What does it mean to be an ‘Austrian’, a ‘EUropean’ or a ‘Self-employed’?

Exploring the contents of taxpayers’ Social identities

Silvia Rechberger & Martina Hartner,
University of Vienna, Dept. of Economic Psychology, Educational Psychology and Evaluation

Social Identity Approach
(Tajfel & Turner, 1986; Turner et al., 1987)

- Social identities are characterised as self-definitions in terms of groups (e.g., nation), the internalisation of the abstract category, and the commitment to this self-definition (Turner, 1982).

- Social identities influence behaviour in a way that benefits the group one identifies with at the costs of the individual benefit.

- Taxpayers may be more willing to pay their share of taxes if they identify themselves with their nation (Braithwaite, 2003).
The question remains if…

[Image: Man thinking about Austria and Austrians]

… Austria is social

… Austrians are egoistic

… national identification is always an appropriate means to improve tax honesty or if it is dependent on the meaning of national identity?

… identifications with the employment or occupational group or with Europe are relevant as well?

Research Focus

Exploration of the meaning people associate with social identities that are relevant in the tax context:
- occupational and employment group
- Austrians
- EUropeans

Exploring the relations between dual social Identities
- occupational or employment group & Austria
- Austria & EUrope
**Method of focus groups**

Questions regarded as stimuli for the discussion refer to (a) the content of the two social identities of interest and (b) the perceived relation between the two identities.

ad (a) „What comes to your mind when you think of [...] in the context of taxation?“ [sequence balanced]

- FG 1: [group – Austria]
- FG 4: [Austria – group]
- FG 2: [Austria – EUrope]
- FG 3: [EUrope – Austria]

ad (b) „Which relation do you perceive between these two aspects? Which is more important? Is there a contradiction or are they compatible or is there an overlap?“

Focus groups of ca. 90 min length each were recorded.

---

**Sample**

**Recruitment** 26 participants recruited via E-Mail and snow-balling technique

<table>
<thead>
<tr>
<th>Age:</th>
<th>20-30ys.</th>
<th>31-40ys.</th>
<th>41-50ys.</th>
<th>51-60ys.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16</td>
<td>7</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sex:</th>
<th>14 female, 12 male</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Family:</th>
<th>19 single, 4 married, 3 kids</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Income:</th>
<th>&lt; 1000 €</th>
<th>1000-2000 €</th>
<th>2000-3000 €</th>
<th>&gt; 3000 €</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td>4</td>
<td>8</td>
<td>3</td>
</tr>
</tbody>
</table>
Qualitative content analysis – Summarising Analysis (Mayring, 2003)

- Complete *transcription* of recorded tapes resulted in 51,088 written words
- Remarks of questions 1 to 3 included in analysis
- *Paraphrasing* relevant statements
- First Reduction by *Selecting & Deleting*
- Second Reduction by *Pooling & Integrating*
- *Inductive Creation of a System of Categories*
- *Revision of the category system* on the basis of the transcript conducted by a second coder
- *Interpretation of results* with reference to the research question

A) group level
   - identification with the group
   - situation of the employed in the context of taxation
   - decision about the mode of employment
   - taxes are not an issue
   - taxes are an issue

B) Austrian level
   - identification with Austria
   - positive evaluations of E*U*rope
   - characteristics of Austria and Austrians in general and regarding taxes
   - economic situation in Austria
   - private versus governmental insurance plans

C) EUropean level
   - identification with E*U*rope
   - negative evaluations of E*U*rope
   - subsidies from the EU
   - payments of contribution to the EU

D) dual identity
   - relations between the group and the Austrian identity
   - relations between the Austrian and the EUropean identity

What does it mean to be …?

<table>
<thead>
<tr>
<th>SOCIAL IDENTITY</th>
<th>A) group level</th>
<th>B) Austrian level</th>
<th>C) EUropean level</th>
<th>D) dual identity</th>
</tr>
</thead>
<tbody>
<tr>
<td>identification with the group</td>
<td>identification with Austria</td>
<td>identification with EUrope</td>
<td>relations between the group and the Austrian identity</td>
<td></td>
</tr>
<tr>
<td>situation of the employed in the context of taxation</td>
<td>homeland - &quot;Heimat&quot;</td>
<td>positive evaluations of EUrope</td>
<td>relations between the Austrian and the EUropean identity</td>
<td></td>
</tr>
<tr>
<td>situation of the self-employed in the context of taxation</td>
<td>characteristics of Austria and Austrians in general and regarding taxes</td>
<td>negative evaluations of EUrope</td>
<td></td>
<td></td>
</tr>
<tr>
<td>decision about the mode of employment</td>
<td>Austria in comparison to other countries</td>
<td>payments of contribution to the EU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>taxes are not an issue</td>
<td>economic situation in Austria</td>
<td>subsidies from the EU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>taxes are an issue</td>
<td>Austrian welfare state</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Which meaning is associated with the employment groups in the tax context?

**Group Level**

- **The employed:**
  - Relief & convenience that taxes are withheld
  - Contribution of employer
  - Benefits (e.g., paid vacations)

- **The self-employed:**
  - Positive: higher flexibility and earning opportunities
  - Negative: higher work load, work pressure, risks and lack of benefits (e.g., loss of income during holidays and illness)

Which meaning is associated with Austria/ns in the context of taxation?

**Level of Austria**

- **Identification with Austria:**
  - connectedness with Austria or Austrians
  - automatic or situation specific, depending on proximity, familiarity, language, culture
  - National pride as good vs. problematic

- **Homeland – „Heimat“**
  - Is necessary, not negative
  - Offers safety
  - contains familiar people and environment, political and economic system
Which meaning is associated with *Austria/ns* in the context of taxation?

**Level of Austria**

- **Characteristics of Austria and Austrians:**
  - low standard working hours
  - trust in government
  - Austrians as lazy with regard to taxes and
  - constantly mourning about taxes
  - spoilt regarding prosperity

- **Austria in comparison to other countries**
  - Tax issues (taxing individuals in A vs. families in G)
  - Social issues (lack in social welfare benefits in Italy)
  - Economic issues (unemployment rate in Germany)
  - Cultural issues (different culture in Hungary)

Which meaning is associated with *Austria/ns* in the context of taxation?

**Level of Austria**

- **Economic situation in Austria:**
  - Critical remarks (high unemployment rate, inflation)
  - Positive remarks (prosperous)
  - Influences of politics (tax abatements boost economic activity)

- **Austria as a welfare state**
  - Conditions of social welfare benefits (costworthy)
  - Spectrum of benefits (national health insurance)
  - Insufficiencies (not entitled to benefit despite need)
  - downsides (misuse of benefits)
  - Evaluations of the welfare state (good thing)
Which meaning is associated with *Europe* in the context of taxation?

**Level of Europe**

- **Identification with Europe**
  - (non-)existing identification with Europe (Europe as an abstract concept)
  - Factors constituting Europe (cultural diversity)
  - Downsides (creates the new „bogeyman“ USA)

- **Positive evaluations of Europe**
  - Positive influence on national level (chance against nationalism)
  - Positive influence on European level (redistribution of welfare)
  - Generally positive attitude towards the EU (European „idea“; merging of Europe)

- **Negative evaluations of Europe**
  - Critics on limitations of a central European regulation (lack of transparency)
  - Regulation goes too far (characteristics of the countries not taken into account) or not far enough (tax harmonisation required)

- **Payments of contribution to the EU**
  - Redistribution from net-payers to net-receivers
  - Austria as a net-payer
  - Criteria for calculation and exceptions (discount for GB)
  - Lacking transparency and danger of misuse
Which meaning is associated with *EUrope* in the context of taxation?

**Level of EUrope**
- Subsidies from EUrope
  - Benefit of Austria
  - Decreasing benefit with EUropean enlargement
  - Transparency and reasonableness of spending
  - Unfair distribution

**Relation btw. Austria and EUrope**
- no conflict
- complementary
- national identity more important
- Conflict (negative impact on national culture)
- Importance depends on situation

**Discussion**

- 
- 
- 
- 
- 
-
Discussion

- Sample quite homogeneous with respect to education, age, marital status, employment and occupational group
  → few associations for occupational group

- Focus group as the appropriate measure of data collection
- Qualitative content analysis:
  - Time consuming
  - Difficult for the practical use

Thanks are due to...

... you for your attention, ...

... Dr. Erich Kirchler for his support and supervision with our dissertations, ...

... and the University of Vienna for their support of our dissertations by the provision of the Research Grant of the University of Vienna (F101-S).
Literature


