
Interdisciplinary Taxation Research—An Introduction

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1.1 Introduction

This book introduces ‘an interdisciplinary research approach’ and comments upon how disciplinary-based approaches to tax research have developed in law, economics, accounting, political science, and social policy. Topical studies provide bibliographic surveys of specific areas of tax research. In this introductory chapter I explain the objectives of this book, the background in which it was developed, its approach, and its outline content.

1.2 Objectives

The editors’ aim has been to produce a book that offers an innovative introduction to tax research by combining commentary on disciplinary-based and interdisciplinary approaches. As such, we hope that we can enrich the existing literature and perspectives on the study of taxation. The main objective of this book is to guide and encourage readers to produce more good taxation research. To do this we provide a map of the taxation research field and outline what we mean by ‘single-disciplinary’ approaches to tax research and ‘interdisciplinary’ approaches. Our secondary objective is to open up the field of tax research to readers. All too often potential researchers hesitate to tackle a tax research topic because

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they do not know where to start. In this book we provide suggestions of topics, readings, and approaches that are intended to help the new researcher to begin to research tax problems. Both objectives for our book require that we explore the challenging problems that arise in connection with taxation and let readers begin to see and understand the dominant themes and patterns in this field of study. In the chapters that follow, tax researchers explain what they find compelling about the study of taxation. Each author also makes clear how the tax research problems that he or she finds interesting are linked to other tax research problems and perspectives within their own discipline and in other disciplines. This interlinking approach is, we argue, one way to ensure that the study of taxation is seen to be a relevant and rigorous area of research and to demonstrate why good tax researchers should be regarded as valuable contributors to the core of their own research disciplines and academic departments.

1.3 Disciplinary Approaches and a Multidisciplinary Field

Taxation provides a focus for rich academic research, but its nature represents a set of challenges to the researcher. I argue that taxation does not define an academic discipline in itself. By ‘disciplines’, I mean ‘recognizable communities of scholars that develop conventions governing the conduct of research and its adjudication’ (Salter and Hearn 1996: 20). I argue that a common interest in taxation serves to define an existing multidisciplinary ‘field’ of research or clustering of research interests. In this field, researchers based in different disciplines may adopt different approaches to tax research. The revenue lawyer looks closely at the interpretation and application of tax law. The economist examines the revenue, expenditure, and distributional implications of tax policy and practice. The accountant considers how tax calculation, reporting, and collection operate in the public and private sectors. The political scientist evaluates the impact of taxation on the aims and practices of government. The social policy specialist calculates the impact of taxation on the potentialities and realities of social welfare and services. Each academic discipline—law, economics, accounting, political science, and social policy—has its own particular set of concerns about taxation, as well as an understanding of what taxation is and how it should be researched.

At one level, our book is a compendium of how scholars in this multidisciplinary field of research examine and analyse tax problems. The value of the compendium is in making sure that tax researchers are aware

of existing research and approaches and the options available to them as they plan new research or design challenging teaching that is well-versed in relevant scholarship. Existing research tends to be conducted and written from the point of view of distinct academic disciplines. Law, economics, and accounting guide the majority of tax researchers, but other approaches, such as political science and social policy, are adopted as well. These last two tax research traditions have fewer academic researchers than the other three, but academics in these disciplines are distinctive and influential in debates over tax policy and practice. In this sense, they represent traditions that have helped shape and refine our conceptual thinking about tax just as much as law, economics, and accounting. This book brings these distinctive bodies of tax research together.

As a form of multidisciplinary tax research, the project to produce this book follows on from a number of initiatives taken in a UK academic context. In the 1950s and 1960s, the London School of Economics and Political Science (LSE) was home to a number of practitioner-academics of law, accounting, and economics who wrote thoughtful, provocative pieces on taxation.¹ The LSE tax seminar series has been sustained as a multidisciplinary forum for discussion between academics, policymakers, and practitioners ever since.² Founded in 1956 by LSE revenue lawyer-practitioner Ash Wheatcroft, the *British Tax Review* (BTR) continues to provide academics working within law as well as other disciplines with a publication that serves a set of diverse interests in tax research. Occasionally, the BTR has sponsored multidisciplinary conferences that have generated special issues.³ The Institute for Fiscal Studies (IFS) has provided a splendid example of how the economic analysis of tax policy and problems can be developed in a research centre with a dedicated research staff and a network of associated economists drawn from research universities.⁴ As its editorial policy makes clear, the IFS journal *Fiscal Studies* prides itself on presenting economic analyses of taxation in terms that are accessible to the well-informed non-specialist. The journal also publishes studies from non-economists that complement its principal interests. The IFS also can be credited with a number of multidisciplinary tax policy and research initiatives that extend well beyond the United Kingdom.⁵ Under the leadership of the late Professor Cedric Sandford, the University of Bath Centre for Tax Research demonstrated how a group of economists and accountants could define a particular tax research problem (compliance cost), influence policy and practice through its research activities, and outline appropriate research methodologies to a widening group of researchers across the globe.⁶ Tax Research Network (TRN) was formed to provide an organizational framework to connect tax researchers, especially those based in law and business

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schools. The TRN annual conference now attracts participants from a wide range of disciplines and countries outside the United Kingdom. Other TRN initiatives have been directed toward better understanding and exchange of ideas about issues and methods of tax research. It is through TRN initiatives that the authors of this book have begun to move toward interdisciplinary engagement in tax research. The Institute of Chartered Accountants in England & Wales (ICAEW) Research Report on interdisciplinary research in taxation (Lamb and Lymer 1999a) emerged from a TRN collaboration.⁷

1.4 Taxation as ‘Action’ or ‘Fact’

Taxation can be defined as ‘the imposition or levying of taxes; the action of taxing or the fact of being taxed’ (*Shorter Oxford English Dictionary*). An emphasis on ‘action’ or ‘fact’ creates different perspectives for defining particular taxation problems for research. The first may be associated with the processes of setting, interpreting, and administering tax legislation. The second may be associated with measuring the size of taxes and tax effects. The nature of taxation has been explored from both perspectives by scholars from a wide range of academic disciplines and jurisdictional perspectives. In Part II of this book, introductions to taxation processes and summaries of tax effects are suggested by the authors. In addition, historical works on taxation may provide suitable introductions to researchers who are new to the taxation field: Grapperhaus (1998) offers a short introduction to the world’s taxation over two millennia; Webber and Wildavsky (1986) provide a comprehensive comparative history of taxation in the western world; Daunton (2001, 2002) has written an authoritative history of British taxation in the last two centuries; and Brownlee (1996) gives a short history of US federal taxation.

1.5 An Interdisciplinary Approach

However the researcher chooses to define taxation for a particular research purpose, the definition reflects a complex process, rooted in a diverse context and having multifarious aspects. Many issues of taxation are interconnected and causation is difficult to pin down. One type of tax analysis nests within another, seemingly without limit as one moves from the specific to the general, or vice versa. The process of taxation rests on law and furthers

the aims of government. The politics of state spending is twinned with the politics of public revenue. Taxation concerns are ubiquitous in economic decision making and also affect patterns of social interaction. Behavioural responses to the taxing process by taxpayers, professional practitioners, and tax officials raise issues of justice, ethics, efficacy, and administration. Accounting techniques give visibility to the objects of taxation and help to regulate them.

In this book, my co-authors and I argue that we should consider going beyond a multidisciplinary treatment of the tax subject. We argue that taxation research will be enriched if multidisciplinary perspectives are complemented by interdisciplinary perspectives. As an object for research, taxation can be seen to represent an 'interdisciplinary problem'. As such, this may be a problem of knowledge and practice that would best be understood and pursued in the round. In other words, you may have to look at tax problems through the eyes of specialists in several academic fields before you gain a clear grasp of how the multiple facets of taxation fit together and affect each other. To conduct tax research you may also need to choose carefully, but not too narrowly, from among the research knowledge and tools on offer from the various academic fields that study taxation. We recognize that it is necessary for the researcher to have a base in one academic discipline, but in our view it may not be sufficient. The researcher may have to adopt the perspectives and research approaches of at least one other academic discipline, too. We call this an 'interdisciplinary approach', meaning that the tax researcher adopts the perspectives and research approaches of more than one academic discipline. This book introduces an approach to interdisciplinary tax research.

1.6 Organization and Content of this Book

There are four parts to this book.

Part I. In this part, I introduce the multifaceted nature of taxation itself and pose some of the problems associated with researching tax.

Part II considers taxation as a research problem explored in distinct academic traditions: law, economics, accounting, political science, and social policy. Five chapters present a deep analysis of how disciplinary-based approaches to tax research have developed in particular academic disciplines. Each author surveys the development of tax research within his or her own discipline and elaborates what is necessary for tax research to conform to its norms and standards. In each chapter, the author discusses the

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general characteristics of tax research in the research tradition; leading paradigms of disciplinary research and characteristic research approaches derived from these paradigms; and exemplary tax research within the particular research context. In addition, the authors give some indication of typical research outlets and some suggestions of possible approaches to future tax research within the tradition discussed.

In the chapters of this part, my co-authors and I start with the specific traditions with which we are most familiar, that is, the variants in the United Kingdom. Each chapter does, however, broaden the analysis to address variants of the disciplinary traditions in other parts of the world. North American characteristics receive coverage by each author and there is some discussion of Australasian and continental European research.

Part III considers particular taxation research topics for which interdisciplinary research methods have been and can be adopted. These nine chapters are topical studies providing bibliographic surveys of specific areas of tax research. This part of the book surveys tax research as it has been conducted in practice. From this survey, readers can begin to discern the characteristics of the tax research field and identify how one might proceed with new research on particular tax problems or using particular research approaches.⁸ In each chapter, authors characterize the sorts of research problems that are addressed by literature in the field that they had chosen to explore. Authors also discuss exemplary tax research within the field; identify appropriate and accessible research outlets for publication; and indicate directions for future research within the field. Authors highlight interdisciplinary approaches adopted by researchers, and where relevant cite seminal works.

While the majority of chapter authors in this part are based in the United Kingdom, there is representation of tax research done in and on other parts of the world by non-UK-based authors of chapters and inclusion of topics that are explicitly focused on non-UK tax problems.

Part IV. A concluding chapter provides a discussion of our approach to taxation research. It is directed toward some of the practical issues of 'doing' taxation research from single-disciplinary and interdisciplinary perspectives. We argue that all tax research requires a disciplinary base, but some tax research will require an interdisciplinary approach. We argue that sound interdisciplinary research involves: (1) recognition of an interdisciplinary object of research; (2) adoption of a 'home' discipline; (3) familiarity with (an)other discipline(s); and (4) use of research methods that are interdisciplinary. Our conclusion suggests how the themes and disciplinary approaches developed in the book may be expanded and extended through interdisciplinary approaches.

NOTES

1. Professor Harold Edey was the LSE accounting professor of his generation who took the greatest interest in taxation. Three of his articles from the 1950s and 1960s are cited in Freedman (1995: n. 1). Along with his LSE colleagues William Baxter, David Solomons, and Ash Wheatcroft, Edey was influential in developing UK academic and professional thinking about the tensions in existing methods of measuring income (including for tax purposes) and what principles might guide alternative methods (Whittington 1994). For a discussion of this period of LSE tax academic history, see Park (1997).
2. See Section 2.2.2 of Chapter 2, this volume, for a discussion of the LSE seminar and the origins of the *BTR*.
3. An influential example is the March 1995 conference on Accounting Standards and Taxable Profits. The papers from this conference were published in the *BTR* as 1995, issue 5. See further discussion in Section 2.2.5 of Chapter 2, this volume.
4. See www.ifs.org.uk/staff/index.shtml for a list of IFS staff and www.ifs.org.uk/staff/indexrfs.shtml for details of the IFS network of research fellows and associates.
5. The IFS economists have been influential policy analysts in international settings. For example, the European analysis of tax competition and the reform of corporate taxation has benefited greatly from the participation of IFS economists and other affiliates. See www.ifs.org.uk/corptax/taxcomp.shtml for electronic access to some relevant papers.
6. The influence of Sandford and the University of Bath research centre are explored in Evans, Pope, and Hasseldine (2001).
7. The TRN research report on interdisciplinary research in taxation (Lamb and Lymer 1999*a*) was sponsored by the P. D. Leake Trust associated with the Centre for Business Performance of the Institute of Chartered Accountants in England & Wales. Lamb and Lymer (1999*b*) summarize the history of TRN and discuss the emerging approach to interdisciplinary tax research conducted within the accounting academic tradition. A tax research directory and bibliographic survey across several related fields were compiled in 2000–1 (Lamb 2002).
8. The majority of these topics emerged in the process of completing the ICAEW Research Report (Lamb and Lymer 1999*a*). Initially, the editors suggested twenty themes or topics around which tax research has clustered (or was expected to cluster in the future) to potential authors. The idea was not to encompass all tax research with the chosen themes and topics, but to explore particular areas, each with a well-developed or developing research literature. The eleven chapters of the Research Report emerged as particular authors agreed to contribute to the project and as some negotiation over chapter titles took place. This was an important element of the process, given that the object was to permit authors with recognizable expertise in tax research to define the part of the wider field that they were willing to examine. In the current book the majority of the topical chapters of the ICAEW Research Report have been updated and extended.

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We have also added new chapters on the European law of taxation and taxation in the context of business strategy. We would emphasize, however, that Part III of this book does not represent a complete mapping of tax research topics, but merely a reasonably comprehensive collection of extant tax research that illustrates the breadth of subject and technique so far explored by tax researchers. This part offers the new researcher ample opportunity for finding his or her feet and understanding the possibilities of the tax research field.

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