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**Tax Credits as an accounting technology of government:
“Showing my boys they have to work, because that is what happens”**

Sara Closs-Davies, Doris M. Merkl-Davies & Koen P.R. Bartels

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Abstract

Purpose – We explore the role of accounting technologies of government (ATGs) associated with UK Tax Credits and their impact on claimants’ motivations, behaviour, and identities. Our aim is to deepen empirical and conceptual understandings of how ATGs of tax authorities transform claimants into ‘entrepreneurs of the self’.

Design/methodology/approach – We approach Tax Credits as a case study to examine how ATGs articulate and operationalise neoliberal ideology through a complex network of inscription devices, expertise and locales. We adopt an ethnographic approach based on interviews, archival data, and fieldnotes to gain a deep understanding of citizens’ lived experiences of ATGs when claiming Tax Credits.

Findings – We find that ATGs play a key role in transforming Tax Credits claimants into self-disciplined ‘*citizen-subjects*’ whose decisions are informed by market logic. When claiming Tax Credits, citizens interact with ATGs and are transformed into ‘*entrepreneurs of the self*’ who internalise neoliberal ideology and associated beliefs and assumptions of poverty, work, and the welfare state. In this process of subjectification, ATGs (re)construct their identities from welfare recipients to ‘responsible’ and ‘accountable’ hardworking individuals and families. However, ATGs perversely disempower claimants who lack the required human capital for becoming responsible for their own welfare and thus ultimately maintain socio-economic inequality.

Research limitations/implications - Participants were drawn from a relatively narrow geographic area.

Practical and social implications – We reveal how accounting as a technology of government (dis)empowers individuals vis-à-vis the State and spurs inequality dependent on personal circumstances and calculative skills.

Originality/value – We contribute to the accounting literature by showing how neoliberal ideology is articulated, operationalised and reinforced by dynamic and repetitive interactions with ATGs of the UK Tax Credits scheme. We deepen understanding of the processes through which socially and economically disadvantaged individuals are transformed into self-governing economic agents responsible for their own welfare.

Key words: Tax Credits; Accounting Technologies; Neoliberalism; Governmentality; Subjectification

Article classification: Research paper

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1. Introduction

Neoliberal forms of subjectification have become a central part of welfare reform. Critical accounting research has examined the influence of neoliberalism on welfare programmes by focusing on the role of accounting and governmentality (Alawattage et al., 2018, Marriott & Sim, 2019; Junne 2018; Cooper et al, 2016). A key argument is that accounting technologies of government (ATGs) are not mere technical instruments for collecting and producing financial data that inform decision-making, but play a transformative function by “*chang[ing] the mentalities and practices of the actors within it*” (Cooper, 2015, p. 73). ATGs are a device for “*‘the economisation’ of heretofore noneconomic spheres and practices*” (Cooper, 2015, p. 15). Economic rationality encroaches into non-economic domains, including policy areas which have traditionally been considered non-economic, and crowd out equality, collective welfare, and empathy in favour of difference based on financial worth, individual benefit, and competition. Several studies have analysed the role of ATGs in transforming subjects into ‘*entrepreneurs of the self*’ (Foucault, 2008), i.e., proactive self-responsible economic agents who act in market-compliant ways. For instance, Nikidehaghani et al. (2019) show how the accounting practices of Australian disability welfare reform constructed the self-responsible disabled welfare recipient. Cooper et al. (2016) examine how social impact bonds (SIBs) reframed the discourse of homelessness from a social problem to a problem of “*individuals who fail*” (*ibid*, p. 65). Similarly, Alawattage et al. (2018) investigate how accounting technologies transformed poor village women in Sri Lanka into bankable individual entrepreneurs.

However, it is still insufficiently explored how accounting technologies create “*financially responsible citizens*” (Bay, 2011, p. 593) and by what processes the subjectification of citizens occur (Gilbert, 2020). Accounting scholars have recently begun to examine the role of accounting in the process of responsabilisation in the context of debt, savings, social impact bonds, and personal budgets (Gilbert, 2020; Alawattage, Graham, & Wickramasinghe, 2019; Bay, 2011, 2018; Bay et al., 2014; Cooper et al., 2016; Junne, 2018). However, there is little critical accounting research which explores the role of taxation in the process of responsabilisation and its impact on individuals’ subjectivities and behaviour (Marriott & Sim, 2019). This is surprising, given the significant disciplinary role of tax authorities and the widespread recognition that accounting is “*at the heart of responsabilising processes*” (Gilbert, 2020, p. 3; Miller & Power, 2013). A Special Issue of Critical Perspectives on Accounting dedicated to tax issues in 2010 pointed out that “*tax has not received the intellectual attention*

it deserves from accounting scholars”, which can lead to “*the absence of an understanding of the operation of power in a social contract that touches the lives of all*” (Boden et al., 2010, p. 541). A handful of critical tax studies focuses on the impact of public sector reform on both tax administrators and citizens. Tuck (2010) studies the transformation of tax administrators into ‘T-shaped’ workers who have both technical and managerial skills. Closs-Davies et al. (2020) examine the impact of changes in the public values of the UK tax authority on the daily practices of tax workers. Tuck et al. (2011) focus on the emerging discourse of taxpayers as ‘customers’. Boden et al. (1995) analyse the discriminatory treatment of women in the UK with respect to income tax and national insurance contributions which is informed by the notions of economic citizenship and self-reliance.

The Tax Credits (TC) scheme offers an exceptional opportunity for further developing empirical and conceptual understanding of how ATGs of tax authorities transform individuals into ‘entrepreneurs of the self’. TC were introduced in the United Kingdom (UK) by the New Labour government in April 2003, with the purpose of reducing child poverty and alleviating the financial hardship for ‘low-income families’¹ (HM Treasury, 2002, p. 14). Encapsulated in the slogan ‘making work pay’, TC can be understood as a neoliberal welfare programme which aims to both redistribute tax revenue to ‘low income’ individuals and families and decrease ‘welfare dependency’ by encouraging people to work. It links welfare recipients to notions of work and tax collection, as it is administered by the UK tax authority, Her Majesty’s Revenue and Customs (HMRC), rather than the Department for Work and Pensions (DWP), which is responsible for administering welfare programmes. By providing a financial incentive to actively engage with the labour market, TC aim to render individuals responsible for their own welfare, rather than rely on the State. In fact, the term ‘tax credits’ functions as a discursive marker for a conditional social benefit by linking financial support of individuals with the government’s objective of rewarding ‘hardworking families’ (taxpayers), rather than ‘skivers’ and ‘scroungers’ who rely on government ‘handouts’ (Pickles, 2010).

There is a dearth of critical accounting research focusing on UK Tax Credits. A handful of studies within the sociological and policy analysis disciplines examine the social and psychological impact of TC welfare programmes on recipients. For example, Romich and Weisner (2000) and Duncan *et al.* (2007) examine Earned Income Tax Credits (EITC) in the United States (US) and find that EITC encouraged parental responsibility, as it provided more financial freedom for parents to make better decisions about their children’s education. Sykes

et al. (2015) show how EITC encourages feelings of citizenship and fosters identities as workers. Wiggan (2010) examines whether TC in the UK fulfil their objective of incentivising low-income families to engage in paid work. He finds that decisions to seek paid employment are not solely driven by financial incentives, but also by “*social and moral beliefs about what constitutes appropriate parenting*” (Wiggan, 2010, p. 632). For instance, mothers, who live with a partner in paid employment, value the time to care for children more than the relatively small financial benefit of TC attached to entering the workplace. This suggests that designing welfare programmes based on assumptions of economic rationality does not always yield the desired results. Some individuals are not primarily motivated by financial rewards and sanctions, but by moral concerns and social norms, e.g., what it means to be a good parent. Although the prior literature highlights the impact of TC on claimants’ subjectivities from a sociological and political perspective, they do not examine *by what processes* such consequences occur. This is where critical accounting research can contribute by focusing on the ways in which accounting is utilised and experienced as a technology of government.

Our study examines the lived experience of TC claimants in order to deepen understanding of how ATGs enact accountability and self-responsibilisation through processes of subjectification. We set out to answer the following research question: *How do accounting technologies of government influence Tax Credits claimants’ motivations, behaviour, and identities?* We adopt Miller and Rose’s (1990, 2008) work on governmentality and ATGs to analyse how the TC scheme articulates and operationalises neoliberal ideology through a complex web of ATGs, engaged in constant and repetitive interactions with claimants, locking them into a dynamic and emergent pattern. We particularly focus on the way that claimants are transformed into accountable and self-disciplined subjects through recurrent engagement with ATGs, including inscriptions devices, expertise, and locales. Our theoretical framework reveals how ATGs transform subjects into ‘entrepreneurs of the self’ based on economic rationality and notions of individual responsibility and accountability. The study critically highlights how such subjectification processes create a ‘dividing practice’ (Foucault, 2008) amongst claimants because subjectification depends on individuals’ abilities (capacities), particularly their calculative skills.

We adopt a critical, interpretivist ethnographic approach to study the TC field, which entails immersion into the field and collecting data from multiple sources. In addition, data collection involved participatory research in the form of helping claimants with their TC awards and

overpayments. Data includes a range of inscription devices (TC forms completed by claimants, letters between HMRC and claimants, HMRC TC reports, HMRC computer screen-shots of claimant records, TC adverts, and fieldnotes), telephone recordings between HMRC workers and claimants, unstructured interviews with claimants, observations, and archival data. We used grounded theory to analyse the data, which means that codes were not pre-determined, but emerged from an iterative process of interpreting the data (Charmaz, 2006).

We find that interacting with ATGs inculcates claimants with market-compliant ways of being and acting in the home, in turn producing self-disciplined '*entrepreneurs of the self*' whose decisions are driven by economic rationality and the desire to increase their own and their children's human capital. ATGs not only aid in the identification, collection and production of financial information about a population for allocating financial resources to target groups, but also instil notions of personal responsibility and accountability in claimants and their children. The most striking example is Tammy, one of our interviewees, a widow and mother of two children who worked full-time, despite being financially better off on social benefits because she was determined to "*show the boys they have to go out to work, because that is what happens*". Our findings suggest that interacting with ATGs (re)constitutes claimants as self-disciplined '*citizen-subjects*' (Schram, 2018) who strive to 'better themselves'. This subjectification goes hand-in-hand with an economisation of the private sphere, with financial worth overriding other values, such as being a good parent, a caring spouse or a dedicated volunteer in the local community. We provide evidence that ATGs enact accountability, based on the perception that financial support by the State is dependent on engaging with the labour market and paying taxes. In addition, we show how subjectification processes are divisive, as they are dependent claimants' abilities, with ATGs preventing some claimants from becoming responsible for their own welfare due to their lack of required calculative skills.

This paper offers two contributions to the existing accounting and accountability literature. First, we strengthen the interdisciplinary link between critical tax research and critical accounting research by challenging notions of power, by mobilising accounting theories in relation to conditions of emancipation and accountability, and by highlighting dysfunctions of public (tax) policy and the need for reform. We contribute to critical accounting research by providing empirical evidence which illustrates how tax authority administration plays a role in responsabilisation processes and its impact on individuals' subjectivities, the home (domestic sphere) and social inequality. We show how some TC claimants are transformed into economic

agents “*who [make] decisions and choices which are calculable and comparable*” (Miller & Power, 2013, p. 586) and self-responsible subjects (‘entrepreneurs of the self’) who are able to increase their human capital as a means of improving their lives (Cooper, 2015). By contrast, other claimants, predominantly due to their lack of calculative skills, are unable to become ‘entrepreneurs of the self’. As a result, their financial hardship worsens and social inequality is reinforced.

We also contribute to the growing accounting literature on the accountability of citizens to the State by examining how ATGs transform individuals into accountable subjects (Graham, 2010; Nikidehaghani and Hui 2016; Nikidehaghani et al., 2019). The TC scheme is based on “*workfare*” and the neoliberal principle of “*no rights without responsibilities*” (Fiske & Briskman, 2007, p.50), shifting the notion of state welfare support from ‘entitlement’ to ‘conditional entitlement’. This study provides an in-depth understanding of how ATGs reconfigure and enact accountability in dynamic and unfolding ways by reshaping TC claimants’ perceptions of themselves and others and their sense of self-worth based on whether they are “*active agents*” (Rose, 1999). Our analysis of claimants’ lived experiences illustrates how ATGs transform claimants into accountable customers participating in a market-based model of welfare provision, based on the notion of ‘deservingness’ of financial support by the State that is linked to the tax system. Only those who are employed (‘active agents’) and are ‘paying in’ via income taxes are ‘deserving’ of a ‘pay out’ in the form of TC. Hence, ATGs render claimants accountable to society and the State. Our findings contribute to recent efforts by the critical accounting literature to examine the role of accounting in creating self-responsible ‘entrepreneurs of the self’ and accountable subjects (Alawattage et al., 2018; Cooper et al., 2016; Cooper, 2015) by illustrating how subjectification processes occur via a complex web of ATGs and actors in gradual, dynamic and repetitive ways. This expands our understanding of the invasive role of accounting in society (Bay, 2011, 2018; Hopwood, 1994; Jeacle & Walsh, 2002).

The paper is structured as follows. Section 2 introduces our theoretical framework. Drawing on (Foucault, 1982) and Miller and Rose (2008), we aim to identify and understand the way ATGs associated with the administration of TC operationalise subjectification processes by shaping claimants’ thinking, acting and being. Section 3 introduces the methodology, critical interpretivist ethnography, and explains how we collected and analysed the data, including observations, unstructured interviews, telephone conversation recordings, TC forms and

archival documents. Section 4 outlines the findings, which are presented in five subsections to reflect the successive stages of claimants' experience with TC and associated subjectification processes, namely 'Wanting to be better off (Section 4.1), 'Working it out' (Section 4.2), 'Being eligible' (Section 4.3), 'Wanting to work' (Section 4.4.), followed by a discussion of findings (Section 4.5). The paper concludes in Section 5. Here we draw attention to the pervasive power of accounting technologies in neoliberal government programmes, outline avenues for future critical accounting research on benefit schemes building on the insights generated from the paper, and conclude with practical and policy implications for public administration.

2. Theoretical framework

This section outlines our theoretical framework, which draws on Miller and Rose's (2008) work on accounting technologies of government (ATGs) to show the pervasive role of accounting in governing citizens. Section 2.1 outlines the concepts of governmentality, subjectification and neoliberalism and how these notions are normalised and embedded in modern welfare state programmes. Section 2.2 discusses the role of ATGs in the subjectification of citizens by articulating and operationalising neoliberal ideology on poverty, work, and the relationship of citizens with the State.

2.1 Governmentality, subjectification, and neoliberalism

According to Miller and Rose (2008, p. 61), "*government is a problematizing activity*". Governments seek to rectify social problems by finding ways to bring the "*real*" closer to the political "*ideal*" (*ibid.*, p. 61). Epitomised by the 1942 Beveridge Report, the UK welfare state was underpinned by a moral social contract between the State and its citizens which entailed the State being responsible for the provision of social security, reciprocated by making citizens responsible for being "*industrious*" (*ibid.*, p. 73). This moral social contract links the government's political ideology with the actions of individuals through a common language, known as "*political rationality*" (Foucault, 1982, p. 221) of "*responsibilisation*" (Miller and Rose, 2008, p. 77), which is based on a transactional notion of accountability whereby citizens 'pay-in' to the State by means of taxes and the State 'pays-out' to citizens via social welfare payments.

Political rationality is embedded into the minds and bodies of individuals through a process of "*subjectification*" (Foucault, 1982), which entails transforming individuals into self-governing

subjects. Subjectification entails the exercise of State power to shape individuals' identity. Subjectification normalises a particular way of being, e.g., a 'hard-working' single mother. Research on subjectification should not focus on "*subjectivities, but [on] technologies of subjectivity*" (Jack, 2017, p. 7) to understand the powerful mechanisms which operate between the State and the subjectivised individual. These mechanisms are referred to as "*governmentality*" (a portmanteau that combines "*government*" and "*rationality*"), defined as an "*ensemble formed by the institutions, procedures, analyses and reflections, the calculations and tactics that allow the exercise of this very specific albeit complex form of power*" (Foucault (1979, p. 20). Governmentality thus constitutes power that simultaneously flows through social life in material, discursive, dynamic and emergent ways (Henman, 2012).

Studies of governmentality focus on power in the form of domination, i.e., the governing of citizens via neoliberal discourses on poverty, work, and the welfare state. Governmentality naturalises the social order by differentiating between 'the deserving' and 'the undeserving' poor, between 'hardworking families', and 'skivers' and between 'benefits' and 'handouts' as a means of justifying social welfare programmes based on rewards and sanctions (e.g., Wiggan, 2012; Morrison, 2019), as well as a means of normalising and legitimising the conditionality of financial support (e.g., Shildrick and MacDonald, 2013; Garthwaite, 2016). Miller and Rose (2008) highlight how ATGs articulate and operationalise neoliberal discourses on work as 'a route out of poverty' (Pickles, 2010) by producing self-disciplined '*citizen-subjects*' (Schram, 2018), responsible for their own welfare by engaging with the labour market.

Neoliberalism is a governmentality in the sense that the population is governed by economic rationality grounded in the logic of the market and based on the principles of efficiency, competition, and value-for-money. With the rise of neoliberalism in the mid-1970s political rationality shifted from an emphasis on civil society, citizenship, solidarity and dependency on the State to the desire to 'liberate' public services from the collective welfare of all citizens, to increase productivity and efficiency, and to promote the exercise of personal choice (Meyer, 1986; Miller and Rose, 2008; Goldstein, 2011). Neoliberalism thus aims to 'shrink' the State by shifting the provision and responsibility of citizens' welfare from the State to the market and to individuals themselves, and is concerned with entrepreneurial and self-responsible citizens (Junne, 2018; Mladenov et al., 2015). Section 2.2 explains the role of accounting technologies in processes of subjectification.

2.2 Accounting technologies of government

An analysis of governmentality focuses on the mechanisms of governing, i.e., technologies of government, rather than on a specific locus of power (Miller and Rose, 1990; 2008). Technologies of government encompass a “*wide range of calculations, procedures and mechanisms of government*” (Miller, 1990, p. 317), which are used to achieve government aims, e.g., ‘making work pay’, to bring about specific ends, e.g., reducing poverty and optimise employment levels (Miller, 1990). Technologies of government encompass a range of accounting practices encompassing both accounting concepts (e.g., debits and credits, revenue and expenditure, ‘balancing the books’) and calculations (e.g., working out household income and expenses). Accounting technologies fulfil both technical (e.g., categorisation, commensuration) and transformative functions (e.g., restructuring a social field and its actors in line with neoliberal ideology). ATGs articulate and operationalise economic rationality and associated principles of efficiency, competition, and entrepreneurship, creating an economisation of social relations (Cooper, 2015). By interacting with ATGs individuals are transformed into economic subjects who “*make enterprises of their lives*” (Mennicken and Miller, 2014, p. 4), i.e., “*entrepreneurs of the self*” who are “*the source of [their own] earnings*” (Foucault, 2008, p. 226).

According to Miller and Rose (2008) ATGs operate within a web of power relations between human and non-human actors. The web encompasses inscription devices, expertise, locales, and centres of calculation, which together, through multi-directional visible and invisible ways, operationalise and articulate neoliberal ideology. Calculation is at the heart of inscription devices, which capture subjective information about individuals’ lives rendering them visible, measurable, comparable, and calculable across time and space (Robson, 1992). They transport information about a target population via expertise and locales to centres of calculation, where they are subjected to evaluation, judgement, and intervention

Prior accounting research examines the impact of ATGs on people’s identities. For example, Cooper *et al.* (2016) examine how social impact bonds (SIBs) function as accounting technologies and transform homeless people into ‘entrepreneurs.’ Drawing on Foucault’s work on biopolitics and neoliberalism, they demonstrate how SIBs reframe the discourse of homelessness from a social problem to a problem of “*individuals who fail*” (*ibid*, p. 65) in line with UK government discourse. Their study focuses on organisational changes and how they

shape the subjectivities and practices of key actors involved in the design and implementation of SIBs. They do not examine the impact of SIBs on the homeless (target population) to provide insights into how ATGs facilitate the reconstruction of homeless individuals. Alawattage *et al.* (2018) investigate the role of ATGs as a biopolitical tool for transforming poor village women in Sri Lanka into bankable individual entrepreneurs. They demonstrate how ‘microaccountability’ is employed by banks to create a capillary system of accountability based on training poor women to watch over each other’s savings and credit behaviours. In contrast to Cooper *et al.* (2016), their fieldwork includes interviews with women borrowers and their family members, enabling an examination of the impact of ATGs on the target population. Together, these studies are part of an important developing body of accounting research that examines how ATGs facilitate the transformation of individuals’ subjectivities and behaviour.

Our study builds on existing theoretical understandings of ATGs and subjectification by examining how *accountability* is enacted and reconfigured by ATGs within target individuals’ everyday experiences both in the public and the private sphere. Accountability is “*concerned with the question of **who** is to **whom**, for **what**, and **in which way** held responsible*” (Junne, 2018, p.48; Bracci, 2014; Messner, 2009). According to Foucault, individuals are constituted in processes of subjectification underpinned by freedom and power simultaneously. He draws attention to “*two meanings of the word ‘subject’: subject to someone else by control and dependence; and tied to his own identity by a conscience or self-knowledge*” (Foucault, 1982, p. 781). In turn, Roberts (2009) argues that Foucault’s concept of subjectification can be applied to systems of accountability: “*rather than a mere giving of an account by an already formed subject, accountability is the **condition of becoming** a subject who might be able to give an account. It is the **endlessly repeated moment of subjection***” (p. 959; emphasis added). Mechanisms of accountability depend on the form of disciplinary power that is exercised on individuals (Junne, 2018) and the social context in which they operate (Hopwood, 1983; Roberts & Scapens, 1985). We posit that ATGs play a crucial role in systems of accountability by exposing individuals to repeated appraisals against predefined criteria, continual engagement with calculative practices, inscription devices, expertise and locales, and an aspirational view of the ideal ‘improved-self’. Hence, ATGs play a crucial role in transforming individuals into entrepreneurs of the self and into accountable subjects.

Our study views ATGs as part of the wider ‘apparatus’ of systems of accountability and disciplinary power (Miller and O’Leary, 1987) which operate in a complex web of power

relations that entail endless repeated moments of subjectification (Roberts, 2009, p. 959). Drawing on Miller and Rose's (2008) work, we illustrate how ATGs enact accountability via repeated and unfolding processes of subjectification of TC claimants in everyday interactions. Our study extends Miller and Rose's work by showing how ATGs not only influence the decisions of individuals to pursue paid work, but also change their preferences and dispositions to 'wanting to work', even when they are unable to do so, ultimately transforming their roles and identities both in the public and the private sphere.

3. Data and methodology

The study is part of a larger critical interpretivist ethnographic project on Tax Credits (TC) which examines the power dynamics of the TC field. Over a three-year period, we collected and analysed data from multiple sources. This included twenty-eight TC forms, sixty letters between HMRC and claimants, twenty-eight TC reports, several HMRC computer screen-shots of claimant records, TC television and poster advertisements, seventy-six telephone recordings between TC frontline workers and claimants, twenty-eight unstructured interviews with claimants, observations, archival data and fieldnotes. Part of our fieldwork also involved participatory research in the form of helping claimants with their TC awards and overpayments. Participatory research complements other methods of data collection and analysis. It improves the interpretation of data, as it is "*checked against the understandings of the people on the bottom of the policy process*" (Shdaimah et al., 2009, p. 258), and produces thick description of the field being studied.

In this study we mainly draw on interviews with TC claimants and documentary and archival data. We conducted twenty-eight interviews between July 2014 and June 2017, eighteen of which were with claimants (see Table 1). We took an unstructured approach to interviewing (Weiss, 1994) enabling claimants to tell their unique stories in their own words and fathom the meaning of their lived experiences in great depth. Despite its open-ended nature, unstructured interviewing is a very systematic approach to gathering new and surprising data. We used open-ended questions and focused on concrete experiences, probed by asking for examples and elaboration, and employed a thematic interview guide and markers to ensure that all key topic and emergent issues were covered. This approach produced lengthy and rich interviews. Participants were selected via local advertisements and snowballing (Durose, 2011, p. 982; Erlandson *et al.*, 1993).²

[INSERT TABLE 1 HERE]

Claimant interview data were triangulated with documentary and archival data, including HMRC adverts, TC award and overpayment notices, letters between HMRC and claimants, political party manifestos, research reports from Citizens Advice³, The Child Poverty Action Group and HMRC, newspaper articles, and social media forums. These data sources not only provided us with a grasp of the materials and artefacts through which TC are enacted and experienced, but also supported our findings from interviews with claimants based in North Wales and North-West England with UK-wide experiences of interacting with TC. Further triangulation was achieved by conducting participatory observations of housing estates, local Foodbank and community centres, Citizens Advice offices, claimants' homes, and charity services and events. Field notes were made before, during and after each interview which recorded observations and informal conversations. All interviews were recorded and transcribed verbatim.

For the purpose of this study, the data were analysed using grounded theory analysis. This approach meant that codes emerged from the data and were not pre-determined. The data were coded according to “*incidents*” (Charmaz, 2006, p. 53): indicators of an event which help identify emerging concepts based on “*concrete behaviouristic descriptions of peoples' mundane practices*” (Charmaz, 2006, p. 53). Coding was a continuous process of setting up provisional codes, modifying and adding new codes, whilst collecting and analysing more data. This involved an interactive process of going back and forth between data, memo-writing, and analysis until we reached a point of saturation and triangulation. Memo-writing involves a systematic examination and exploration of codes and theories (Charmaz, 1990) and facilitated the development of deeper and richer understandings of the TC field led by the experiences of TC participants.

The focus of the study is on the way interactions with ATGs impact on claimants' motivations, behaviour, and identities. As discussed in Section 2, ATGs operationalise and articulate neoliberal ideology. In our analysis of claimant interviews, TC adverts and documents, we therefore paid specific attention to words and phrases relating to economic rationality and financial worth (as opposed to compassion and other types of worth, such as care for dependants), individual responsibility (as opposed to collective responsibility and

dependency), and the notion of ‘accountability’ towards the State and taxpayers (as opposed to fairness based on citizens’ rights and needs).

4. Findings

This section discusses the findings emerging from our case study of UK Tax Credits, with Figure 1 providing an overview of our findings. It draws together the theoretical framework developed in Section 2 with quotes from various data sources to illustrate key findings. Our analysis of interviews with Tax Credits (TC) claimants, supplemented by archival data in the form of a TC Award Notices (Exhibits 3a, 3b, and 3c) and three government adverts for TC (Exhibits 1, 2 and 4) shows that ATGs articulate and operationalise neoliberal ideology on poverty and work (economic rationality), personal responsibility, and the reciprocal relationship between the State and citizens inherent in the ‘stakeholder economy’ (‘fairness’ for taxpayers). We find that claimants are transformed into self-disciplined ‘*citizen-subjects*’ (Schram, 2018) during repeated interactions with a complex web of ATGs in the form of government advertisements, claim forms, award notices, and HMRC workers. However, ATGs do not always produce successful ‘*entrepreneurs of the self*’, as they place accountability and responsibility on claimants regardless of their personal circumstances, calculative abilities, and access to expertise.

[INSERT FIGURE 1 HERE]

We present our findings in four thematic subsections that reflect claimants’ experience of the TC scheme, as they engage with ATGs. The titles of each subsection reflect our original analytical codes, namely, ‘Wanting to be better off’ (Section 4.1), ‘Working it out’ (Section 4.2), ‘Being eligible’ (Section 4.3), and ‘Wanting to work’ (Section 4.4). Distinct, yet interrelated, these four subsections illustrate the gradual disciplinary processes of claimants’ subjectification as they unfold. Subsection 4.5 summarises our findings. Key words and phrases which are indicative of neoliberal ideology relating to economic rationality, individual responsibility and the notion of ‘fairness to taxpayers’ are highlighted in bold.

4.1 Wanting to be better off

Following the passing of the Tax Credits Act in July 2002, TC was introduced by the New Labour government in April 2003. TC is broadly similar to previous UK welfare programmes,

such as Family Income Supplement (1974 – 1987), Family Credit (1988 – 1999) and Working Families' Tax Credit (2000 – 2003), in terms of target groups (working families), characteristics (means-tested), and political aims (reduce poverty and unemployment). TC was designed to combine several welfare benefits (Working Families Tax Credits, Children's Tax Credits, Disabled Person's Tax Credits and elements of the New Deal 50+) into one, with the purpose of simplifying the claiming process and creating a more responsive system enabling claimants to make in-year adjustments for any change in circumstances (HM Treasury, 2002)⁴.

TC consist of two main elements, namely: (1) Child Tax Credits (CTC) which is paid to individuals with dependent children; and (2) Working Tax Credits (WTC) which is paid to individuals (irrespective of whether they have children or not) who work above a specific number of hours per week. Working parents are entitled to additional WTC when they make use of third-party childcare providers. TC is one of the main financial support programmes claimed by UK citizens. In 2016/17, the UK government spent £264 billion on welfare, representing around 34% of total government expenditure. About 18% of this relates to TC, family benefits and income support (Office for National Statistics, 2016). TC is not awarded automatically, but subject to an application process. This is underpinned by the neoliberal principle of placing the responsibility for financial wellbeing into the hands of individuals.

Claimants' initial perceptions of TC are shaped by HMRC's national advertising campaigns in the UK media, including newspapers, radio, and TV (see Exhibits 1, 2 and 4). Such inscription devices convey a positive impression of TC as a form of 'no strings attached' financial support for 'low-income families'.

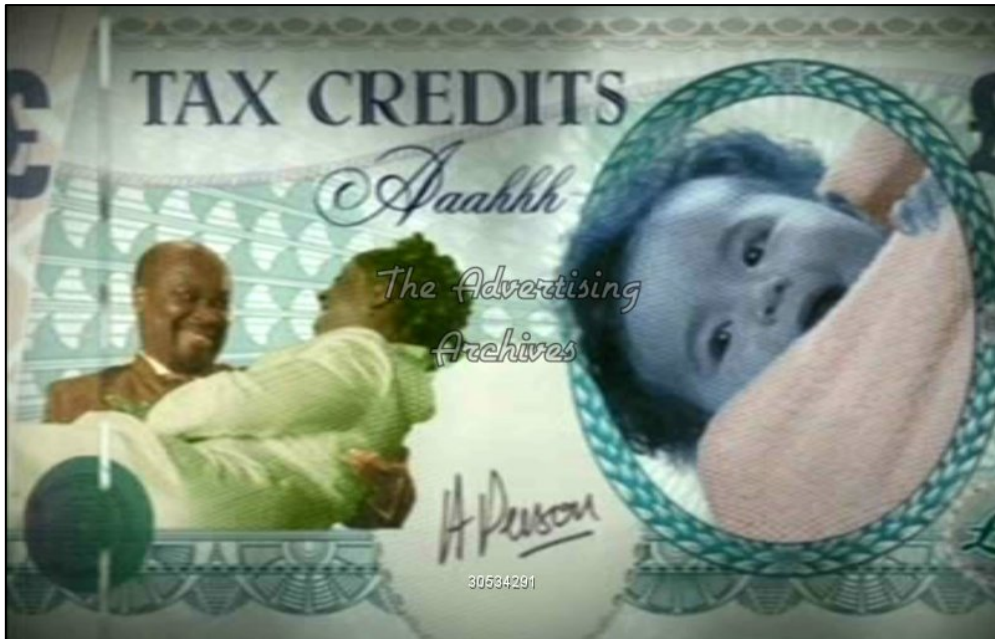


Exhibit 1: HM Inland Revenue Tax Credits television advert, 2003 (www.advertisingarchives.co.uk)

Exhibit 1 is a still of a television advert for TC. The background resembles a UK banknote. The foreground consist of two panels depicting a happy couple and a smiling baby in domestic settings with the caption “Tax Credits” and “Aaahhh”, suggesting that TC contribute to the well-being and happiness of families.



Exhibit 2: HM Inland Revenue Tax Credits television advert, 2004 (www.advertisingarchives.co.uk)

Exhibit 2 is a still of another television advert for TC. As in Exhibit 1, the background resembles a UK banknote, with the two panels in the foreground depicting a ‘working family’. The images, in combination with the caption “*Tax Credits*” and the slogan “*money with your name on it*”, suggest the availability of unconditional financial support for families. Interviewees confirmed this initial perception of TC. For example, Elaine (single, one child, employed) believed TC would “*help*” her and her family. Sally (single, two children, employed) thought TC were “*fantastic*” and Alison (single, no children, employed) felt they were “*great*”. Janet and her husband Cain (two children, both employed) describe TC as “*Wow [...] Money for nothing [...] It’s like a little bonus*” for the family. At this stage claimants have little awareness of the conditional nature of TC. For example, eligibility for WTC is dependent on household composition and a specific number of hours worked per week (i.e., single parents and cohabiting parents must work a minimum number of sixteen hours and thirty hours per week, respectively). Initially claimants also do not realise that interacting with TC gradually transforms them from citizens into workers and taxpayers, i.e., self-responsible subjects who are accountable to HMRC. Elaine articulates this realisation in the following way:

They [government] do fraud you because **they make you think they’re helping you out**: “We give you this. **Come to work and we’ll give you money**” [...] Any extra money you get a week, **they take it out of your taxes anyway**. You’re no better off. [...] It’s the working tax [credits] that **pays the tax back** and it’s just **going around in a circle** and going back into their pockets.

(Elaine, Interviewee 10; single, one child, employed)

In Sections 4.2 to 4.4 we illustrate how claimants are exposed to the gradual and unfolding processes of subjectification facilitated through their interactions with ATGs, that transform them into self-responsible entrepreneurs of the self who act in market-compliant ways.

4.2 Working it out

Applying for TCs involves engaging with ATGs and associated calculative practices. This entails completing TC application forms (inscription devices) which requires translating subjective everyday activities into objective abstract numbers. For example, claimants are required to calculate the previous year total taxable household income and estimate the current year total taxable income. They also have to estimate total childcare costs for the current year and the average total number of hours worked per week for each adult in the household. These calculative practices become annual “*rituals of self-disclosure*” (Graham, 2010, p. 25) for claimants, which involve providing an account of their lives (e.g., marital status, employment

status, number and age of children, household composition) by specific deadlines, which, in turn, becomes subject to judgement and calculation by HMRC (centres of calculation).

However, some claimants find TC claim forms “*too complicated*” (Colin: single, no children, employed), as they require claimants to be “*literate*” (Janet: two children, employed) and to have a “*certain level of education*” (Tammy: widow, two children, employed) and calculative skills. Claimants who lack the necessary education and skills risk making errors, often resulting in financial penalties in the form of overpayments. However, interacting with inscription devices transforms claimants into accountable subjects, an experience echoed by Sally:

“They [HMRC] have got that physical evidence that you’ve written it [...] You’ve calculated it. You’ve given them that figure. So, **if you’ve done it wrong, then it’s on your head [...] It’s your fault**”.

(Sally, Interviewee 7; single, two children, employed)

This awareness is shared by Tammy (widow, two children, employed) who has learned to make sure that her calculations are accurate “*to the penny*” to avoid being sanctioned.

Claimants who struggle to complete TC claim forms tend to use the TC telephone helpline (locale), believing that HMRC workers (expertise) “*were there to help you*” (Clara: single, two children, employed). However, this expectation is not always borne out by reality, as Caitlyn’s story demonstrates:

“You’re **trying to do maths under pressure** on the phone. [...] “**Work it all out then**” he [HMRC worker] said all sarcastic. Then he said: “I think it’s better if **you get all of this information, and then phone us back**”. I told him: “Listen. I’ve been on hold for 25 minutes. I’ve been trying to get a hold of you for 4 days. Don’t put the phone down on me”. Then he started to get unpleasant and said: “**You need all of the information**. There’s no point in you phoning without it” [...] I could feel myself being anxious and it was really stressing me out. Feeling pressure from him and him being unpleasant as well. Then he said: “I’ve given you advice on what to do. If you don’t want to take it, it’s up to you. I can’t force you”. I’m saying: “I am taking your advice. I’m asking you for help” and then he said it again. I just thought “forget it”. I said: “Thanks. I’ll phone you back when **I’ve sorted it out myself**” [...] There’s stress and you try to ask them [HMRC workers] to explain, and there is no explanation to be had.”

(Caitlyn, Interviewee 14; single, two children, unemployed)

Nadia’s experience is similar. When she contacts the TC telephone helpline to ask for help with calculating her household income, she is told to access support elsewhere:

“I asked him [HMRC worker], “please help me, **I don’t understand**” [...] “**I’m dyslexic and I don’t understand numbers**”. [HMRC worker said] “Get someone to read for you then” or

something like that. Something like: “You should get someone to read your post for you then” and then he made me feel more thick than what I do feel, because I do feel thick often and it’s a horrible feeling. My brain doesn’t see what it’s supposed to [...] It’s embarrassing isn’t it? [...] It’s an awful feeling [...] I don’t understand why they’re like that. [They’re] assholes. They just don’t give consideration that you’re phoning because you’re [already] upset”.

(Nadia, Interviewee 13; single, two children, full-time student)

Some claimants seek help from alternative sources of expertise situated in different locales, such as their local Citizens Advice office or their Member of Parliament. For example, Alison (single, no children, employed) approaches her MP, who takes “*a weight off*” her mind by helping her navigate the complex TC rules and calculative practices. This allows her to see the “*light through the trees*”. Caitlyn receives help from Citizens Advice, which boosts her confidence and provides her with the necessary “*reassurance*” for future interactions with HMRC workers. This illustrates that ATGs associated with TC act as a dividing practice. They transform claimants with the necessary knowledge and skills into accountable and self-responsible subjects who benefit from the financial support provided by TC. However, claimants who lack these skills fail to become successful ‘entrepreneurs of the self’.

Another reason for failing to become self-responsible subjects is the conditional nature of TC, which renders some claimants ineligible for financial support via TC despite their best efforts to “*do good for yourself, provide for your kids and mix well in society*” (Caitlyn, single, two children, unemployed).

4.3 Being eligible

Claimants who have - or who gradually acquire – the necessary calculative skills to complete a TC application, provide an annual account of their lives to HMRC. Upon receipt, HMRC establishes the claimant’s eligibility for TC, calculates the amount of the award and informs claimants by sending a six-page award notice (inscription device). Exhibits 3a, 3b, and 3c are excerpts from a TC award notice. At the end of each tax year, HMRC recalculates a claimant’s TC award using actual end-of-year information held on its databases (centres of calculation). This process can generate either under- or overpayments of TC for claimants⁵. Exhibit 3a illustrates that TC award notices provide information on the specific personal circumstances of the household, including the relationship and disability status of adults living in the household, the number of hours worked by each adult, household income and childcare costs. TC award notices also instruct claimants to “*tell us if your [working] hours change so you move from one of the above groups into another*”, indicating that the calculative practices of TC instantly

(re)categorise claimants as more or less worthy of financial support based on their engagement with the labour market. Further, TC award notices inform claimants that “*if you start to pay childcare [...] you may be able to claim the childcare element [if you also work]*”. In other words, parents are encouraged to work (more) by receiving an additional financial incentive for making use of childcare facilities. This indicates that paid work is valorised relative to unpaid work, such as caring for children or vulnerable family members. Public statements by politicians further reinforce the notion that “*there is only one real route out of poverty and it is work*” (Cameron, 2012).

Part 1 Personal circumstances

Your tax credits are based on your personal circumstances. We hold the following details on 08/12/2014. Please tell us immediately if anything is wrong, missing or incomplete because if you receive more money than you are entitled to, you will have to pay the money back.

Claimants

Your tax credits are based on you being part of a couple. If you have separated, please tell us. You may be able to make a new claim to tax credits, either on your own or as part of a new couple.

Tax credits take account of the hours you work. We need to know whether you work

- less than 16 hours a week
- between 16 – 23 hours a week
- between 24 – 29 hours a week
- 30 hours a week or more.

Tell us if your hours change so you move from one of the above groups into another.

For couples with children it is your joint working hours that count, but one partner must work at least 16 hours a week.

MISS

You have a disability.

MR

You claimed tax credits jointly with the person named above.

You work 40 hours a week.

Qualifying children and young people

2 aged under sixteen.

Childcare costs

You have no qualifying childcare costs. If you start to pay for childcare and you qualify for Working Tax Credit you may be able to claim the childcare element of Working Tax Credit. Contact us for details.

Income

We have made a final decision on your award based on the following information about your income. Please check carefully and tell us if any of the figures are incorrect.

Your income for the year 6 April 2014 to 5 April 2015

MISS

Earnings as an employee	£8117.00	
Your total income		£8117.00

MR

Income from self-employment	£11000.00	
Your total income		£11000.00
Total income for the year from 6 April 2014 to 5 April 2015		£19117.00

Your income for the year 6 April 2013 to 5 April 2014

Total income for the year from 6 April 2013 to 5 April 2014		£22414.00
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Exhibit 3a: Excerpts from HMRC Tax Credits Award Notice, Part 1

Exhibit 3b illustrates the calculative practices involved in working out a claimant's WTC award. It indicates that claimants receive a greater amount of financial support (WTC), if they work more than thirty hours per week ('30-hour element'). Exhibit 3b also shows that TC award notices reinforce the message that additional financial support is available to parents ('couple element') who make use of childcare facilities to enable them to work.

HM Revenue & Customs		Final tax credits decision for 06/04/2014 to 05/04/2015	
Continued		National Insurance number National Insurance number	
Part 2 How we work out your tax credits			
Tax credits are made up of elements. The elements you receive and the periods you receive them for are shown below. Your income may reduce the amount of tax credits you receive. We show any reductions below.			
Working Tax Credit elements (other than childcare)			
Basic	from 06/04/2014 to 05/04/2015 (365 days)	£1941.80	
Second adult	from 06/04/2014 to 05/04/2015 (365 days)	£1992.90	
30-hour element	from 06/04/2014 to 05/04/2015 (365 days)	£803.00	
1 disability element(s)	from 06/04/2014 to 26/07/2014 (112 days)	£901.60	
1 disability element(s)	from 28/07/2014 to 21/09/2014 (56 days)	£450.80	
Total Working Tax Credit elements (other than childcare)		£6090.10	
Reduction due to your income		£5424.89	
Amount for the period		£665.21	
Childcare element of Working Tax Credit			
Childcare element	from 21/07/2014 to 26/07/2014 (6 days)	£95.14	
	from 28/07/2014 to 06/09/2014 (41 days)	£650.12	
Total childcare element of Working Tax Credit		£745.26	
Reduction due to your income		£0.00	
Amount for the period		£745.26	

Exhibit 3b: Excerpt from HMRC Tax Credits Award Notice, Part 2

Exhibit 3c shows the calculations involved in a claimant's TC award, consisting of two separate elements, namely the CTC award and the WTC award, indicating an overpayment of £1,210.08, which needs to be repaid to HMRC.

Child Tax Credit elements		
A child element may be paid for a child from birth until the day before 1 September following their 16th birthday.		
After that, a child element may be paid for a young person under 20 who is studying for a qualification up to and including A level, NVQ level 3 or Scottish national qualifications at higher or advanced level or equivalent, or who is on an approved training course. This does not include studying for a university degree or similar qualification.		
You must tell us straightaway if a child over 16 and under 20 enters or leaves full-time non-advanced education or approved training. A child element for a young person aged 16, 18 or 19 will automatically stop each year unless you tell us they are continuing in full-time non-advanced education or approved training. If you are receiving the child element for a young person aged 17 and they are continuing in full-time non-advanced education or approved training, you will automatically continue to receive the child element.		
A child element may also be paid for 20 weeks after a young person leaves full-time non-advanced education, provided they are still under 18 and have registered for work or training with a careers service, Connexions or equivalent. To claim this, you must tell us about that registration within 3 months of the date they leave full-time non-advanced education.		
Child elements for children		
2 qualifying children	from 06/04/2014 to 05/04/2015 (365 days)	£5504.20
Family elements		
Basic	from 06/04/2014 to 05/04/2015 (365 days)	£547.50
Total Child Tax Credit elements		£6051.70
Reduction due to your income		£805.83
Amount for the period		£5245.87
Part 3 Payments		
Amount to be paid		
Working Tax Credit (other than childcare)		£665.21
Working Tax Credit (childcare)		£745.28
Child Tax Credit		£5245.87
Total. See Part 2 for details		£6656.34
Minus		
Payments already made by us		£7630.51
Amount of overpayment from earlier years already collected from payments made so far		£235.91
Amount due from you		£1210.08

Exhibit 3c: Excerpt from HMRC Tax Credits Award Notice, Part 3

Exhibit 3c indicates that additional financial support is available to parents whose children are enrolled in Further Education after the age of sixteen which marks the end of compulsory education in the UK. Further Education is regarded as an ‘investment in the self’, with inscription devices encouraging parents to increase their children’s human capital by equipping them with the necessary skills required for the labour market (see Exhibit 3c). However, TC eligibility criteria differentiate between Further and Higher Education, as Nadia’s⁶ case, a mature student with disabilities, who is enrolled at university, demonstrates:

I’m not working now. I don’t get any help. You get £2,500 extra [TC] if you’re registered disabled [and work]. Well that’s not fair really because **I can’t work** because **I’ve got to go to university** [...] I was having £2,500 extra and I’m not getting it now because **I’m not working**. I said “I’ve got to go to university. **I’m trying to give my children a better life**”. And you get penalised for it.

(Nadia, Interviewee 13; single, two children, full-time student)

The eligibility criteria for WTC mean that Nadia's disabilities only trigger financial support, if she is in paid employment. Having internalised neoliberal ideology on self-responsibilisation, which is articulated and operationalised by ATGs, Nadia feels a sense of injustice for being financially penalised for her 'investment in the self' in the form of Higher Education, which she views as yielding future financial returns for herself and her children. Section 4.4 illustrates that repeated interactions with TC award notices and calculative eligibility criteria reinforce the notions that people have to take responsibility for their own lives, rather than relying on the State, and that working is the way out of poverty.

4.4 Wanting to work

TC provide a financial incentive for citizens to become responsible for their own welfare by engaging with the job market as a means of alleviating their financial hardship. This involves reshaping the relationship between citizens and the State from a unilateral dependency on the welfare state to a reciprocal relationship inherent in the 'stakeholder economy', as exemplified in the New Labour's manifesto:

Our long-term objective is **high and stable levels of employment**. This is the true meaning of a **stakeholder economy** – where everyone has a **stake in society** and **owes responsibilities to it**.

(New Labour Manifesto, 1997, p. 18; our emphasis)

TC are part of broader neoliberal social welfare policies, not only in the UK, but also in other countries characterised by liberal market economies, such as the United States (US), Australia, and Canada. For example, the Earned Income Tax Credit (EITC) in the US encourages the poor to participate in the labour market (Ventry, 2000) and is now one of the major federal welfare programmes (Crandall-Hollick, 2018). Similar to the UK, Australia has a long history of integrating welfare programmes with taxation as a means of assisting working families (Whiteford *et al.*, 2003), such as the Family Tax Benefit Part A, Family Tax Benefit Part B and Child Care Benefit. The Canadian Child Tax Benefit is broadly similar to the Australian welfare programme. UK TC combine aspects of both traditional welfare policies (which focus on causes of poverty and income redistribution) and neoliberal welfare policies (which focus on a target population, i.e., 'low income' households).

Crucially, TC address what the government considers one of the main causes of poverty, namely 'worklessness'⁷ by providing a solution to poverty which involves getting 'out of work'

individuals ‘into work’ and topping up their income using an incentive structure based on rewards and sanctions. This is epitomised in the following statement by the New Labour government:

Work is the best long-term route out of poverty. The new Child Tax Credit and Working Tax Credit will together ease **the transition from welfare to work** and help to **ensure that work pays.**

(HMRC’s Treasury Report, 2000, p. 14; our emphasis)

Other causes for poverty identified by the Centre for Social Justice (2006), a Conservative think-tank, are ‘family breakdown’, ‘economic dependency’, ‘educational failure’, ‘addiction’, and ‘indebtedness’. By focusing on individual personal characteristics as the causes of poverty (and ignoring structural explanations of poverty and unemployment), the policy discourse of TC taps into the Victorian-era distinction between the ‘deserving’ and the ‘undeserving’ poor (Allan, 1997; Morrison, 2019). TC can be viewed as “*bureaucratic, police, or inquisitorial investigations*” (Foucault, 2008, p. 205) to distinguish “*the good and the bad poor, between the voluntary and involuntary employed*” (ibid, p. 204-205). What is more, the term ‘tax credits’ discursively aligns financial support of citizens with the government’s objective of ‘making work pay’, rather than providing ‘handouts’ (Clegg, 2015). This is linked to a transactional view of accountability which links social welfare payments to tax contributions, i.e., citizens who pay into society via taxes receive a pay-out in the form of TC, rather than welfare being based on citizens’ rights and needs (Morris, 2016).

Claimants internalise neoliberal ideology underpinning TC, which valorises paid work and incentivises it in the form of a financial reward in line with the slogan ‘making work pay’. However, TC rules do not always provide financially better outcomes for some claimants, who receive “*less money*” for “*working more*” hours:

It doesn’t make sense to me because **you get less money for working more hours** [...] I think it’s stupid that you are worse off working more hours! [...] **what’s the point of me going to work, doing more hours, when I’m getting less money?**

(Clara, Interviewee 1; single, two children, employed)

Similarly, for Anna (single, one child, employed), working more than sixteen hours per week means “*working for nothing*” because it reduces her income from other welfare benefits. Tammy (widow, two children, employed) and her husband received a £12,000 TC overpayment (which took several years to repay) because her husband returned to work after his cancer

treatment which increased their household income. Tammy describes the overpayment as “*getting a hit*” despite having “*done nothing wrong*”. This indicates that she considers ‘working’ as doing the ‘right thing’. However, the negative experience of having to repay a TC overpayment disincentivises Tammy from working more, when offered additional hours by her employer:

I said ‘No! I don’t want it!’ [...] ‘Oh, no!’ After paying all that [overpayment] money back I just thought ‘No!’ [...] Ooohh my god! [high pitched voice] [...] Haliballoo! **It’s not worth it!** [...]... No... No... **Don’t give me any more wages** [...] **I didn’t want my wages to go up!** There’s no SENSE in that! That I don’t want my wages to go up! [...] That doesn’t make ANY sense does it?

(Tammy, Interviewee 3; widow, two children, employed)

Even though claiming benefits is the rational choice for some claimants who are financially better off by not working, it impacts negatively on their sense of self-worth, as Caitlyn points out:

... now **I’m better off on my benefits. I shouldn’t say that.** But for me now, I get carers [allowance] for David [son] and disability living for him. For me to go out to work [...] I’d need a wage to pay my rent [and] council tax. The electric in Winter is nearly £40 a week ... **There’s no point.** I have to have something like £350 a week to pay my bills and for me to live and the cost of food [...] It’s hopeless. I never thought I’d have to rely on benefits, but I have to.

(Caitlyn, Interviewee 14; single, two children, unemployed)

Caitlyn is unable to work because she is her son’s carer. She has previously “*always worked, but for the mental state of my son, I have to stay home*” because “*rock[ing] the boat*” may have a negative impact on his mental health. Rather than valuing herself as a caring parent, Caitlyn judges her worth based on her lack of participation in the labour market. She feels uncomfortable because claiming benefits puts her in the category of the ‘undeserving poor’, rather than the ‘deserving poor’ who work and thus ‘deserve’ financial support by the State. These sentiments are echoed by Kara (married, four children, unemployed) who is unable to work due to her long-term illness. Her statement that “*you do judge yourself on what you can earn [...] You feel worthless [not working]*” indicates that she has internalised the neoliberal ideology related to poverty, work, and the welfare state. Despite volunteering at her local community centre and raising four children, Kara values paid work more than unpaid work (e.g., caring for her children and volunteering). This is echoed by Anna for whom working “*felt good*” because she experienced a sense of “*more self-worth*” by “*putting something back in*”.

Interactions with inscription devices and calculative practices result in claimants being gradually transformed into self-disciplined accountable subjects who act in market compliant ways or who feel guilty and irresponsible, if they are unable to do so. What is more, this internalisation of neoliberal ideology on poverty, work, and the welfare state seeps into the domestic sphere and manifests itself in the endeavour to transform children into ‘projects’ to invest in by equipping them with the necessary skills to be successful in the labour market:

Anthony [husband] said **I’d be better off at home, not working** [...] With Anthony being ill, you’ll get everything [benefits] and I said, ‘well, I don’t really want to live like that thank you very much’... [Husband says] ‘Oh yeah, **but you’ll be better off**’ [Tammy replies] ‘Yeah, but that’s not the way I want to live. **I want to show the boys [sons] they have to go out to work**’ because that is what happens isn’t it? People get brought up within the system, and they don’t go out to work, do they?

(Tammy, Interviewee 3; widow, two children, employed)

Despite being financially better off by not working, Tammy is intent on teaching her children the value of ‘working’. Interactions with TC inscription, such as adverts for TC, articulate, operationalise and reinforce the neoliberal ideology of self-responsibilisation underpinning it. For example, Exhibit 4, which is a print media advert for TC, shapes claimants’ views of themselves and their children as ‘working families’ who are responsible for their own welfare and who thus deserve financial support by the State support in the form of TC. Depicting a nuclear family, the advert states that “*If you’re raising a family you’re contributing to the UK. So, if you’ve earned it, make sure you claim it*”. The body language and facial expressions of the family group suggest closeness and warmth, but they (including the child) are depicted in professional attire, which places them firmly in the economic, rather than the domestic sphere.



Family income of as much as £58,000?
You could still be eligible for Child Tax Credit.

Even families earning as much as £58,000 could be eligible for Child Tax Credit. If you're raising a family you're contributing to the UK. So, if you've earned it, make sure you claim it. To find out if you're entitled visit www.inlandrevenue.gov.uk/taxcredits or phone **0845 300 3900**.



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Exhibit 4: HM Inland Revenue Tax Credits magazine advert, 2004 (www.advertisingarchives.co.uk)

We also observe that some claimants gradually adopt a professional approach to TC claims, awards, and overpayment notices by transforming their homes into ‘quasi-workplaces’. This is often triggered by receiving “*huge amounts of [TC] paper to read*” (Caitlyn) or “*get[ting] swamped with [TC] paperwork*” (Kara). For example, over time Tammy finds “*a way of filling in the forms*” to avoid problems with HMRC and to maximise her award. Clara, who admits to having been “*messy*” and “*burn[ing]*” her TC paperwork in the past, has resorted to files her paperwork “*in one drawer*” in her living room. Similarly, over time, Caitlyn learns to keep her TC paperwork in a large “*lever arch file*” on her kitchen table and using colour-coded dividers and highlighter pens to organise and categorise information. This enables her to succeed in receiving TC awards and avoid being penalised by overpayments: “*if there is a query, they [HMRC workers] can't say it's my fault by giving them the wrong figures. I know my figures now!*” This indicates that repeated interactions with inscription devices, expertise and locales, transform claimants into self-responsible entrepreneurs of the self.

4.5 Discussion of findings

We set out to answer the research question ‘*How do accounting technologies of government influence Tax Credits claimants’ motivations, behaviour, and identities?*’. Drawing on Foucault’s (1982) work on ‘*subjectification*’ and Miller and Rose’s (2008) theoretical concept of accounting technologies of government (ATGs) we examined the lived experience of TC claimants as they engage with ATGs. We analysed how TC claimants are transformed into self-responsible subjects during dynamic and repeated interactions with inscription devices, expertise, and calculative practices in a range of locales. Specifically, we find that the decision to apply for TC is influenced by inscription devices, specifically TC adverts, which encourage individuals to claim TC (e.g., slogan “*money with your name on it*”) as a means of improving their lives (e.g., by depicting smiling claimants). Once claimants have started interacting with ATGs they become part of disciplinary processes of subjectification and systems of accountability via a complex web of inscription devices, expertise, and locales. These dynamic and unfolding interactions gradually transform claimants into self-disciplined ‘*citizen-subjects*’ (Schram, 2018) whose decisions are informed by market logic. This involves producing accounts and calculations which translate subjective everyday lives into objective abstract formats.

Such subjectification processes place responsibility on individuals for improving their financial well-being by applying for TC and for either having or acquiring the necessary skills to navigate the complex web of ATGs associated with TC. This is underpinned by the neoliberal ideology of personal responsibility, i.e., individuals are left to go about their lives with the freedom to make their own choices without State interference. Irrespective of the discourse of self-responsibilisation, the State strives to govern low income families (target population) and encourage them to engage with the labour market in order to become independent from the State for their welfare. Hence, citizens live their lives within a sphere of “*regulated freedom*” (Rose, 1999).

We find that some claimants become self-responsible in the way they manage TC. They seek expertise to acquire the necessary calculative skills to complete TC application and renewal forms and develop organisational skills to keep track of their correspondence with HMRC. Claimants who successfully engage with calculative practices and navigate inscription devices are rewarded by receiving financial support in the form of TC. Conversely, claimants who lack

the required knowledge and skills are penalised by either being denied financial support in the form of TC (e.g., claimants who pursue university education or who care for dependents) or by having their TC award reduced (e.g., claimants who work additional hours), or by being required to repay TC overpayments (e.g., claimants who fail to report a change in circumstances). Thus, ATGs function as *'dividing practices'* (Foucault, 2008), with subjectification depending on the abilities (capacities) of individuals. What is more, we find that some claimants are financially better off by claiming social benefits, rather than working and claiming TC. However, as claimants have internalised neoliberal ideology during their engagement with ATGs, they view themselves as 'failures' for relying on social benefits, rather than working, as they view 'being on benefits' as an obstacle to "*mixing well in society*".

We find that repeated interactions with inscription devices and calculative practices reinforce neoliberal ideology, with claimants subscribing to the notions that working (combined with accessing childcare) is the best route out of poverty, that individuals need to take responsibility for their own welfare, and that the relationship between citizens and the State is based on financial reciprocity ('pay-in' and 'pay-out'). Thus, engaging with ATGs reshapes claimants' identities by transforming them into self-disciplined *'citizen-subjects'* who strive to 'better themselves' by engaging with the labour market and who achieve a sense of self-worth by "*putting something back in*". This results in decision-making based on economic rationality, individual responsibility, and accountability to the State, with claimants prioritising paid work and financial worth (e.g., income from paid employment) over other types of work (e.g., caring for dependents or volunteering in the community) and worth (e.g., being a good parent or a dedicated volunteer), individual over collective responsibility, and social welfare based on deservingness, rather than on need. Caring for dependents or vulnerable family members is devalued and outsourced from the home to nurseries and old people's homes in order to free individuals up to participate in the labour market.

We also observe the economisation of the domestic sphere. This entails ATGs seeping into the home, transforming kitchens transformed into 'quasi-offices' and children into 'projects' to be invested in by equipping them with useful skills for the labour market. Thus, ATGs normalise and legitimise choices made by individuals in the home that increase their own and their children's human capital (e.g., 'employability') to the detriment of decisions that increase individual and collective welfare defined as "*happiness, prosperity and wellbeing, where these denote not so much subjective states as objective circumstances in which people can flourish*"

(Sayer, 2018, p. 22). In our case study of UK Tax Credits, interactions with ATGs transform 'low income' individuals and households into 'hardworking families' who 'strive' in order to differentiate themselves from the 'undeserving poor' (i.e., the 'skivers' and 'shirkers') who depend on 'government handouts', rather than TC. What is more, it legitimises and perpetuates neoliberal discourses on the causes and remedies of poverty, with poverty being attributed to individual failure, rather than structural causes (e.g., austerity or company restructuring), and being alleviated by paid employment, rather than by unconditional welfare benefits.

5. Summary and conclusion

Our case study of Tax Credits (TC) expands on Miller and Rose's (2008) theoretical concept of accounting technologies of government (ATGs) and provides empirical evidence to show that ATGs not only articulate and operationalise neoliberal political ideology grounded in economic rationality, but also transform individuals into accountable and self-responsible subjects during dynamic and gradual processes of subjectification. We demonstrate, step-by-step, the unfolding process of subjectification as claimants interact with ATGs associated with TC. We find that individuals' motivations, behaviour, and identities are transformed in line with neoliberal ideology through a complex web of ATGs which enact disciplinary processes in subtle ways. Those who are capable of becoming self-responsible end up financially better off than marginalised claimants who lack the capacity to cope with the disciplinary processes facilitated by ATGs.

5.1 Future research

Neoliberal forms of subjectification have become a central part of welfare, an issue that deserves more attention in critical accounting research. Our study builds on recent studies in this field (Cooper et al, 2016; Alawattage et al., 2019), but more needs to be done if critical accounting research is to be relevant for policymakers and for improving social inequality and mobility, which continues to be a major issue in the UK and elsewhere. Future research could focus on the role of accounting technologies of government on moving people at the margins of society into active market-based domains (Junne, 2018).

Tax Credits is gradually being replaced by Universal Credit (UC) across all areas of the UK. UC combines six existing benefit schemes, including WTC, CTC, housing benefit, income support, income-based Job Seekers Allowance and income-based Employment and Support Allowance. Both anecdotal evidence and empirical research highlight problems in the way UC

is being administered, resulting in extreme financial hardship and psychological distress (Wickham et al. 2020). Cain (2016) examines UC as a means of disciplining the poor by subjecting them to a regime of conditional benefits based on rewards and sanctions. She finds that due to being based on incompatible ideologies, namely “*market-liberal economic ideals of labour flexibility*” (p. 488) on the one hand and “*conservative valorisations of the good mother and (married/heteronormative) family*” (*ibid*) on the other hand, UC penalises ‘workless’ and ‘part-workless’ citizens, particularly single mothers and households on low pay. Future critical accounting research may explore how ATGs articulate and operationalise the two incompatible ideologies and its impact on claimants’ motivations, behaviour, and identities. Examining adverse mental health effects of UC on claimants, Wickham et al. (2020) find no difference in psychological distress between individuals with different levels of education. This suggests that the ATGs associated with UC may not act as a ‘dividing practice’ which segregate claimants based on their capabilities. Future critical accounting research may explore the features of ATGs associated with Universal Credit, paying particular attention to the fact that it is fully digitised, and the impact on claimants’ mentalities and identities.

5.2 Practical and policy implications

Our findings have practical and policy implications for both public administration in general and tax and social welfare administration in particular. We provide insights into how accounting and accountability practices affect low-income and vulnerable individuals in society. Specifically, we highlight that ATGs associated with TC (dis)empower individuals *vis-à-vis* the State and spur inequality based on personal circumstances and calculative skills. Public officials can draw on these insights to develop better ways to help and support individuals who lack the capacity to help themselves in a world that economises the domestic sphere, with economic rationality taking precedence over the value of caring for vulnerable dependents and helping in the community. For example, more effective forms of communication between HMRC and citizens need to be put in place, such as local face-to-face encounters and providing accessible and meaningful resources to help individuals with the required calculative practices that are increasingly becoming a fundamental component of the majority of neoliberal government support programmes. Countless news stories demonstrate that vulnerable claimants are unable to transform themselves into the self-disciplined subjects responsible for their own welfare as required by TC (Butler, 2020). This paper gives voice to the marginalised and reveals the divisive role of accounting in modern government programmes and its real-world adverse consequences for individuals and social inequality.

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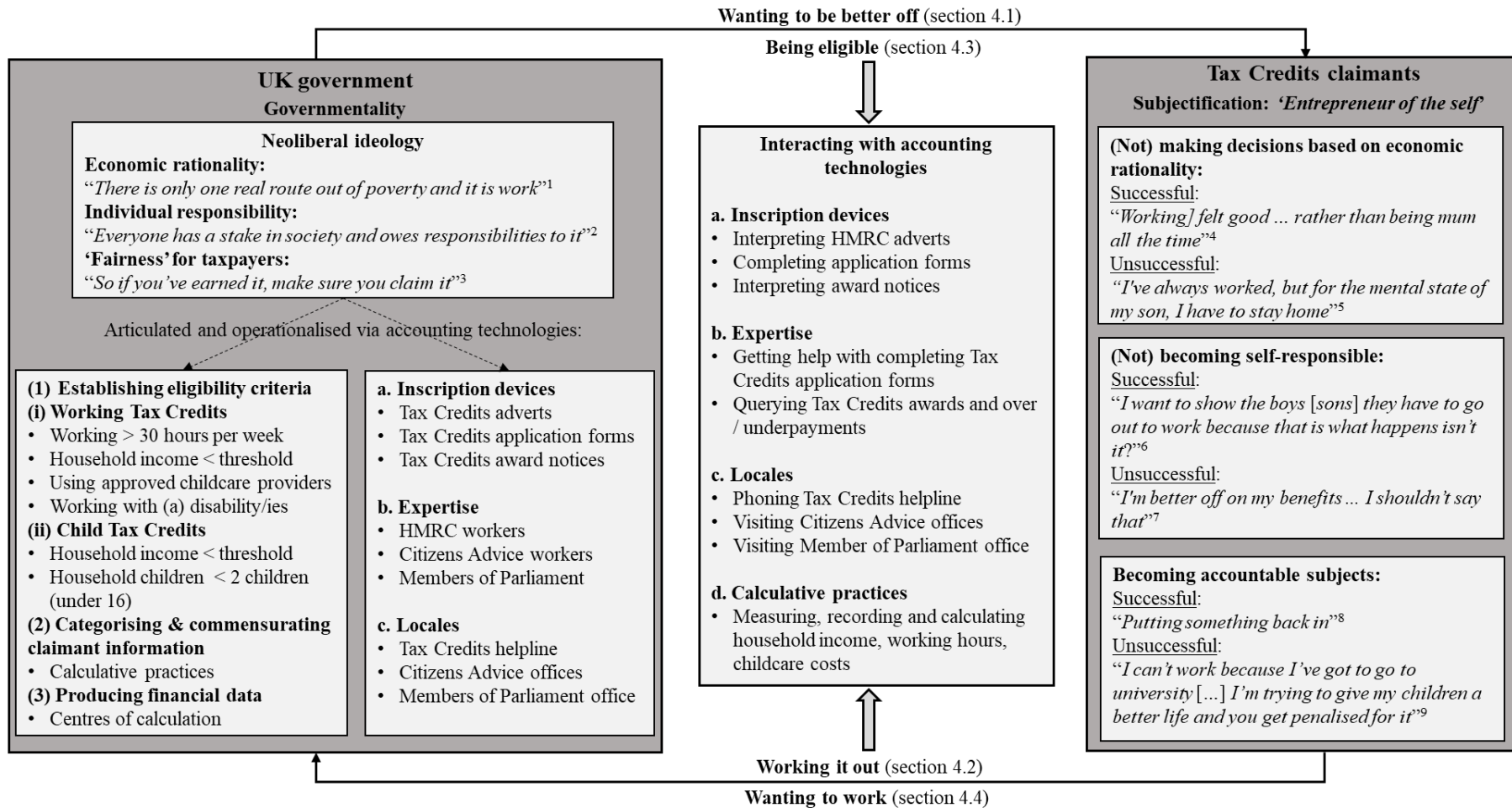
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Figure 1: Accounting technologies of government of the UK Tax Credits system



Sources: ¹Cameron (2012); ²New Labour Party Manifesto (1997); ³HM Inland Revenue Tax Credits (2004); ^{4,8}Anna (Interviewee 11); ^{5,7}Caitlyn (Interviewee 14); ⁶Tammy (Interviewee 3); ⁹Nadia (Interviewee 13).

Table 1: Interviewee information

Interviewee Number	Pseudonym	Age at interview	Relationship status	Working status	No. of children (and age)	Location of interview	Length of interview (minutes)
1	Clara	27	Single	Employed	2 (7, 8)	Home	68
2	Alison	39	Single	Employed	None	Home	73
3	Tammy	41	Widow	Employed	2 (6, 9)	Home	87
4	Janet	46	Married	Employed	2 (14, 21)	Home	103
5	Cain	47	Married	Employed	2 (14, 21)	Home	103
6	Hannah	45	Separated	Self-employed	2 (18, 20)	Home	125
7	Sally	35	Single	Employed	2 (3, 5)	Home	77
8	Simon	48	Married	Employed	2 (10, 13)	Community Centre	73
9	Fiona	41	Married	Employed	2 (10, 13)	Community Centre	73
10	Elaine	40	Single	Employed and Self-employed	1 (20)	Local cafe	75
11	Anna	31	In a relationship, living alone	Employed	1(12)	Local cafe	91
12	Mathew	38	Divorced	Unemployed, Volunteering	1 (3)	Local cafe	130
13	Nadia	30	In a relationship, living together	Full-time student	2 (8, 13)	Home	117
14	Caitlyn	38	Single	Unemployed	2 (8, 11)	Home	106
15	Rachel	49	Married	Self-employed	2 (17, 22)	Home	42
16	Janet	ND	Divorced	Employed	4 (ND)	Home	92
17	Kara	ND	Married	Unemployed, Volunteering	4 (20, 23, 29, 30)	Home	105
18	Sonia	46	Divorced	Employed	2 (20, 22)	Home	118

Key: ND = not disclosed

¹ The use of inverted commas indicates that a term or phrase is ideologically laden and thus underpinned by particular values, beliefs, and assumptions. Such terms are used by groups of people with a specific political agenda to make an argument about poverty, social welfare, unemployment, and citizenship.

² Participants volunteered to participate in the study by written consent and were aware of their right to leave at any point. Participant information was anonymised, and names were replaced using pseudonyms. The research was approved by the university Ethics Committee in advance of the fieldwork.

³ Citizens Advice (previously known as the Citizens Advice Bureau) is a UK-based charity that provides free advice and information to people in relation to money, legal, consumer issues (in the main).

⁴ From 2012, the Conservative Government introduced Universal Credit with the aim of replacing Tax Credits on a rolling basis throughout the UK. Universal Credits was designed to simplify and integrate Tax Credits with a range of other means-tested benefits into one programme. However, it is fraught with problems and is yet to be fully rolled-out across the UK (Clegg, 2015). Thus, Tax Credits is still in operation in many areas of the UK.

⁵ In-year under/overpayments of TC can also occur when claimants report a change of circumstances before the end of the tax year. TC awards are initially calculated based on a claimant's estimated current year household income. This means that claimants have to forecast their total household income for a year that is yet to end. Around one-third of claimants experienced an overpayment in the early years of their implementation (Parliamentary and Health Service Ombudsman, 2007).

⁶ Pseudonyms are used throughout this paper to anonymise participants. See Table 1 for claimant background information.

⁷ The term 'worklessness' suggests that unemployment is an individual, rather than a structural issue (e.g., low job opportunities, recession or continuous downsizing, restructuring of companies and out-sourcing of services (Allan, 1997, p. 7).