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“*Langue de bois*, or, Discourse in Defense of an Offshore Financial Center”

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Abstract

This article brings together trends in Critical Discourse Analysis dating from the 1980s – which examine how language use and ideologies (re)produce social inequality – with current research in the social sciences on neoliberalism and other emerging politico-economic formations. The article addresses such a problematic with an empirical case: the language strategies, dubbed *langue de bois*, that people affiliated with Luxembourg’s offshore financial center employ to justify their practices. The contribution herein surveys the political rationality of the country’s financial center by analyzing the *langue de bois* that its representatives and boosters use. These language strategies, furthermore, enable Luxembourg’s finance elites to socialize the domestic public’s understanding of their activities.

Keywords

Critical Discourse Analysis, Elites, Political Economy, Offshore Finance, Luxembourg

Some thirty years ago, Gal called for scholarly attention to be paid to "the construction of power and political hierarchy in everyday and ritual talk, and the linguistic as well as symbolic aspects of world-wide political economic processes" (1989, 345). Since then, researchers such as Wodak (1989; 2006), van Dijk (1993; 1998), Chouliaraki and Fairclough (1999), Fairclough (2003), Phelan (2014), Krzyżanowski (2014; 2016), and others have covered much ground along these lines – examining the many linkages between actors' language use and their political and economic engagements. Indeed, what unites these scholars is the starting point for their analyses: that political economies in the contemporary world can be studied at the level of language. The entangled nature of speech and social phenomena, they argue, means that it is *language* more than anything that can index and express its interlocutors' political and economic activity and ideologies – thus forming "a finely articulated vehicle for [studying] differences in power in hierarchical social structures" (Wodak and Meyer 2015, 10).

Central to these efforts is analyzing language, as Foucault (1969) does, in terms of "discourse" that can be mobilized for political and economic ends. As the above scholars show, treating the language used by actors as *discourse* brings a number of salient characteristics surrounding it into relief, especially as these pertain to political economy. First, the study of discourse shows how this form of language tends to solidify and emanate from powerful institutions over sustained periods of time (Phelan 2014). Second, certain discourses have been documented as very effective at motivating, even manipulating, different social groups at particular historical junctures (Graham 2002). Third, scholars assert that, via discourse, actors are able to interpret contemporary life at the same time as they are furnished with the "operationalising concepts" (Krzyżanowski 2016, 309) necessary to navigate its disparate realms. Lastly, the study of discourse points to how nominally immaterial discourse is nonetheless "materialized" by means of the political and economic activity associated with it (Laclau, ed. 1990).

In light of the above reasons, one could say that it is as discourse that certain kinds of language come to align with power structures and, in doing so, assume the ability to influence social realities in the world today. Of these realities, a central one is undoubtedly that of neoliberalism, the ultra-liberal economic system that was operationalized throughout the Global North during the 1980s and is premised on – among other things – financial deregulation, the globalization of capital movements, and the use of tax havens (Harvey 2005; Palan et al. 2009). Bearing in mind Foucault's and Gal's provocations, how might we make sense of the neoliberalism in our midst *as a series of discourses*? This is no doubt an important question to ask. As Krzyżanowski asserts, "discourse is one of the key tools supporting the spread and solidification of neoliberal tendencies in contemporary societies" (2016, 318). As such, it seems that studying neoliberalism via the language associated with it not only stands to expose the concepts that underlie this most potent and protean of economic systems, but also uncover how it has spread as a set of ideologies and practices among populations across the world.

This article addresses the question above by examining an empirical case: the discourse that people affiliated with the offshore financial center (*place financière*) in the Grand Duchy of Luxembourg use to justify and defend its activities. More precisely, the kind of speech the article analyzes is what in French is called *langue de bois* (literally "wooden idiom" or "wooden tongue"[1]) – a rhetorical device whose English translation might land somewhere between bureaucratese and "spin," the latter in its colloquial North American sense of describing negative situations in an overly favorably way. As I argue in this article, examining the Luxembourg financial center requires an attendant analysis of the *langue de bois*[2] employed by its professionals, technocrats, and regulators.

Theoretical Approach

To analyze *langue de bois*, I draw inspiration from a guiding premise of Critical Discourse Analysis (CDA) – namely, that the power wielded by individuals and institutions can be de-mystified by means of analyzing their discourse (Wodak and Meyer 2015, 3). Originating in the 1980s, CDA treats language use (in speech and text) as a dialectical *social practice*: one that shows how the discourse of actors shapes, and is shaped by, the contexts, institutions, and structures in which it takes place (Fairclough and Wodak 1997; Blommaert and Bulcaen 2000). In the case of the Luxembourg financial center, the discursive practices of its participants have a far-reaching political and economic impact – as I argue, they are responsible (in part) for initiating, and exacerbating, worldwide social ills such as tax evasion, income inequality, and capital flight.

In line with the CDA approach, I am less interested in the superficial or epiphenomenal aspects of my interlocutors' language; rather, it is the "more hidden and latent type of everyday beliefs [implied in language], which often appear disguised as conceptual metaphors and analogies" (Wodak and Meyer 2015, 8). Of additional interest are the ways in which those in the Luxembourg financial center employ argumentation, symbolism, and rhetorical devices, as well as idioms, sayings, and clichés. For example, even as financial-center officials (re)produce, even exacerbate, unequal power relations among different classes of people within the world-system, they frame their activities discursively in positive *langue de bois* – such as "protecting family assets," "safeguarding entrepreneurs," "ensuring tax efficiency," and "promoting economic growth.” In this sense, *langue de bois* endures because of its simplicity and plasticity, as discourses that are equal parts reductionist, ahistorical, and easy to comprehend.

My analysis of the *langue de bois* found in Luxembourg fits within a number of the current research agendas for CDA. Along with other areas, Wodak and Meyer call for scholars to “[analyse, understand, and explain] new phenomena in our political systems, which are due to… new transnational, global and local developments and related institutions” (2015, 11). Moreover, the line of analysis pursued in this article resembles the longstanding political approach of CDA, namely

> [an] interest in social processes of power, hierarchy-building, exclusion and subordination. In the tradition of Critical Theory, CDA aims to shed light on the discursive aspects of societal disparities and inequalities. CDA frequently detects the linguistic means used by the privileged to stabilize or even to intensify inequities in society (Wodak and Meyer 2015, 32–33).

Data Collection

Even though CDA varies according the issue at hand and employs a variety of methods [that] “are integrated as far as is helpful to understand the social problems under investigation” (Wodak and Meyer 2015, 31), I have opted for its Discourse-Historical Approach (DHA) as my mode of analysis (Wodak and Meyer 2015; Krzyżanowski 2013). As regards the DHA variety of CDA, Wodak and Meyer urge scholars “not to get lost in theoretical labyrinths, not to invest too much in the operationalization of inoperationalizable ‘grand theories’… but rather to develop conceptual tools relevant for *specific social problems*” (2015, 26; emphasis added). Additionally, I treat *langue de bois* as representing a kind of “legitimation [that stems from] discursively constructed forms of political identity and agency” (Krzyżanowski 2018, 105). In applying DHA to this study, I show how five examples of *langue de bois* have been deployed in order to legitimize the activities on offer in the Luxembourg financial center. In doing so, the article builds on other DHA-inspired examinations of the "legitimation strategies" (Van Leeuwen 2007) present in various public discourses, including those that pertain to neoliberalism (Krzyżanowski 2016).

In line with DHA, my analytical purview is qualitative and ethnographic, while data collection includes both "concrete oral utterances [and] written documents" (Wodak and Meyer 2015, 6). Regarding the former, I collected interview data during 80-plus semi-structured discussions[3] with officials whom I met via mutual acquaintances, within alumni associations, and at industry events. Once initial contacts were made, I would often meet my interviewees nearby their banks, law firms, or state offices at cafés teeming with other finance workers gathering for *rendez-vous* (Weeks 2018, 35–47). In this light, much of my fieldwork focused on the specific forms of language used by my informants – that is, on how they *verbalized* their engagement with the larger politico-economic structures and processes of global finance capitalism. As regards textual data, every morning, I scoured the domestic and international French-, Portuguese-, and English-language press (and other sources) for accounts of finance activities in Luxembourg. In addition to providing me with much-needed context on the financial center more generally, this bibliographic research introduced the linguistic norms of my informants and their many supporters in the media, thus helping me to improve the quality of the questions I was asking. As Fairclough reminds us, within CDA, the "analysis of texts … is an important aspect of ideological analysis and critique" (2003, 218).

While my focus on the five types of *langue de bois* herein – which are, respectively, arguments for "competitiveness"; the co-opting of tax-justice language such as "transparency" and "the level playing field"; the metonymic substitution of "Luxembourg" for the financial center; and nationalistic rhetoric when countering international criticism – involves a degree of subjective judgement, I counterbalance this by recalling *the sheer ubiquity* with which I came across the above discursive strategies in interviews and bibliographic material (cf. Mautner 2008, 37). After completing my initial fieldwork, I then organized collected interview and textual data by topic, a process that involved summarizing common themes from within the findings. The subsequent process of data analysis was two-fold, mirroring the approach formulated by Krzyżanowski (2013; 2018); my initial focus was to infer the key tendencies from the collected data – as well as contextualize these patterns within a more general discussion of offshore finance, including commentary on tax havens other than Luxembourg. Later analysis centered, in a more in-depth fashion, on the recurring rhetorical elements and strategies of argumentation present within the data.

***Langue de bois* No. 1 – Competitiveness**

Of all the *langue de bois* to cross the lips of Luxembourg's state and finance elites, "competitiveness" (*compétitivité*) is perhaps its most common iteration (cf. Muntigl et al. 2000; Wodak and Meyer 2015, 12). The logic behind this concept is to transpose the pressures of competition facing the proverbial *microeconomic* firm onto the *macroeconomic* economies of nation-states throughout the world. In the formulation of Palan et al.: "the application of neoclassical methods to tax competition conflates micro-economic theory of the firm with political economic theory of the state" (2009, 157). Under the pretext of competitiveness, companies – the entities traditionally subject to competitive pressures – are assumed to have total freedom to decide where to base their operations, and accordingly look for the most "competitive" jurisdiction in which to do this. In practice, this act of choosing means that certain businesses can play one state or municipality off another in search of the lowest taxes, labor costs, and levels of regulation.

It also means that politicians and business leaders can use “competitiveness” as a ploy to cow workers into accepting, say, ever lower wages and poorer conditions. The not-so-subtle subtext is that jobs will be lost – or, in the extreme, entire sectors will collapse – unless workers remain “competitive,” which usually means that they will have to work longer hours for less remuneration. While the “freedom” to choose where to base operations is actually available only to the largest and richest of companies, this does not prevent politicians and business leaders from applying the logic of competitiveness broadly within society.

As applied to offshore finance, “competition” among jurisdictions such as Luxembourg, Liechtenstein, and Singapore to attract globally mobile capital results in “regulatory laxity and a gravitation [of capital] to the least regulated financial centers” (Palan 2006, 67). Between regulated “onshore” states such as France and ultra-liberal offshore jurisdictions such as Luxembourg, however, the picture is different; a corporate tax rate of 35 percent in onshore France and 1 percent in offshore Luxembourg (as seen in the 2014 “Lux Leaks”[4]) does *not* denote competition as such, seeing as the fiscal policies of the two countries are so markedly dissimilar. While associating the tax rates between, for example, France and Luxembourg might appear to be commonsensical, it is an erroneous comparison, given that the two countries have structurally different political economies with unique dynamics of their own.

Among those associated with the Luxembourg financial center, mobilizing the logic of “competitiveness” is exceedingly common, as mentioned previously. What the examples below share is a tendency to apply the *microeconomic* concept of competition to the *macroeconomic* fiscal policies of nation-states. “Governments are competing amongst themselves,” a foreign financier confidently asserted to me one afternoon (interview, October 2015). Another informant, a foreign fund administrator, detailed the numerous reductions in taxes on Luxembourg investment funds throughout the 1990s and 2000s, in order to counter growing "competition" from Ireland as a rival domicile (interview, February 2016; Weeks 2021, 101). In early November 2014, two days after the release of the damning Lux Leaks, the Minister of Finance Pierre Gramegna nevertheless asserted his desire to *continue* the widely condemned practice of offering ultra-low "tax rulings" to multinational corporations: "the maintenance of a certain loyal competitiveness between states, in the fiscal domain, is indispensable" (cited in Pinçon and Pinçon-Charlot 2015, 202). Looking back on the past 50 years of history for the financial center, another senior politician lauded it for "[maintaining] its structure," even with all of the changes to markets and regulation. "We have been able to stick to our principles and remain *competitive*," this politician proclaimed (interview, February 2016).

Other voices, however, are less sanguine; many fear that the Luxembourg financial center is losing – or has lost – its long-held competitiveness in the areas of tax policy and (de)regulation. This anxiety about the financial center's current state usually takes a moralistic line. A senior fund administrator believed that competition with Ireland was a "wake-up call. We had become *complacent and inefficient*" (interview, December 2015; emphasis added). I quote a senior Luxembourgish technocrat at length to give a sense of this common sanctimony-*cum*-disapproval:

> We were so competitive that for twenty years, we were able to live off that advantage, which gradually dwindled. The downside was that *we entirely lost sight of the fact that we had to stay competitive*. When *our lead melted away* in the 1990s, we continued to let our relative prices slip. The competitive lead became a competitive lag, which is currently 20% and 30% behind our main partners. A lag that we are almost unable to make up because *people are no longer used to rolling up their sleeves*. In sociological terms, the damage is

> substantial. *Luxembourg has lost touch with reality* (cited in Moyse et al. 2014, 66; emphases added).

"Are we offering solutions quick enough? This is an open question," mused a local senior securities lawyer (*avocat d'affaires*), fearing that the financial center's famed ability to recognize and exploit new opportunities is waning. "We have been a victim of our own success," the attorney added, before posing to me that elusive, yet supposedly all-important question: "how, after all, can we [that is, the Luxembourg financial center] remain competitive?" (interview, April 2016).

Langue de bois No. 2 – Transparency

Among the *langue de bois* heard in the Luxembourg financial center, analogous in frequency to competitiveness is "transparency" (*transparence*). The typically sympathetic journalist Fassone lauds Minister of Finance Pierre Gramegna in this regard – "[that Luxembourg is] an early adopter of the new initiative on tax transparency is a good thing. We cannot contradict Gramegna on this point" (2016c) – as if the long-held desire of neighboring states to pry open Luxembourg banking secrecy is somehow "new." But why then is there an apparent rush to become "transparent"? Transparency, after all, is nothing but the mere absence of concealment, "the secular version of a born-again cleanliness that few can fail to praise" (Birchall 2011, 8). Thomas concurs, "in placing itself at the avant-garde of transparency, the [Luxembourgish] government wants to make itself un-attackable" (2016a).

In the Grand Duchy, there is no uncertain irony to the current transparency fad, given that the country's banks and investment companies have profited handsomely over the decades by preserving clients' secrets and concealing their ownership in all sorts of assets. This fact alone has prompted critics and skeptics to question the financial center's *actual* commitment to giving up secrecy. Obermayer and Obermaier scoff, "transparency… anyone who romanticizes this as an ethical distinction almost invariably turns out to be representing a bank" (2016, 46). In this light, the critics ask, could the current drive for transparency in financial centers in Luxembourg and elsewhere perversely serve to contain, as opposed to reveal, secrets? Shaxson seems to think so: "secrecy jurisdictions succeed in projecting a spectacle of virtuousness and probity, where the essential message is repeated at will: 'we are a clean jurisdiction, well regulated, *transparent*, and cooperative'" (2012, 297; emphasis added).

Indeed, "transparency" has assumed so prominent a place in the *langue de bois* of contemporary Luxembourgish politics that it often seems as if financial-center representatives seek to "outbid each other in a kind of transparency auction that is yet to reach its price ceiling" (Birchall 2011, 8). At the recent inauguration of a large new complex for a Big Four accounting firm – appropriately sized to meet the robust demand for "fiscal engineering" among multinational corporations – Minister of Finance Pierre Gramegna proclaimed, "the light going into this beautiful building… is what we all hope for, what we all need: transparency!" (cited in Pinçon and Pinçon-Charlot 2015, 200). Taking his cue from the minister of finance, the head of a local bank professed, "in the future clients' affairs will be transparent, due to regulations coming into force… Critical mass, quality, and client transparency: banks that fail to take these three components as the basis for their activities are losing ground" (cited in Moyse et al. 2014, 166). Continuing this line of reasoning, Yves Bouvier – the head of the Luxembourg Freeport, a hyper-securitized storage facility for fine art, a widely reputed means by which the wealthy hide assets tax free (Weeks 2020a) – curiously pledged his allegiance to making the decidedly opaque global art markets somehow more transparent:

Journalist: Is the freeport a victim in the trend toward transparency?

> Yves Bouvier: There are a lot of misunderstandings about this. The freeports do not need to move toward transparency; they are transparent! (2016).

Luxembourg's journalists, unfortunately, do little to clarify this perplexing question of transparency. Fassone, in an article entitled "On the Proper Use of Offshore Companies," he describes the predicament of a local corporate lawyer (*avocat d'affaires*) whose name had just been revealed in the massive Panama Papers leak. To begin, Fassone fails to challenge an evident untruth offered by the attorney: "tax issues were never at the heart of the decision to go through Panama. My clients have always been transparent" (2016a). The journalist later poses a more accurate question: "to allow the use of such controversial instruments [such as offshore companies] located in Panama, a recognized tax haven – is it not counterproductive when the political authorities claim Luxembourg's devotion to the new initiative of tax transparency and brandish the title of 'early adopter' as a holy sacrament?" (2016a). Needless to say, Fassone does not attempt to answer this question, nor does he entertain the possibility that financial-center officials' claims to transparency might be less "holy sacrament" and more *langue de bois*.

Another salient dimension of transparency as *langue de bois* concerns its implied temporality, what might be called "the bad old days" (cf. Phelan 2007, 13) This logic as applied to transparency goes as follows: the Luxembourg financial center used to be secretive and surreptitious during "the bad old days," but now all its dealings have become transparent and respectable. Thomas writes,

> Mind the anachronism, [the bankers] say: one cannot always judge the past starting from the moral and fiscal values of today. They plead attenuating circumstances and demand that we place this affair in its historic context (that is to say, three to four years ago). In Luxembourg, thirty years of tax evasion systematized and erected as a business model have been awkwardly buried under the "new era of transparency" (2016b).

I encountered a similar logic in my interviews. To paraphrase a senior lobbyist: because there were high taxes on income and savings in Germany from the 1960s onward, Germans brought their money to Luxembourg and Switzerland instead. Due to this situation, neighboring countries began pressuring Luxembourg to make reforms. These efforts resulted in the "total transparency" that we have today (interview, January 2016). A senior civil servant (*haut fonctionnaire*) echoed this sentiment, and I paraphrase: there are no longer the small-time fraudsters (*dentistes belges*) who may have "forgotten to tell their tax man" after undertaking banking activities in Luxembourg. Now we have ultra-high net-worth individuals (UHNWI) who want transparent, tax-optimized financial products (interview, July 2016). After noting that this newfound clientele of UHNWI is similar to that of the Swiss financial center, a local art-finance consultant blithely assured me that "everything [in Luxembourg] is now transparent" (interview, February 2016).

Langue de bois **No. 3 – Metonymy**

The third example of *langue de bois* is less a concept – such as "competitiveness" or "transparency" – but more a figure of speech: the metonymic tendency of substituting the nation-state of Luxembourg for the country's financial center. "Lowering taxes on [investment] funds is good for Luxembourg," a securities attorney informant declared to me one afternoon (interview, March 2016). While a technically more accurate way of stating this would be "lowering taxes on funds is good for the Luxembourg financial center," the metonym in question I argue points to how state and finance elites seek to align the activities of the financial center with the national interest of the Luxembourgish people.[5]

Associating an economic sector or company with a country – one thinks of "what is good for General Motors is good for the United States" – necessarily carries with it nationalistic overtones. In the case of Luxembourg, the financial center has become *the* exemplar for the country's larger economic regime; any criticism of it, according to this logic, "risks slandering the whole national economy within which it is based and operates" (Fabri and Baldacchino 1999, 156). In one of his characteristically polemic formulations, Ziegler notes similar *langue de bois* at work in Switzerland:

> The Swiss banking barons have won their most outstanding victory of all in the sphere of the ideological class struggle: by means of their superlative international propaganda machine and their corruption of large sectors of the political classes at home, they have managed to identify their strategy of pillage and receiving stolen goods with the national interest of the Swiss state and people (1979, 8).

In Luxembourg, the financial center is legitimized in a similar fashion, conceived as a national coalition of interests positioned against outside critics and competitors. Yet even as its proponents are quick to assume a metonymic defense, the Luxembourg financial center can hardly be thought of as a domestic creation, but rather as an entity stemming from an alliance of foreign and local service providers and possessors of capital. It is further supported by local politicians with close links to these groups, from parties ranging from the populist right (ADR) to the "Third Way" center-left (LSAP). Hence, "what is good for the financial center is good for Luxembourg" is an exceedingly common sentiment, if not always technically an accurate one.

Examples abound of the metonymic slippage between the financial center and "Luxembourg" as a nation-state. Writing about the 1960s, Haag lauds former Prime Minister Pierre Werner for staving off harmonized EEC-wide fiscal policies, for "such a plan would have been dangerous for Luxembourg" (2015, 175), whereas in truth only the financial center would have suffered. Similarly, in defense of the country's secrecy laws – which date from the 1980s –

the former head of a lobbying organization argued, "Luxembourg is not obliged to communicate the information of its clients [to the tax authorities of other countries]… It's not our duty to determine if a taxpayer has been honest" (cited in Shaxson 2012, 361). What unites these pronouncements is their conceptual inability to separate the financial center from the larger nation-state; in other words, there is no admission whatsoever in them that the interests of offshore finance capital might not always be identical with those of the citizenry of the Grand Duchy.

Langue de bois **No. 4 – Jealousy**

Since the 1960s, proponents of the Luxembourg financial center have frequently defended it by simply redirecting all criticism back to its origin. The critics are simply "jealous" of Luxembourg's economic growth, so goes the logic; it is, they say, the accusing countries' (supposedly) high tax rates and (supposedly) rigid regulatory systems that have all but obliged capital to migrate toward the Grand Duchy. "France and Germany like to beat on Luxembourg, but they are just jealous of [the country]'s success," chimed a foreign fund administrator one afternoon (interview, October 2015). To quote a senior civil servant: "To speak of the principle 'offshore' [to describe the financial center] seems to me impudent [*me paraît osé*], verging on inappropriate. These arguments are at best advanced by ignorant, incompetent, or jealous actors" (cited in Thomas 2016c). This "jealousy" narrative, as I call it, is another common form of *langue de bois*; many of my informants truly think that there exists resentment on the part of their larger neighbors – particularly the French – with regards to the recent "success" of Luxembourg. To boot, many see *jealousy* as a factor leading other countries' politicians and journalists to try (evidently) to sabotage the continued growth of the Luxembourg financial center.

A central aspect to "jealousy" as *langue de bois* is its dimension as a David-versus-Goliath struggle. Citizens of jurisdictions with offshore financial centers – which are usually small or even micro-states – tend to "represent themselves as valiant defenders of national interests against the machinations of brutal and powerful neighbors" (Shaxson 2012, 289). In the case of Luxembourg, a similar logic can be found in its financial center: even though the country boasts the highest per-capita GDP in the European Union, it is always *the Grand Duchy* that is the one being exploited – an apparently grave "injustice" that some of my informants saw themselves as attempting to combat. According to them, small states such as Luxembourg are constantly being attacked and bullied by giants France and Germany, in yet another fight of the Davids against the Goliaths. Shaxson, however, is unimpressed vis-à-vis this *langue de bois*:

> Finance [in Luxembourg] is protected by a vast consensus that nourishes the media, and criticism of the financial center is extremely rare… The [national] press, which receives large subsidies from the government, relays tirelessly the same message to the population: Luxembourg is a responsible financial center, not a tax haven. Luxembourg is a clever and honest *David*, surrounded by menacing and greedy *Goliaths* (2012, 356; emphases added).

Ötsch notes similar dynamics in play in the Austrian case. In its domestic press, banking secrecy is usually presented as a national comparative advantage, while even slight reforms to the legislation are portrayed as antagonistic or, at best, necessary evils to placate the country's EU partners. The far-right Freedom Party of Austria goes further, "[constructing] an emotional link between banking secrecy and nationality, depicting it as part of a domestic identity" (2016, 331). Ötsch notes the role of tabloid print media in divulging such positions:

> [Finance-related] headlines especially contain metaphors relating to war and violence, above all to describe an aggression from the outside, by opponents of the banking secrecy: the EU "attacks Switzerland," "shows Luxembourg the

> instruments of torture," [and] an Austrian politician "defends banking secrecy with tooth and nail" (2016, 332–333).

How else do actors in the Luxembourg financial center respond to the criticism directed at them? Akin to light failing to penetrate the opaque financial products on offer in the country, "any criticism [too] is expected to bounce harmlessly off and away from them on to other targets" (Fabri and Baldacchino 1999, 157). Fassone believes that the adoption of the OECD's automatic exchange of tax information – which came into effect in 2016 – should make the financial center impervious to international criticism: "[Minister of Finance Pierre] Gramegna… sees the… commitment to transparency and information exchange [as] the 'restoration of our reputation'… This should boost the promotion and attractiveness of the country and its financial center after difficult years during which 'Luxembourg was stigmatized'" (2015a). Similarly, a senior civil servant spoke to me of the need to divulge standards for "good governance and regulation," a tactic that will reportedly "help us defend ourselves when the country comes under attack. We *must* defend ourselves" (interview, April 2016; emphasis added). Using a different strategy, a local journalist opted simply to criticize the critics, who are all foreigners according to him: "Luxembourg's professionalism and competence as a financial centre will continue to ensure sustainable business activity, which is unlikely to be destabilized by frequent criticism from abroad due to the often caricatured nature of the criticism itself" (cited in Moyse et al. 2014, 176).

Financial-center officials reserve their highest level of opprobrium, however, for pesky foreign journalists. A trade-association representative laments that "journalists have become more aggressive, particularly at the international level, where they are harshly critical of the financial marketplace" (cited in Moyse et al. 2014, 68). Fassone notes in ominous tones, that

> Luxembourg remains well within the sights of foreign media. As testifies a column published 10 December [2015] in the pages of *La Tribune*, the French business daily newspaper, by the economist Michel Santi, co-founder of the NGO Finance Watch, who believes Luxembourg to be "the worm in the European fruit," "a transit zone for fraudulent capital," "a systematic saboteur of all efforts [*lutte*] against tax fraud" (2015b).

More bizarrely, a senior trade unionist considered the massive and damning 2014 Lux Leaks affair to be a mere "attack of the media" from Luxembourg's larger European neighbors. They are picking on the country, my informant surmised, to "unleash their poison. We are not different than the others. They should clean their own floors. These are attacks against Luxembourg" (interview, February 2016). In this vein, a senior securities attorney brought a novel and curious concept to my attention: "Luxembourg bashing." Such criticism, as I learned, is leveled "not through knowledge, but spite." My informant went on to single out "attacks" in the French press as being particularly demeaning to "Luxembourg's reputation" (interview, April 2016). These purportedly besieged financial-center officials do not just bemoan foreign journalists, but also the governments of neighboring countries. The trade unionist mentioned above asserted that "all states pursue their own interests," then asked rhetorically "why can't Luxembourg do the same? This is what France and Belgium do when they carry out their smear campaigns" (interview, February 2016).

In sum, when all else fails, Luxembourg's state and finance elites can always play the nationalism card, positing any criticism "about the undue influence of the financial industry on their country's politics and economy [as] an affront to their agency as citizens of an independent nation" (Harrington 2016, 261). Even though this rhetorical strategy seems to have lost some of its efficacy in recent years, it has helped over the years to stave off several international efforts seeking to curtail the more aggressive of activities taking place in offshore financial centers, including (of course) Luxembourg's.

***Langue de bois* No. 5 – Level Playing Field**

In the most general terms, the guiding premise behind offshore finance is to create a disconnect between the places where economic activity *actually* occurs and those where it is taxed and regulated. Indeed, for the last 50 years, the Luxembourg financial center has excelled in luring "taxable events" (Palan et al. 2009, 81) from other countries into its legal jurisdiction. In such cases, the financial center's individual and corporate clients end up in a highly lucrative no-person's-land from a fiscal point of view – one that Luxembourg's state and finance elites are loath to give up because, they believe, capital and corporations will simply pick up and go "elsewhere" (Weeks 2020b, 361–363).

A common form of *langue de bois* to describe this predicament is the "level playing field."[6] Curiously, but perhaps not unsurprisingly, this term joins "transparency" as vocabulary first used by tax-justice campaigners that has nevertheless been co-opted by officials in offshore jurisdictions such as Luxembourg. In the wake of Lux Leaks, which exposed rates of corporate taxation in Luxembourg as little as 1 percent or lower (amid a European average of 22 percent), tax-justice campaigners have been adamant in calling for a "level playing field" between the fiscal policies of all EU member states. A 1-percent rate in Luxembourg and a 35-percent rate in nearby France, in contrast, creates all sorts of distortions for competitive forces and incentives for capital flight.

In Luxembourg, however, the "level playing field" has a much different meaning and constitutes something of a threat – that is, that the government will not change its artificially low tax rates unless such standards are *uniformly* applied to countries both within the European Union (Malta, Cyprus, Ireland, and others) and exterior to it (Switzerland, the United States, Singapore, and others). As is obvious, a "level playing field" among all these jurisdictions, with their vast political and economic differences, is near impossible to achieve – meaning that the status quo prevails, an advantageous situation indeed for the Luxembourg financial center. In the words of Thomas: "the watchword 'level playing field' operates… as a string of constraints reducing the political field of action" (2017).

A good example of this tendency came in the 2000s, when the "level playing field" (as *langue de bois*) was mobilized to help the Swiss and Luxembourg financial centers maintain their notorious banking-secrecy laws – notwithstanding fierce international criticism. During these years, Luxembourgish negotiators were able to block repeatedly a proposed exchange of clients' fiscal information within the European Union by citing probable competition from the extra-EU Swiss financial center. Concurrently, Swiss negotiators also refused all concessions due to the potential lack of a "level playing field" with the Luxembourg financial center. This tactic, as Thomas begrudgingly notes, "prolonged a business model based on tax evasion for more than decade" (2017).

Given that the OECD's automatic information exchange has been in effect since 2016, the many years of foot-dragging on the part of the Luxembourg financial center does not stop the country's politicians and journalists from engaging in some awkward revisionism. In a January 2016 press briefing, Prime Minister Xavier Bettel "assured once again that the country had made efforts to correct the mistakes of the past and would commit to a 'level playing field' for OECD member countries" (Caregari 2016). Fassone goes even further, skipping entirely Bettel's begrudging reference to the "bad old days": "Luxembourg put itself out front with the group of early adopters [of the automatic information exchange, or CRS]. The country is now fighting that the CRS become the principle of the matter, in the name of the *level playing field*" (2016b; emphasis added).

In more recent years, it has been the current Minister of Finance Pierre Gramegna who has been the most vocal proponent of this variety of *langue de bois*. Luxembourg, in his view, is the EU country that insists most adamantly for a "level playing field" on fiscal and regulatory matters – a dubious claim that is nevertheless amplified in the Luxembourgish press: "there is no question of stopping [with the rehabilitation of Luxembourg's international reputation] for the minister. He said he will continue to promote fiscal transparency and a fair international regulatory framework – the so-called 'level playing field'" (Fassone 2015a).

While this makes for a good soundbite, the implementation of a "level playing field" nevertheless represents an absolutely daunting challenge: for Gramegna and his *confrères*, it is not sufficient that *all* EU member states agree upon the same set of rules, but also means that jurisdictions *outside* of this 27-nation bloc (including Switzerland, Monaco, Andorra, Jersey and Guernsey, among many others) must adopt the new standards as well. Of course, Gramegna knows very well that such negotiations have been at a standstill for a long time, and – looking forward – it is improbable that the new U.S. administration will press for wide-reaching changes in worldwide tax policy. An impasse in global fiscal reform does not mean, however, that the *langue de bois* must cease; to a reporter from the *Financial Times*, Gramegna recently protested that "[the lack of international consensus] is a pity because [Luxembourg] just wants to create a level playing field" (cited in Walker 2017).

Conclusion

In this article, I argue that the ubiquity of *langue de bois* as well as its "commonsensical" nature are an important part of the strategy to build support for the Luxembourg financial center among the greater population within the Grand Duchy. While the financial center is not the only backdrop for *langue de bois* in Luxembourg, the stakes around it are no doubt the highest, given that financial services make up a massive 35 percent of the country's GDP. As such, it seems uncontroversial to say that overall public support for the financial center is created, in part, via *langue de bois*, which subsequently sets the terms of debate over finance within Luxembourg. To accomplish such a feat, *langue de bois* remains purposefully ambiguous, even paradoxical, in rhetorical terms – as it slips between micro- and macro-economic scales of reference, appropriates the concepts of tax-justice campaigners, sows metonymic confusion, and (perhaps most curiously) mobilizes nationalism in defense of hyper-mobile fluxes of global capital.

It is important to note, in conclusion, what is *missing* from *langue de bois*. The pains that its interlocutors take for it to be understood by the layperson, such as seldom straying from the register of generalization, mean that the "the actual details—or contents and provisions—of [offshore financial activity] are almost completely omitted" (Krzyżanowski 2018, 112). Furthermore, while the purveyors of *langue de bois* laud those who "safeguard" the wealth of aggrieved entrepreneurs and wealthy corporations, they *absolutely never* acknowledge the millions, if not billions, of people in the world who are spectacularly ill-served by the aggressive tax evasion and avoidance that Luxembourg financial center provides to its rich clients. Instead, *langue de bois* is focused on ensuring the legitimacy of the financial center within Luxembourg and emphasizing its supposed economic importance for the country.

In sum, if the purposes and goals of *langue de bois* were as straightforward as its interlocutors want them to be, then there would be nothing of interest to analyze. Yet clearly, the five versions of this discourse – as pervasive as they are within the Luxembourg financial center and the country more generally – are anything but straightforward or harmless in their political and economic intentions. In this regard, I believe that analyzing and contextualizing the main iterations of *langue de bois* represents an opportunity to hold those in positions of power within the Luxembourg financial center to account. As such, it is *accountability* – and not such empty signifiers as "transparency" or the "level playing field" – that should be the real prize.

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Notes

[1] The French *langue* captures the English word "tongue" in both its common meanings: as in the organ in your mouth and as in language – for instance, Portuguese is her "native tongue."

[2] Even as *langue de bois* is a commonly discussed kind of language, even in Luxembourg, I am nonetheless assuming an etic and scholarly prerogative to denote my interlocutors' speech as *langue de bois*.

[3] These interviews were carried out in English and French and took place in Luxembourg and Belgium between September 2015 and July 2016.

[4] The permissiveness of the Luxembourgish state's administrative practices has been well documented by the 2014 Lux Leaks revelations, in which a lone civil servant signed off on tax-avoidance "rulings" worth billions of dollars for hundreds of multinational corporations, including Fiat, Heinz, Amazon, and Starbucks. The European Commission – whose former president is the longtime Luxembourgish pol Jean-Claude Juncker – has subsequently declared that these rulings constituted illegal "state aid" and has forced the companies in question to pay back taxes.

[5] Wodak notes a similar metonymic strategy at work in the rhetoric of Jörg Haider, the late firebrand leader of the Freedom Party of Austria: "Haider sees himself as standing for the people: 'Haider = Austria' is the underlying metonymic meaning" (2013, 24).

[6] It is worth noting financial-center officials always say "level playing field" in English, even if they are speaking publicly in French, German, or Luxembourgish.

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