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The Role of the Media in Shaping Attitudes Toward Corporate Tax Avoidance: Experimental Evidence from Ireland

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Abstract

This article examines the role of the mass media in shoring up popular support for corporate tax avoidance, using the EU's recent ruling against Apple Inc. in the case of Ireland. Using an original and novel survey experiment, we find that *media frames* play an important role in shaping attitudes toward Apple's corporate tax avoidance, and attitudes towards whether the Irish state should challenge the EU ruling. We find that respondents exposed to treatments questioning the morality and fairness of Ireland's facilitation of Apple tax avoidance are more likely to acknowledge the negative impact on Ireland's EU neighbours. These results are largely robust to the inclusion of control variables for ideology, age, previous voting behaviour, and gender. These findings suggest that media frames are an important factor in shoring up popular support for those components of national growth regimes that are politically controversial, and play an important role in how business exercises its power over public policy. More broadly, our findings suggest that to understand popular support for national varieties of capitalism in Europe, we need to examine the role of the country-specific media.

Key words: Comparative political economy; media frames; corporate tax avoidance

Introduction

Substantial attention has been given in the international and comparative political economy literature to the alternative strategies and frameworks that governments employ in seeking to foster economic growth and development, with broad consensus that there are multiple pathways to the same goal¹ (Hall & Soskice 2001; Thelen 2014; Baccaro & Pontusson 2016; Beramendi et al 2015). Recent scholarship has therefore tended to focus on the causal factors that shape the particular strategies employed by individual states, and the distributional consequences of differential growth regimes. In the Varieties of Capitalism literature, emphasis is put on the role of domestic institutions, whereas in more recent comparative capitalism literature, more emphasis is put on political conflict. Central to these debates is the question how business interests influence the policymaking agenda, and in particular, how large multinational corporations influence the agenda? This has led to a renaissance of political science research into the *instrumental* strategies that business pursue to advance their interests (Culpepper 2015; Culpepper & Thelen 2018), and the *structural* power they wield over politics.

This paper proceeds from the perspective that the key political determinant of growth regimes is the cross country variation in the network of relationships between business-state elites. It treats business power as a variable that is conditional upon national models of capitalism, and gives particular priority to the role played by individual firms. The incentives to construct an effective growth regime that leads to sizeable gains are shared by private business interests, and policymakers in the public sector. The presence of these interlocking interests gives rise to a set of “mutual dependencies” between state and market actors. Business interests depend upon favourable government policy and pro-market legislation, and government depend upon private investment for economic and employment growth (Culpepper 2015). This mutual dependency gives rise to a set of *coalitions* between market and state actors that persist through multiple changes of government and are thus, largely independent of the electoral cycle.

Fundamentally, these coalitions, their development, and reinforcement are clear examples of *quiet politics* (Culpepper, 2010; Hacker and Pierson, 2010). They take place behind-the-scenes through corporate and political networks rather than through the mainstream competitive electoral arena. As such, we tend to disagree with the “electoral turn” in the study of comparative political economy (Beramendi et al 2015), and argue that the key actors in *determining* the politics

¹ All governments seek to secure income growth for their citizens. The strategies they pursue we call “the growth regime”. In the Irish case, it is a strategy of growing exports through attracting FDI.

of advanced capitalism and the components of national growth strategies are business officials, party leaders, and state elites, rather than voters.

However, the *distributional consequences* of these strategies are clearly felt by the mass public, despite their limited influence over how these frameworks for development are constructed. At this point, a major puzzle emerges. While business-state elites employ policy tools to foster development quietly, away from the noisy politics of elections, the electorate clearly experience the distributional consequence of uneven economic growth. Therefore, there is no reason, all else equal, to expect that the public will support, tacitly or otherwise, the economic and industrial policies devised by business-state elites behind closed doors.

We might expect politicisation to arise where growth strategies and components thereof create a relatively narrow set of winners, and a broader set of losers. Or alternatively, where there are differential burdens borne by different parts of the business community, and/or between big business and the mass consumer base. Therefore, if national varieties of capitalism are to remain politically sustainable, it is critical that mass public support be generated for the growth regime. It is our argument that the mass media and media framing plays a key role in generating this public support. In this regard, we aim to bring together the comparative political economy literature on growth models (Baccaro & Pontusson 2016), electorates (Beramendi et al 2015), and business power (Culpepper 2015) through an analysis of the mass media, using a novel survey experiment on Apple's corporate tax avoidance in the case of Ireland.

A major component of Ireland's developmental strategy has been the use of low corporate taxes. This has included setting low nominal corporation tax rates (the famous 12.5% rate) and developing a raft of complex tax policies that allow multinationals to engage in legal tax avoidance (Regan & Brazys, 2018). In some cases, it has been found that US multinationals, particularly in the tech-sector, have effectively reduced their corporate tax rate to zero (Zucman, 2017). Ireland has also been the focus of notable international attention for its facilitation of profit-sheltering and tax avoidance by multinational corporations to the point that it was recently labelled "the world's biggest corporate tax haven" (Zucman, Torslov & Wier, 2018). This was most obvious in the case of the world's richest company, Apple Inc.

While there is broad agreement that FDI-led growth was developed and fostered by a key coalition of business and policymaking elites, there is no *a priori* reason to expect that the Irish electorate would support a policy of state sponsored corporate tax avoidance. We contend that the role of the media is central to shoring up this support. Our argument starts from the assumption that if the media critically question the fairness and consequences of corporate tax avoidance then the public who consume this information are more likely to turn against the

policy, and question the previously de-politicised growth strategy. To develop and test this argument, we examine a high-salient case, the EU Commission's ruling on Apple's tax affairs in Ireland. In 2015, the Commission found that the Irish state had enabled Apple to avoid paying taxes, and that this was a form of illegal state aid. This ruling caused uproar amongst the business-policymaking community, with state actors declaring the EU was undermining Irish economic sovereignty. It also meant that corporate tax avoidance and the FDI growth regime moved out of the realm of quiet politics, and into *contentious politics*.

We move to test the effects of media framing on attitudes toward the Apple Tax case through a survey experiment drawn from a fully representative sample, administered through an online platform. Each treatment group received differentially framed news treatments from the Irish and French media on the EU's role in the Apple tax affair. Treatment groups are exposed to real stories in major commercial newspapers. The first treatment depicts the EC ruling as an infringement on national sovereignty and a direct threat to the Irish FDI growth regime; the second acknowledges the questions of fairness but argues in favour of the Irish state challenging the EU ruling, whilst the third (French) newspaper treatment explicitly critiques the beggar-thy-neighbour effect of Ireland's approach to corporate tax avoidance in Europe, and unlike the previous two treatments, argues strongly in favour of the Commission ruling.

The results of our study are detailed in the empirical section of the paper. In brief, our findings indicate that participants exposed to the two stories from Irish media outlets - portraying the Apple Tax ruling as an attack by the EU on Irish economic sovereignty – are more likely to support an appeal against the Apple Tax ruling, compared to participants who read the story portraying the EC ruling as one of *fairness* and a clampdown on corporate tax avoidance. The remainder of the paper is structured as follows: first, we outline the theoretical debate on media framing and relate it to research in comparative European political economy; second, we detail the specifics of the Irish case and Apple's corporate tax avoidance; third, we present our survey experiment and discuss the empirical findings. The paper concludes by discussing the broader implications for the study of the media and business power in European public policy.

Differential Media Framing and its Effects

Given the 'quiet politics' that characterises the strategies that business actors pursue to advance their interests, the public are more reliant than usual on the media as a source of information. This is particularly the case for decisions taken at the EU level. The political communication literature has long demonstrated that the media can have a number of differential impacts on public opinion through the issues that it chooses to cover and *how* it chooses to cover them (e.g. Scheufele & Tewksbury, 2007). The same is true for corporate tax avoidance and those

industrial strategies adopted by the state to attract foreign investment. In this section we draw on the political communication literature to examine how media coverage affects public attitudes toward economic policymaking, and then relate it to differential media frames on corporate tax within the study of comparative European political economy.

Framing focuses on the *content* of media stories rather than the weight of coverage devoted to them. The underlying assumption here is that the characterization of an issue in news stories affects how the public understand and consider the issue, and that news organizations necessarily convey a narrative regarding the causes and/or consequences of a political problem or policy (Scheufele & Tewksbury, 2007). Dating back to early experimental psychology work by Kahneman and Tversky (1984), there is substantial evidence to show that the alternative presentation of scenarios, events or broader social issues can have a significant impact on the evaluations and attitudes of the audience exposed to these differing narratives (Iyengar, 1991; Nelson, Clawson & Oxley, 1997).

While there is some debate in the literature regarding the precise conceptualization of framing (see Druckman, 2001a), we adopt the commonly-used approach:

“Choices journalists make about how to cover a story—from the words, phrases, and images they convey to the broader “angle” they take...can result in substantially different portrayals of the very same event and the broader controversy it represents” (Nelson, Clawson & Oxley, 1997, 576).

Framing is commonly argued to affect the *weighting* individuals attach to a particular belief about a policy rather than altering the belief itself, as in traditional persuasion models. Individuals are assumed to hold mixed beliefs about a topic, e.g. low corporate taxes or corporate tax avoidance, and attach subjective weights to these beliefs that sum to an overall ‘attitude’. By stressing certain narratives over others, media frames can shift the weighting attached to a certain belief over others. For example, an account of corporate tax avoidance that portrays these business practices as unfair, or stresses the detrimental impact of these policies on European integration will increase the weighting attached to a belief that corporate tax avoidance is deeply damaging, affecting the individual’s overall attitude to the issue. An alternative account which stresses that low corporate tax decisions are important for national competitiveness and attracting foreign direct investment may alter the weighting, leading to a belief that corporate tax avoidance is a legitimate tool for economic growth.

There is also the potential for framing effects to be most important where the salience of the issue being covered is relatively low on a day-to-day basis. When an issue is rarely covered in the media, people are generally more open to

alternative narratives and perspectives (e.g. Scheufele, 2000). Therefore there is a greater potential likelihood that a framing effect will be detected in an issue area such as the coverage of corporate tax avoidance, where the mean level of coverage and attention is reasonably low on a day-to-day basis (as opposed to a higher salience political issue such as immigration). When attention paid to the issue spikes (as in our case study after the EC's Apple tax ruling), the effects of frames are weighted against certain latent attitudes, but these views are not as strong as they would be for classic partisan issues.

Returning to debates in comparative political economy and business power, there is remarkably little experimental research published on the effect of the media. Where it does exist, it is focused on how media frames effect attitudes toward social policy and the welfare state (Harell, Soroka, & Iyengar, 2016) and fiscal deficits (Barnes & Hicks, 2018). There is also a small experimental literature examining the determinants of public support for foreign investment (e.g. Jensen & Lindstadt, 2013; Chilton, Milner & Tingley, 2017). As far as we are aware, there are no studies that directly examine the role of media frames in shaping attitudes toward corporate tax, or the role of the media in shaping popular support for national varieties of capitalism. Where media coverage of corporate tax avoidance has been examined, it has typically focused on the patterns of negative media coverage of tax avoidance and the resultant changes in the behaviour of firms at t+1 (e.g. Chen, Powers & Stomberg, 2015; Lee, 2015).

In the EU, the strategy of global multinational firms actively seeking out national political regimes that enable them to avoid paying taxes has become a high-salient issue. It is important therefore to consider how and to what extent media framing impacts emergent debates around corporate taxation in Europe. If coalitions of business-state elites construct and develop investment policies away from the noisy politics of elections, then the generation of at least tacit support for these strategies through the coverage of national media outlets is critical to political legitimation. This is particularly the case when EU member-states are confronted with legal contestation at the supranational level, which cannot be contested or overturned via national legislatures. If national media coverage can shape public perceptions of these salient issues, then this is likely to be an important strategy in the arsenal of business-state actors.

Differential Framing of the Apple Tax Ruling: A High-Salience Case

The Irish FDI growth regime is rarely, if ever, subject to national public debate. This is despite the fact that various Irish governments have used the corporate tax regime to attract foreign investment since the 1960s. While there has been an extensive use of the corporate tax structure to attract inward investment, this has (usually) been a low-salience policy issue. The high degree of complexity in the

legal-tax code enables those with informational power (business-legal interests) to have a strong input into the design of these policies (Culpepper, 2010). While the ability of business and state interests to keep controversial economic policies out of the spotlight is interesting, our empirical focus is on how public opinion develops once a “shock” moves the policy issue (media story) front and centre to political debate.

Before detailing our media experiment, it’s important to briefly explain the Apple tax case. The core of the European Commission’s arguments rested on two separate decisions (called tax rulings) by the Irish state (in 1991 and 2007). The Commission found that these tax rulings facilitated Apple in transferring most of the income from their European sales through to a “head office” division of two Apple subsidiaries in Ireland, which was *non-resident for tax purposes*. The implication of Ireland’s policy was that Apple was able to reduce its tax bill to effectively 0%. The Commission found that this was equal to providing illegal state aid, and that Ireland must apply its 12.5% corporate tax rate to these profits, and collect €13bn in unpaid taxes. The scale of this decision, and the status of Apple as one of the world’s richest companies, catapulted the issue into the public sphere in a way that the issue had never been before. It also put the Irish government in the rather awkward position of having to publicly reject the EC’s demand that they collect €13bn in unpaid corporate taxes, at the very moment they were imposing harsh austerity measures on the electorate. This put an end to quiet politics.

Figures 1 and 2 demonstrate the pattern of relatively limited coverage of the Irish corporate tax regime over time, and the extensive coverage given to the Apple Tax decision in 2016. The spikes in Figure 1 correspond to a re-structuring made in the budget in 2011 as a result of the economic crisis; the initial preliminary ruling by the Commission regarding the Apple case in 2014; and the final Apple tax ruling in 2016. Figure 2 illustrates that the coverage of Apple’s tax affairs is driven exclusively by the EC’s decision, and the reaction to it in the late summer of 2016. It is worth noting that the Irish media did not initiate investigations or examination of the issue outside of this context. We draw the media frames from the summer of 2016, as this was the period when citizens engaged most substantively with the issue. We contend that framing effects are likely to be driven by how the media treated the topic at this time.

Comparative data on public attitudes to corporate tax avoidance suggests there is strong public opposition to large firms paying low levels of tax (e.g. Shah, 2016; YouGov, 2015). Given the recent experience of harsh austerity measures in Ireland, we may expect that the sudden high salience of the EU ruling would have prompted public anger at the state’s policies towards corporate tax avoidance. However, the limited polling data available suggested that there was instead

substantial public support for the Irish Government's decision to appeal and challenge the European Commission Ruling, and thereby not collect the €13bn (Collins, 2016).

We argue that the media's framing of the ruling is a key explanation for this. The Irish corporate tax regime is linked to economic success, with the implication that anything that's perceived to undermine this success is presented as a *threat*. To test this, we leverage the example of the coverage of the 2016 Apple Tax Ruling as a major case in which citizens could engage with the issue, and to develop broader attitudes on the topic. Focusing on a significant real-world case such as this avoids the problems associated with presenting 'emaciated frames' (Kinder, 2007). Similarly, the salience of the case allows us to make reasonable assumptions about citizens' knowledge of the issue. Further, leveraging coverage of a real world contemporary case offers significant advantages over hypothetical, constructed stimuli (see below).

The articles selected as stimuli are drawn from major real-world news outlets which differ in their political framing of the issue, as well as their ideological orientation. The editorial by the first outlet, the *Irish Independent*, focuses explicitly on the issues of Ireland's sovereignty and the threat posed by the external 'interference' of EU "bullies". This article clearly displays hostility towards the European Union, engages in a nationalistic discourse, and links the issue to an attack on Ireland's FDI-led growth regime. The second outlet, *The Irish Times*, is more balanced in its approach. It contextualizes the scale of the judgment, argues that the Government has "little option but to appeal" and focuses on the unusual nature of the decision to compel Ireland to collect the taxes. This is a less overtly hostile approach, which acknowledges the scale of the issue but stops short of criticizing the government approach.

These two articles are selected for a number of reasons. First, they represent the major distinct frames used to cover the issue in the Irish media. Second, Figure 3 illustrates that these two outlets provided the vast majority of coverage of the Apple Tax case during the period of the ruling, and its aftermath. Third, these two newspapers are, between print and digital media, the two highest-read newspapers in the country (ABC, 2017) and are generally regarded as opinion makers. The perspectives of these two outlets (center-right and center) are therefore most worthy of consideration in the Irish context.

In addition, we include an editorial from *Le Monde* as an example of a different perspective that most Irish media consumers are not exposed to. This article congratulates the European Commission on its decision, emphasizes the unfairness of Apple's tax practices, and highlights the beggar-thy-neighbour effects that Ireland's strategies have on other European countries. This is a major departure from both the strongly nationalistic frame from the Independent, and the

more balanced framing of the issue by the Irish Times. Leveraging the *Le Monde* frame is useful for our analysis as we argue that support for corporate tax avoidance is built partially through media coverage of the issue at times of high saliency. The availability of alternative perspectives on the issue allows for individuals to update their weighting of different beliefs regarding Ireland's approach to corporate tax. If the *Le Monde* treatment generates a distinct effect, this has implications for the diversity of perspectives available to Irish citizens. More theoretically, all of these stories contain key components of differential coverage - they differ in their slant, tone, selection and lead emphasis.

There may be a concern that these editorials constitute 'heavy' frames with a tone and point of view that differs from the typical news reporting of the case in the Irish media. While we agree that the editorials are 'strong frames', they demonstrate clearly the political orientation of each outlet. There is a strong strand of communication literature illustrating that the editorial line taken guides the slant of coverage throughout the newspaper (e.g. Druckman & Parkin, 2005; Ladd & Lenz, 2009). We similarly argue that on the complex issue of corporate tax avoidance, many consumers will seek the broader frame provided by editorials when updating their beliefs rather than focusing on difficult technical-legal details in the news reports.

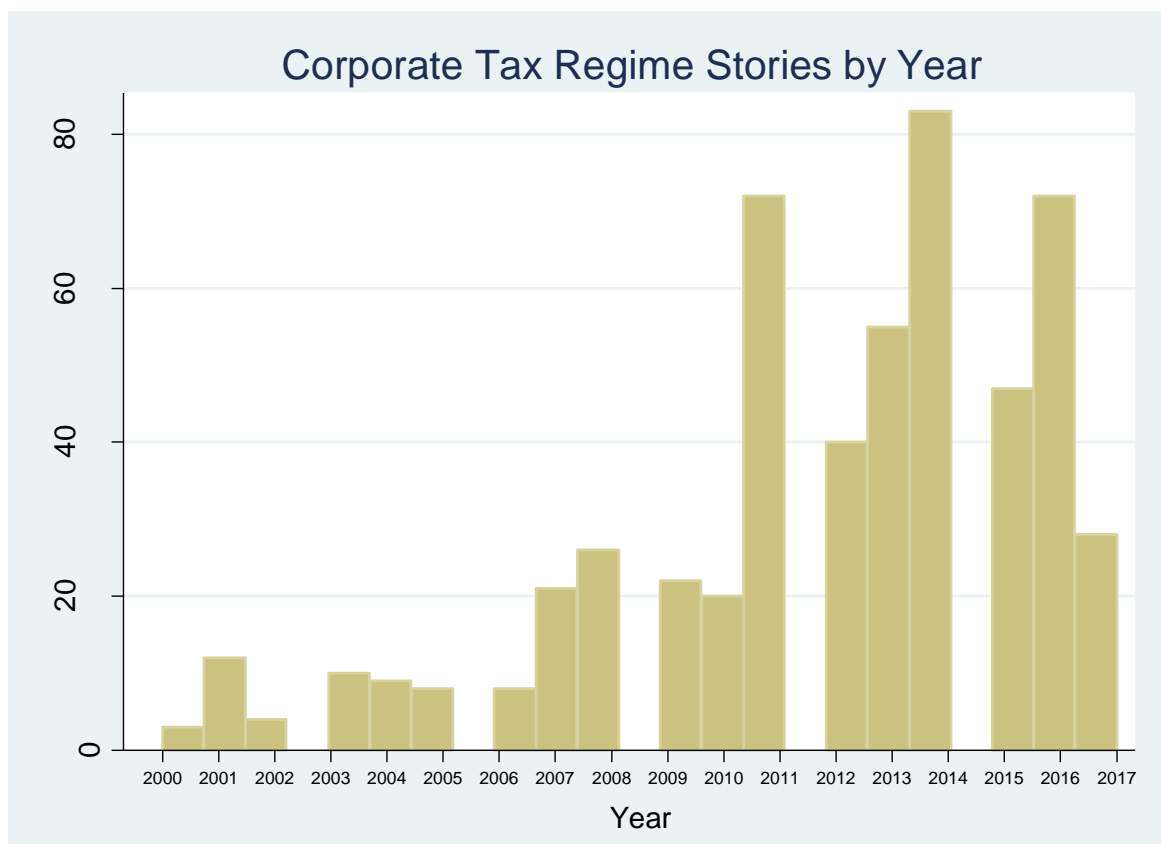


Figure 1: Corporate Tax Coverage in the Irish media by Year 2000-2017

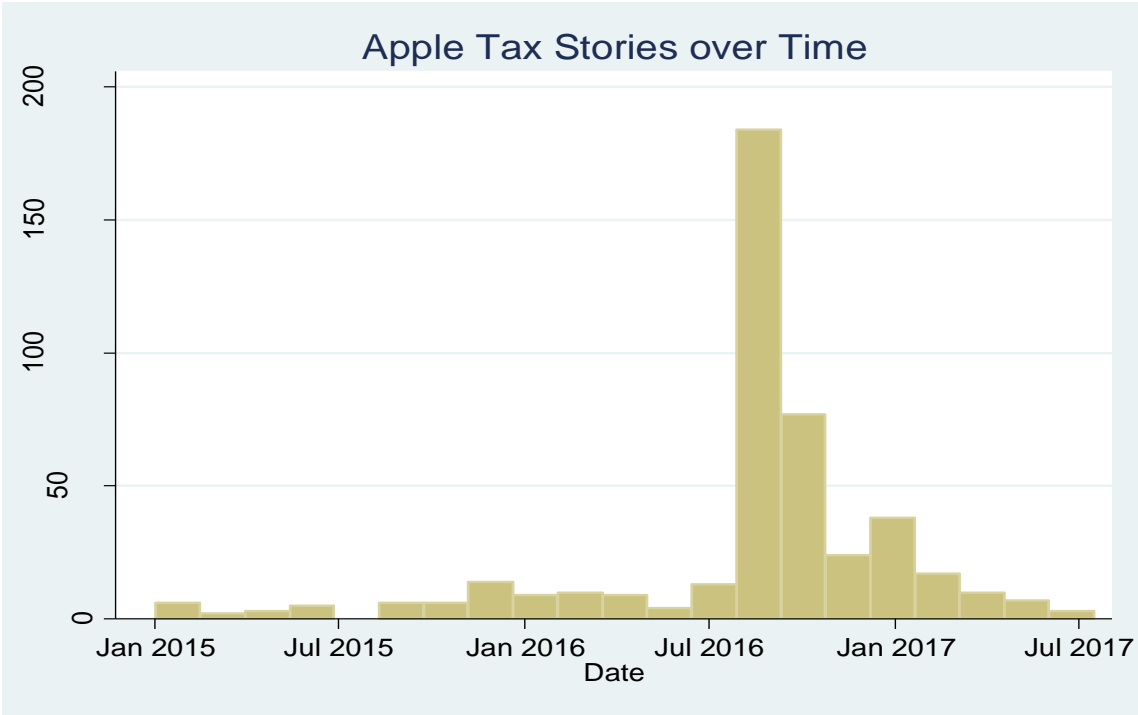


Figure 2: Coverage of Apple's tax affairs in the Irish media during the case

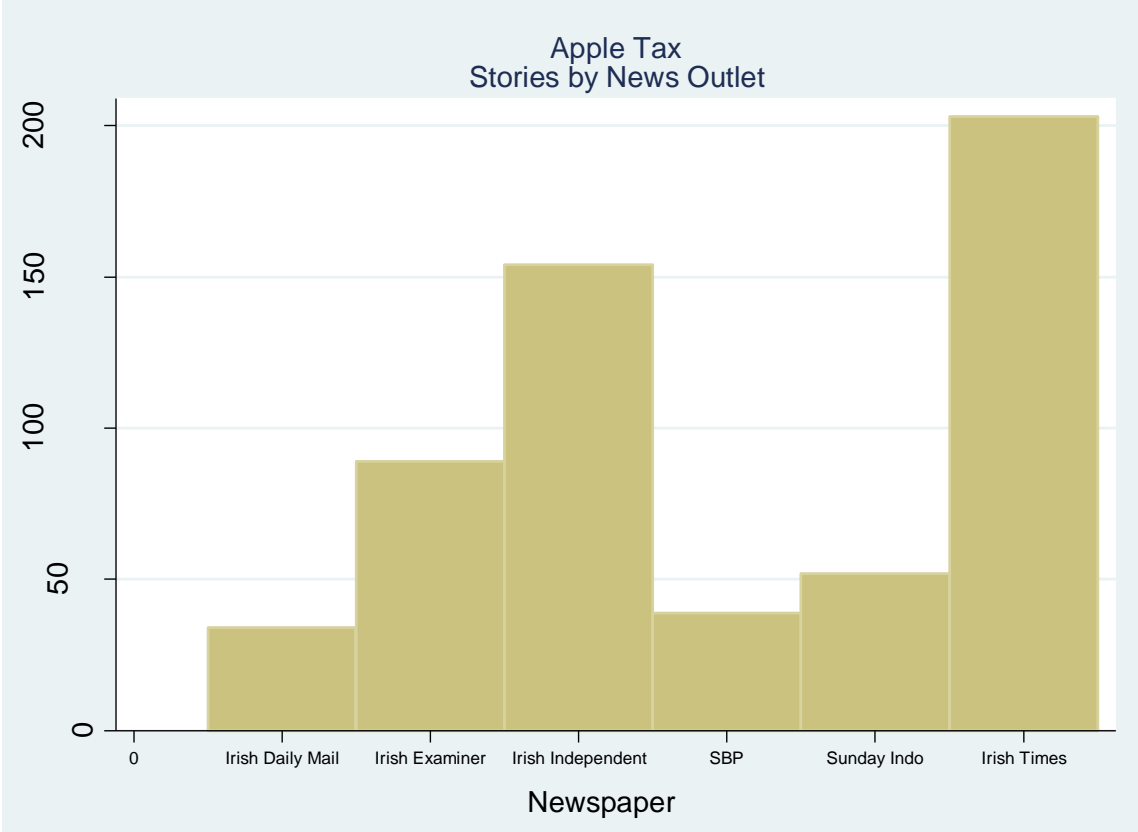


Figure 3: Apple Tax ruling coverage by Outlet

Our theoretical expectation is that exposure to one of these frames will produce an effect on attitudes to the EC Apple Tax ruling; the role of low corporate taxes in Ireland; the FDI growth regime; and the effect on Ireland's European neighbours. We think that differential exposure will alter the weighting attached to individuals competing beliefs about these issues and actors. Given that this example relates directly to the EC Apple Tax ruling, but also to Ireland's FDI-led growth regime, we employ a number of questions that constitute the dependent variable(s) in our study. The dependent variable questions are (1) degree of support for an appeal of the Apple Tax ruling, (2) level of agreement that low corporate taxes and/or FDI are good for the country, and (3) the effects of low corporate taxes in Ireland on *other* EU countries. The questions are in line with the wording from election studies and cross-national surveys on attitudes to FDI (e.g. Pandya, 2010).

The hypothesized effect of these differential frames is therefore relatively straightforward; exposure to the hostile framing and the nationalistic support of the growth regime in the *Irish Independent* will, *ceteris paribus*, produce more support for an appeal; more support for the role of corporate taxation in Ireland's growth strategy; and less concern about the impact on other EU countries vis-a-vis the control group. The balanced frame of the *Irish Times* will produce similar but weaker effects as it acknowledges and engages with the dubious nature of the Apple arrangement, but remains generally mildly sympathetic to the Government position. However, we expect that the *Le Monde* frame will have the opposite effect – we expect here that respondents exposed to this treatment will be less supportive of an appeal; more sceptical of the utility of low corporate taxes for the country and individual; and more aware of the negative effects on European neighbours compared relative to the control group.

Research Design and Data

The central advantage of experimental designs is that they allow for the isolation of potential causal effects by neutralizing the effects of confounding or endogenous variables through randomization. The classic drawback of these studies is that they lack external validity and the results of experiments cannot necessarily be expected to generalize to the outside world. While this issue can never be overcome entirely, we seek to address some of the typical limitations on external validity. Firstly, we leverage a real-world story which generated substantive media attention and which ties directly to our concepts of interest rather than producing a hypothetical case or otherwise inventing the topic.

Secondly, we use real frames and perspectives from the two highest-circulation Irish national newspapers and an alternative perspective from a widely respected European newspaper, rather than artificially constructing the frames. This approach has advantages both empirically and theoretically. By selecting stimuli directly from major news outlets, the treatments draw directly on the decisions

and processes of news professionals across the two different news outlets, and the content they each produced in their respective environments. The perspectives presented are therefore direct approximations of the narratives the outlets provided to their consumers at the time. While the stories are selected from real-world outlets, respondents were *not informed* of the actual identity of the outlet that produced the story they are reading to limit any potential cue that may emanate from the identity of the newspaper (e.g., Druckman, 2001b).

Constructed stories are developed by non-journalists without the experiences that are associated with working in these organizations. Constructed articles can therefore fail to approximate the news style, format and slant of real, journalist-produced articles (see for example, Lee, 2009). If we wish to make more generalizable inferences about the patterns of effects we observe in our experimental study, approximating the coverage that news outlets actually produce and citizens consume is preferable. As the stories are drawn directly from actual newspapers, concerns about the unrealistic intensity of frame presentation associated with constructed news stories (Kinder & Palfrey, 1993) are not a major issue here. That said, it is important to address some of the issues associated with actual newspaper articles, which we do below.

First, there are concerns with online experimental designs that respondents may not fully read the articles and instead engage in box-ticking behaviour in order to complete the survey as quickly as possible. We address this by employing an attentiveness check where respondents are asked to provide a brief summary of the content of the article. Second, the treatments are also adapted to remove localized and personalized identifiers so that the articles do not trigger reactions independent of the story's content and framing. The stories were edited for length so as to approximate the kind of newspaper-based stimuli used in similar experiments (e.g., Slothuus, 2007).

Survey Experiment Participants and Procedure

The study employs a large, representative sample in a randomized survey experiment design via the online IrelandThinks panel platform, which was used to recruit an Ireland-representative sample of 1,015 participants. The advantages of such systematically recruited samples for experimental media effects research are more fully outlined in Iyengar (2008). IrelandThinks is a Dublin-based polling company that has operated in Ireland on behalf of a number of international polling companies and corporate clients². Online panel surveys (and associated experimental designs of this sort) are relatively uncommon in Ireland and therefore the recruitment and panel-building conducted by IrelandThinks for this study is one of the first of its kind. The survey sample size and demographic

² See irelandthinks.ie

profile matches more traditional telephone-recruited samples used for political opinion polling very well.

Participants in each of the treatment groups received one of the three newspaper stimuli, with a standardized layout and the same fictionalised by-line. The treatments are based directly on the original news stories but are edited for length and identifiers. Substantively, the treatments are near-identical to the original stories. Those in the *control group* received an entirely unrelated news story using the same stylised format and by-line concerning weekend events in the country. The full text of the treatment articles for the online panel questionnaire are included in the Appendix.

The attitudinal questions in the survey are asked on a 7-point ordinal Likert scale. This is due to concerns about tendencies of participants to avoid extreme response categories and to align with standards in the public opinion literature. A ‘Don’t Know’ option was also included as this is standard in IrelandThinks questionnaires. In order to guard against any potential priming issue, the order of these key attitudinal questions was randomized across the participant pool.

Respondents were recruited by IrelandThinks as part of the construction of an online Political Opinion panel. Respondents were randomly divided into three treatment groups and one control group who were presented an alternate news articles on the trade union legislation (or the unrelated control article) and the total sample was 1,015 respondents. Along with the key attitudinal questions, participants were asked standard demographic questions on age, gender, geographic region, occupation and previous voting behaviour. Full descriptive statistics for the participant pool on the demographic and political variables grouped by treatment category are presented in the Appendix.

Findings

We begin to investigate the effects of the media frames by first examining whether there is a straightforward significant difference between the values for each treatment group compared to the control group for key test questions. We display difference-in-means in Figure 4 and find highly statistically significant differences between the *Irish Independent* and *Irish Times* treatment groups and the control group. These effects are in the direction expected: respondents exposed to the two Irish newspaper treatments are more likely to indicate higher levels of agreement that the government should appeal the EC ruling. The *Le Monde* treatment has the expected negative sign but is not distinguishable from the control group.

Figure 5 tests for a difference-in-means for the second major dependent variable question: “low corporate taxes are good for the country as a whole.” There is a slight effect of both the *Irish Times* and *Le Monde* treatments in decreasing the level of agreement with the statement. The respondents exposed to the *Le Monde* treatment are, as expected, somewhat more likely to disagree - the article stresses the unfairness of low corporate tax rates and shifts the weights respondents attach to moral considerations.

Slightly more unexpectedly, we see that the *Irish Times* treatment also has a statistically significant negative effect. While we did not necessarily expect this more balanced article to produce this effect, the treatment respondents were exposed to acknowledges the scale of the issue and hints at the reasons for concern regarding corporate tax avoidance. In this case, there is no difference between the control group and the *Irish Independent* group. This is likely due to the fact that the ‘default’ view in Ireland is that low corporate taxes are indeed good for the country, and the *Independent* treatment simply corresponds directly to this view.

The third question concerns the agreement of respondents that “Tax avoidance by foreign multinational firms in Ireland undermines other European countries”. Results are presented in Figure 6. It appears from this vantage point that Irish citizens acknowledge the effects of Ireland’s corporate tax regime on other European countries, but are willing to accept this as a trade-off in defence of the national growth regime. This indicates a deep rationalisation of the issue amongst the Irish electorate. Tests show that the *Le Monde* and *Irish Times* treatments are more likely to express stronger levels of agreement regarding the detrimental effects of this state strategy on other European countries. Again, there is no difference between the control group and the *Irish Independent* treatment group for this question, which is precisely what we would expect as the treatment essentially matches the common view.

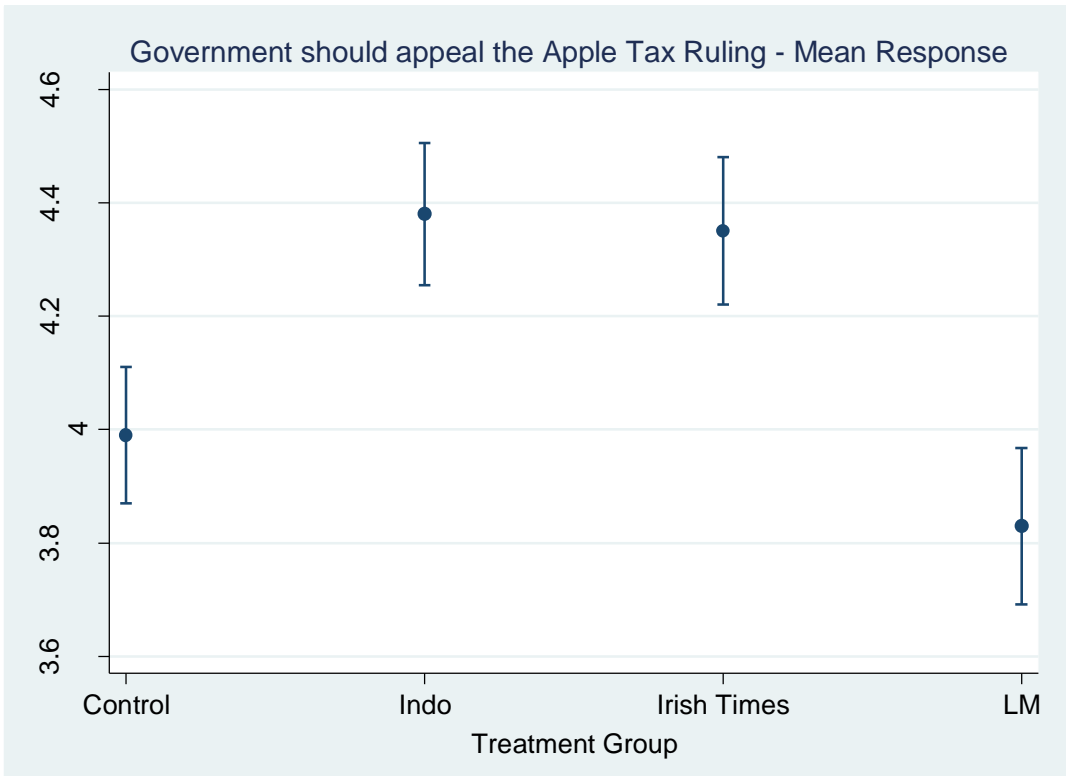


Figure 4: Difference-in-Means by Treatment Group of Agreement with "Government should appeal."

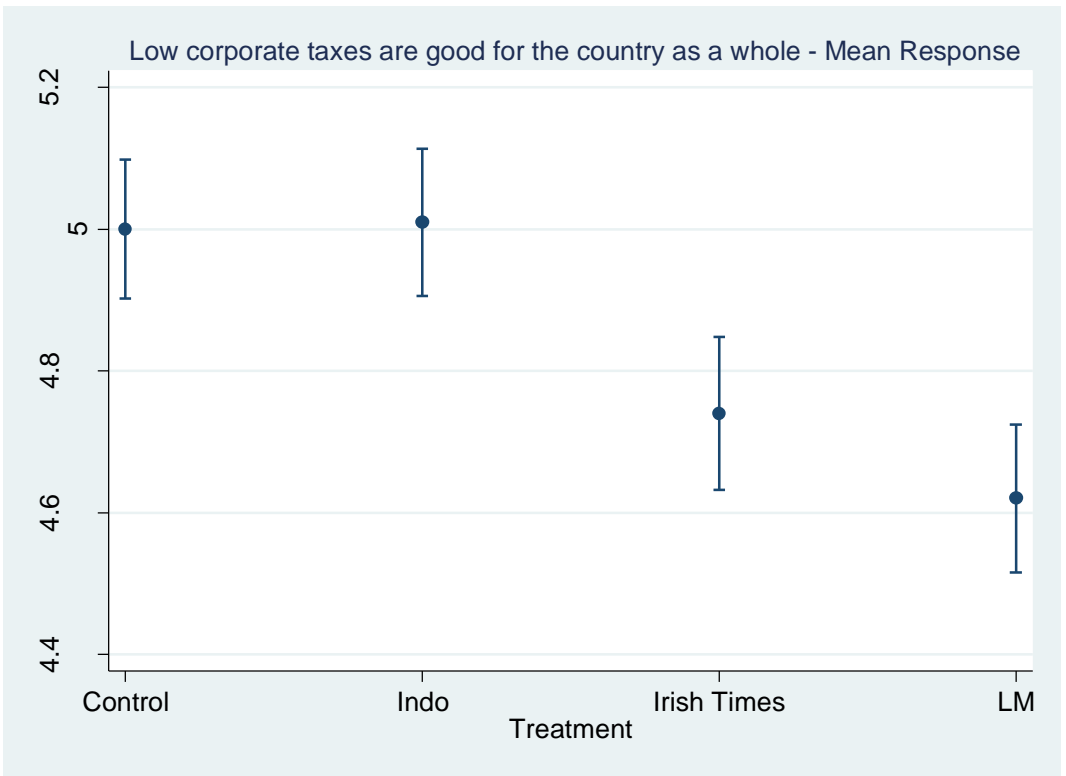


Figure 5: Difference-in-Means by Treatment Group of Agreement with "Low corporate taxes are good for the country."

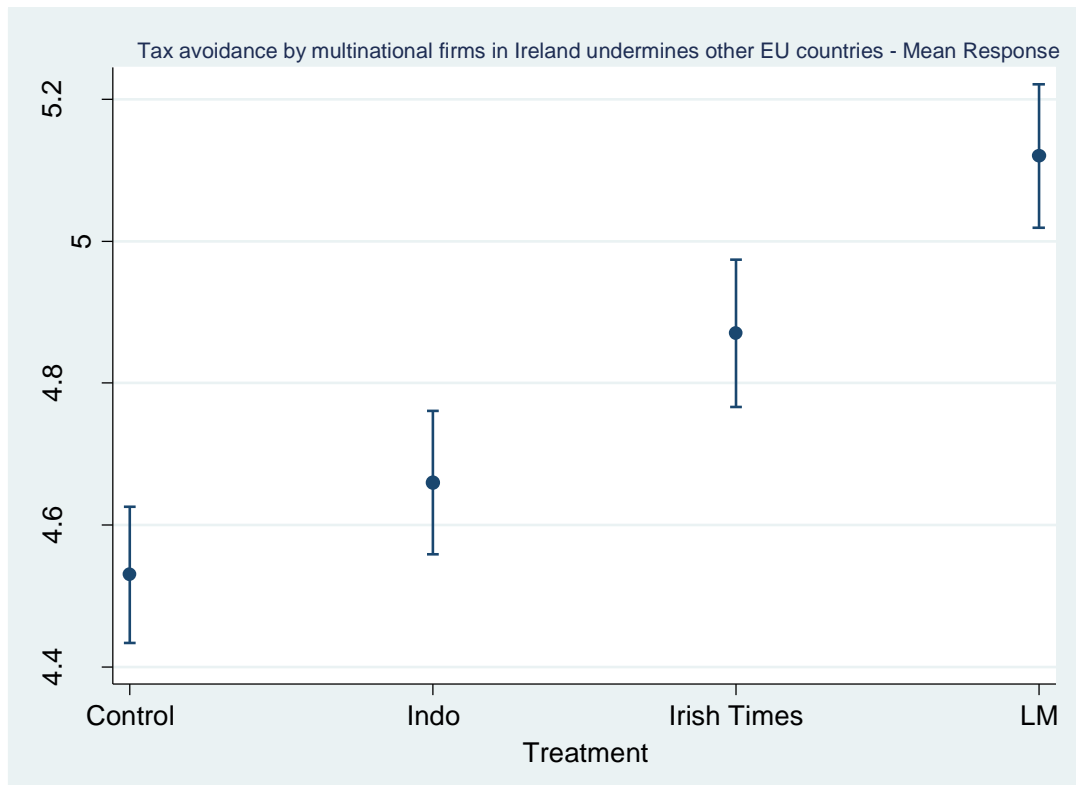


Figure 6: Difference-in-Means by Treatment Group of Agreement with “Tax avoidance by multinational firms in Ireland undermines other EU countries.”

We now move to multivariate ordinal logit models to allow for the inclusion of controls which may moderate any framing effect. The results of a representative set of these ordinal models are displayed in Table 1. We include controls for age, education, and vote choice at the 2016 election as these are the controls that are robust in their effects. We also display predicted probabilities for key treatment categories for each outcome question holding other variables at mean values. Again, higher values indicate greater agreement with the statements that the Irish government should appeal the Apple ruling; that low corporate taxes are good for the country; and that tax avoidance by multinationals in Ireland undermines other EU countries.

In the government appeal models, there is a statistically significant effect of having read either of the two Irish national newspaper treatments which are sympathetic to the government position and/or critical of EU ‘interference’ compared to the control group. Members of the panel who read these articles were, as expected, more likely to agree that the Irish government should appeal the EC ruling. This effect is robust to the inclusion of demographic variables which behave as expected. Interestingly, higher levels of education typically lead to higher levels of agreement to appeal. This is perhaps reflective of greater awareness of the implications of the EC ruling for Ireland’s employment growth strategy. The only partisan effect operates as we would expect - with Sinn Féin

(left nationalist) voters more likely to disagree with an appeal compared to those who did not vote in 2016. This is likely an effect of SF's more recent left-wing positioning, and their public criticism of corporate tax avoidance.

Figure 7 presents predicted probabilities for a respondent who received the *Irish Independent* treatment. This figure illustrates that the results hold for each category of outcome but tend to be larger for the more polarized categories with negative treatment exposure producing more likelihood of strong agreement (.052) or agreement (.024). While these effects are not strikingly large, the presence and persistence of an effect when introducing controls is still important given that this is a one-shot exercise and we might expect effects of news framing to be cumulative over time when respondents are/were exposed to these frames in the real world.

For the question regarding whether low corporate taxes are good for the country, there is a negative and highly statistically significant effect in the baseline models for exposure to the *Le Monde* treatment, compared to the control group. The *Irish Times* effect is not significant at conventional levels in the base model but both of these treatments are strongly significant when adding controls. In this case, both groups are more likely to disagree that low corporate taxes are good for Ireland and the effect is substantially larger for those exposed to the *Le Monde* treatment which provides a perspective rarely outlined in the Irish media.

Citizens exposed to more critical perspectives express more critical views, suggesting that if this perspective were more readily available in the Irish media, public opinion may have shifted against low/zero corporate tax rates as a major strategy for investment and growth. Figure 8 displays predicted probabilities of receiving the *Le Monde* treatment. Once more, the effects for most of the agreement and disagreement categories are statistically significant (apart from somewhat agree) and in particular, we see an effect on strong disagreement of .018 and on disagreement of approximately .022.

Finally, we examine effects for the question regarding whether tax avoidance by multinationals in Ireland undermines other EU countries. We observe highly statistically significant positive effects for the *Le Monde* and *Irish Times* treatments, indicating a stronger likelihood of agreement that tax avoidance has detrimental effects on other European countries. Figure 9 illustrates the *Le Monde* treatment increases the probability of a respondent choosing one of the highest agreement categories (strongly agree or agree) and decreasing the probability of choosing a disagreement category. The effect on the agree category is .08 and .09 for the strongly agree response.

	Government should Appeal	Government should Appeal	Low Corp Taxes are good for the country	Low Corp Taxes good for the country	Tax Avoidance undermines other EU countries	Tax Avoidance undermines other EU countries
Indo	0.348** (0.156)	0.386** (0.159)	0.0324 (0.158)	0.0635 (0.160)	0.158 (0.157)	0.151 (0.159)
Irish Times	0.339** (0.158)	0.392** (0.160)	-0.259* (0.157)	- (0.160)	0.403** (0.160)	0.401** (0.162)
Le Monde	-0.119 (0.160)	-0.0975 (0.163)	- (0.157)	- (0.160)	0.744*** (0.160)	0.764*** (0.163)
25-34		0.0861 (0.212)		0.286 (0.214)		0.276 (0.216)
35-44		0.112 (0.217)		0.0866 (0.221)		0.221 (0.223)
45-54		0.233 (0.224)		0.141 (0.227)		0.352 (0.226)
55-64		0.128 (0.242)		0.0344 (0.245)		0.275 (0.246)
65-74		0.652** (0.257)		0.622** (0.255)		0.279 (0.255)
75+		0.837 (0.592)		0.871 (0.593)		0.487 (0.550)
Primary		1.809*** (0.573)		0.511 (0.586)		-0.0348 (0.600)
Secondary		1.375*** (0.505)		0.612 (0.531)		0.284 (0.525)
Junior Cert		1.738*** (0.479)		1.402** (0.506)		0.609 (0.499)
Under LC		1.691*** (0.473)		1.177** (0.503)		0.682 (0.495)
Leaving Cert		1.423*** (0.466)		1.051** (0.498)		0.467 (0.490)
Post-LC		0.340		-0.923		-1.930

		(1.348)		(1.474)		(1.347)
3 rd Level		3.338**		0.252		-0.464
		(1.334)		(1.290)		(1.553)
FG		-0.129		0.536**		0.00494
				*		
		(0.179)		(0.181)		(0.182)
FF		-0.220		0.542**		-0.225
		(0.212)		(0.214)		(0.215)
Sinn Fein		-0.607***		0.201		-0.00744
		(0.205)		(0.199)		(0.202)
Labour		-0.0144		0.112		0.545*
		(0.318)		(0.299)		(0.311)
Greens		-0.710		-0.341		0.368
		(0.433)		(0.407)		(0.427)
Inds		-0.313		0.0648		-0.393*
		(0.230)		(0.228)		(0.226)
SP-PBP		-0.516		-0.395		0.285
		(0.379)		(0.383)		(0.379)
Soc Dems		-0.342		0.618		0.531
		(0.422)		(0.412)		(0.421)
DK		-0.593***		-		-0.682***
				0.454**		
		(0.207)		(0.214)		(0.216)
Observatio	964	964	991	991	972	972
ns						

Table 1: Ordinal Logistic Models. Standard errors in parentheses *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

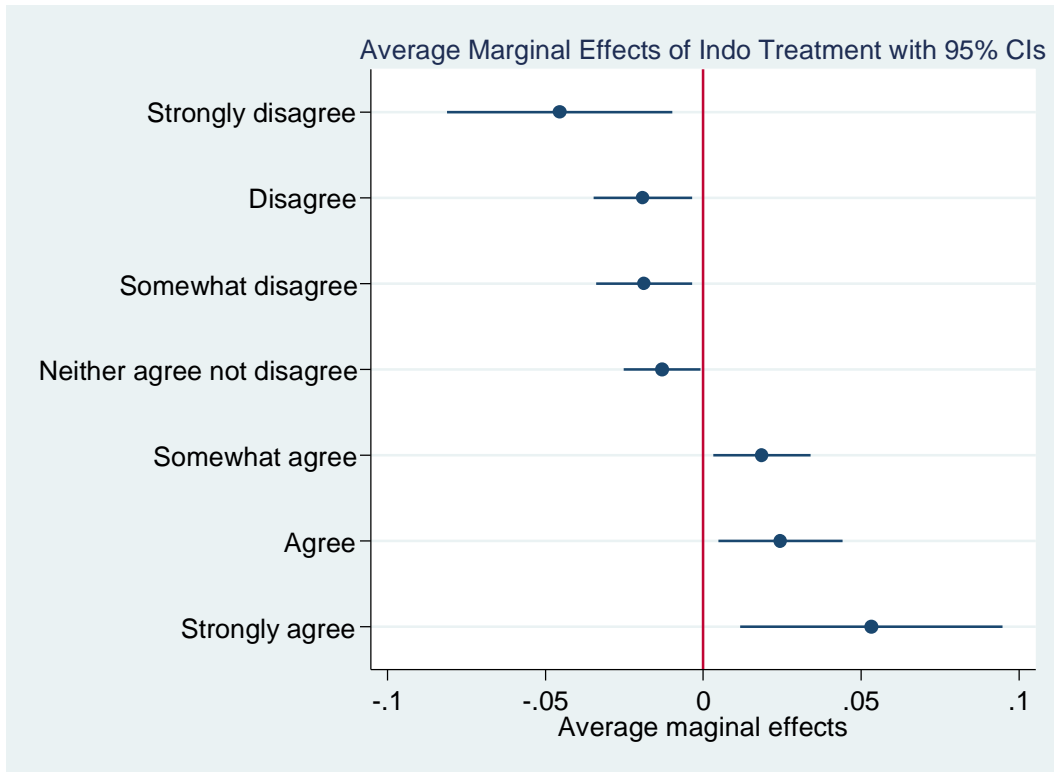


Figure 7: Marginal Effects on Probability of receiving Indo Treatment for “Government should appeal Apple ruling” question holding controls at mean levels.

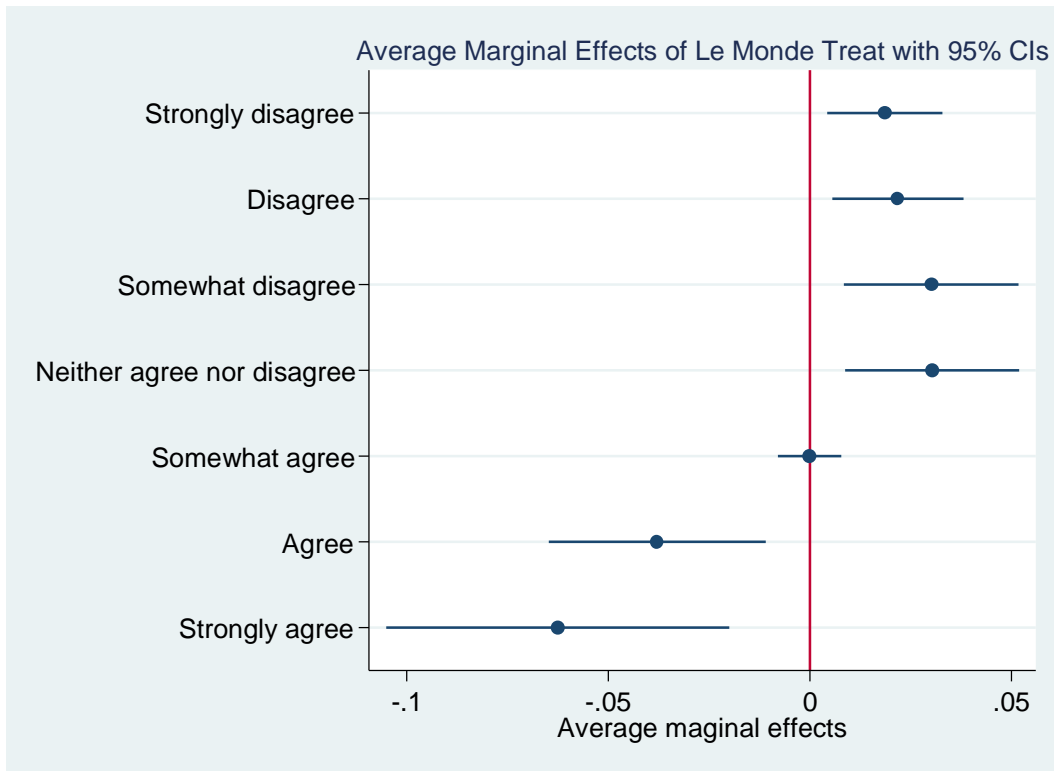


Figure 8: Marginal Effects on Probability of receiving Le Monde Treatment for “Low corporation taxes are good for the country” question holding controls at mean levels.

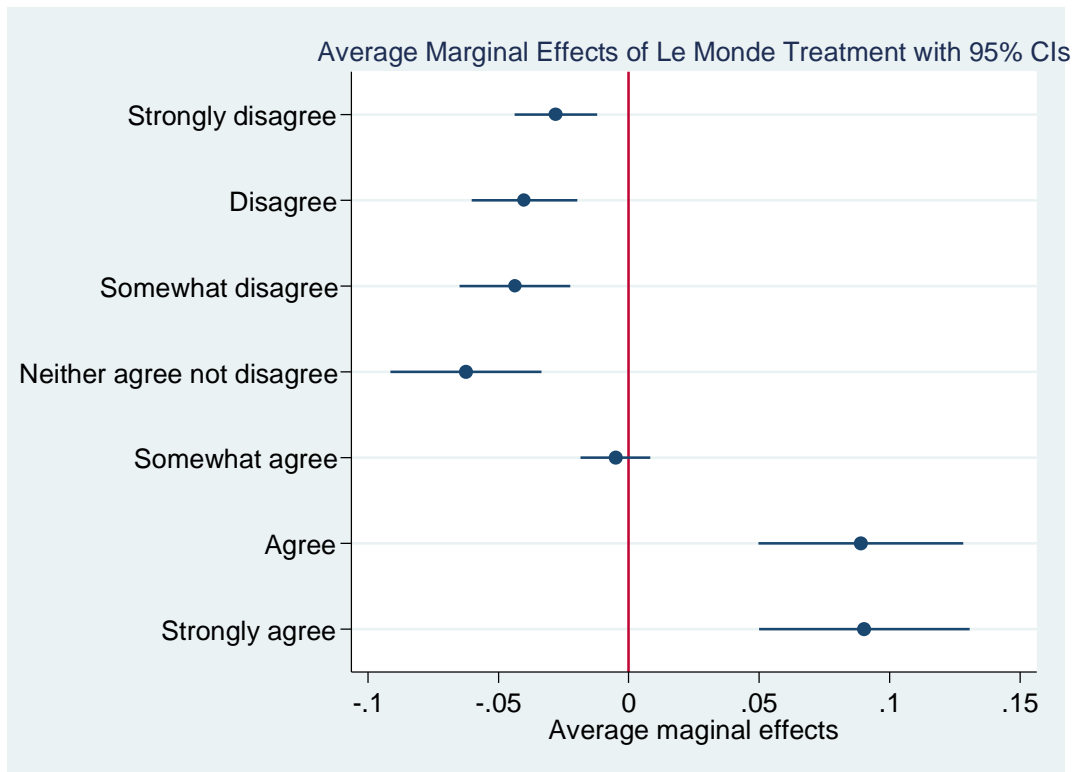


Figure 9: Marginal Effects on Probability of receiving Le Monde Treatment for “Tax avoidance by foreign multinational firms in Ireland undermines other European countries” question holding controls at mean levels

Conclusions

This paper has used an original and novel survey experiment to examine potential media framing effects on attitudes to US corporate tax avoidance in Ireland, by leveraging differentially framed real world perspectives on one of the highest salient episodes of multinational tax avoidance in European public policy, the Apple tax case. We find that distinct media frames do have effects on Irish citizens’ views on whether the EU’s Apple tax ruling should be appealed, whether low corporate taxes are good for the country, and the assessment of the effects on Ireland’s European neighbours. These preliminary results are robust to the inclusion of a number of control variables that may otherwise plausibly predict attitudes on this issue. There are three broader theoretical issues to be taken away from this experimental study, which are directly relevant to the scholarly literature in European public policy.

First, there is a growing literature that seeks to examine the structural influence that business wields over public policy. This has led to important studies that seek to examine the instrumental strategies that multinational firms use to advance their market interests in the EU, such as the through use of lobbying, or through

the discursive construction of ideas and discourse (Kastner 2017; Culpepper 2015; Gabor 2016; Swank 2016; Hay & Rosamond 2002). We contribute to these debates by demonstrating that the role of media frame is crucial for explaining popular support for the most controversial aspect of business influence over politics: corporate tax avoidance. More precisely, within the context of the EU, we demonstrate that national media frames are important factors in pushing against those EU regulations that seek to take a “European” perspective over national “beggar thy neighbour” economic policies.

Second, and related to this, the trajectory of European integration is toward a preference for more fiscal harmonisation, and reflected in the EC’s proposals for a Common Consolidated Corporate Tax Base (CCCTB). This preference for more fiscal harmonisation is likely to increase post-Brexit, given that the UK, previously the most vocal opponent of a CCCTB, is no longer at the bargaining table. Furthermore, European citizens are likely to push for greater EU policies to crack down on corporate tax avoidance, particularly amongst the big US tech companies. This obviously pits the Irish state against the EU, to such an extent that some Europhile Irish politicians have declared they would sooner leave the EU than accept any intervention against Irish corporate tax sovereignty. Our findings suggest that national media are a crucial actor in shoring up this pro-corporate business support among the electorate. This is a real challenge for EU policymakers, given the absence of a European wide public sphere.

Finally, in the study of comparative European political economy, where our research is firmly grounded, there has been a renaissance of studies into the *electoral determinants* of national growth regimes, and national varieties of capitalism (Beramendi et al 2015; Kriesi 2018; Ares et al 2017; Afonso et al 2015). Our findings suggest that the role of the media is a crucial variable in legitimating national growth models, and shoring up popular support for national varieties of capitalism, particularly when there is distributive conflict involved. We anticipate our findings can be generalised to other member-states that adopt beggar thy neighbour economic policies to advance their growth regime, such as Germany. As far we are aware, this is the first study to make this argument, and to use a media survey experiment to test attitudes toward corporate tax avoidance in Europe. Future research on the politics of contemporary capitalism in Europe would be well placed to examine the precise relationship between media frames, attitudes, national growth regimes and voting behaviour.

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