>° *Jacob Rees-Mogg, Member for North East Somerset:* "Unless we want to be like the Russia of the 1980s, we cannot pass a law to prevent people from leaving the country to work elsewhere if the taxes are too high here" (House of Commons Debate, April 18, 2013). |

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| *Individual responsibility* | ° *Angela Knight, CEO of the BBA* : "Why should the banks in one country pay for the problems of banks in another?" (Churcher and Meade 2010).<br>° *CBI President, Sir Roger Carr* : "We regard non abusive tax management however as a perfectly normal and legitimate business practice - it means making decisions in accordance with the law and judgements in keeping with all corporate stakeholder interests in mind" ("Politicians Should Avoid the Moral Debate on Tax and Fix the Rules" 2013). | ° *Chris White, Member for Warwick and Leamington* : "I am realistic, however, and I appreciate that there will always be corporations that are unwilling to contribute to the public good and wish to shirk their responsibilities" (House of Commons Debate, June 27, 2013).<br>° *Michael Meacher, Member for Oldham West and Royton* : "Given the boast of the Prime Minister and the Chancellor about cracking down hard on corporation tax avoidance, that is breathtaking hypocrisy. The message is, 'Don't worry about artificial tax avoidance. You needn't do anything about that, because I am going to serve it up to you on a plate" (House of Commons Debate, July 4, 2013). |
| *Public solidarity* | ° *BBA statement* : "The banking industry fully understands the part it must play in helping the UK's economic recovery. We know this is a difficult budget for everyone and the banking industry will work to meet its obligations in helping to bring the economy back to strength" (Kollewe 2010).<br>° *John Cridland, CBI Director-General* : "The majority of businesses pay the right amount of tax, and for the small minority which do not, times are getting tougher, and rightly so. The CBI does not condone highly abusive avoidance schemes which serve no commercial purpose other than the minimisation of tax, even if they are legal" (Chorley 2013). | ° *Sammy Wilson, Member from East Antrim* : "We also have the banking levy, the change to capital gains tax for those paying the top rate of tax and the fact that the pay freeze will not apply to those at the lower end of the public sector pay scale. There has been a genuine attempt to recognise that those who are already on low incomes should not be pushed down further" (House of Commons Debate, June 22, 2010).<br>° *Caroline Lucas, Member for Brighton, Pavilion* : "Tragically, an opportunity has been missed to introduce something genuinely progressive, such as a Robin Hood tax on financial transactions, [...] measures to take us closer to the fairer, greener Britain that the coalition says it wants to achieve, but from which, after the Budget, we are further than ever before" (House of Commons Debate, June 23, 2010).<br>° *Bill Esterson, Member for Sefton Central* : "We had to do that, but, if we are talking about fairness, it is now time to make those responsible for the biggest financial crisis of our age take their fair share" (House of Commons Debate, June 22, 2010). |
| *Multilateral* | ° CBI Director-general Richard Lambert: "We are concerned by the European Commission's proposals. If they were applied to Europe and not to the rest of the world they would damage the competitiveness of our financial services industry" ("Fears over EU Banks Levy Plan" 2010).<br>° *CBI President, Sir Roger Carr* : "Second, fix the rules internationally, not unilaterally - independent action can cost competitiveness and cause confusion" ("Politicians Should Avoid the Moral Debate on Tax and Fix the Rules" 2013)<br>° *John Cridland, CBI Director-General* : "As the Prime Minister highlights, the UK needs to work together with other countries, including the G8, to change the rules where appropriate, so that they are fit for the global business age" (Chorley 2013). | ° *Harriet Harman, Member for Camberwell and Peckham* : "Let me turn to the important question of financial services. We welcome the intention to implement a new system of levies and taxes on financial institutions, and to explore an international approach" (House of Commons Debate, June 21, 2010).<br>° *David Cameron, Prime Minister* : "On tax, to crack down on tax evasion we need proper exchange of tax information, which in Europe has been stalled for decades because of the selfish actions of a minority of countries. I made tackling tax evasion a headline priority for our chairmanship of the G8, and that has enabled us to ramp up pressure and make real progress. At the European Council we agreed there should be a new international standard of automatic information exchange between tax authorities, and proper information on who really owns and controls each and every company" (House of Commons Debate, June 3, 2013). |

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| *Unilateral* | *No statements in either case study* | ° *David Cameron, Prime Minister* : "He can say all he likes about bankers; the fact is, his party would not introduce a bank levy until the rest of the world had decided to do it. We have done it in seven weeks" (House of Commons Debate, June 30, 2010).<br>° *David Cameron, Prime Minister* : "We have frequently acted on our own on tax evasion. It is better if we can do these things internationally, because otherwise we are only tackling a part of the problem. The G8 is a great opportunity to bring countries together to do that, but if there is further action that we have to take unilaterally, so be it" (House of Commons Debate, June 3, 2013). |

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