Advancing an Anthropology of Tax

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Tax is as emotive as it is considered mundane – it is simultaneously a question of scandalous large-scale avoidance by high-net individuals and multinational corporations, dreams about socio-economic equality, and the stuff of everyday paperwork. Taxes are everywhere. Visibly and invisibly, they shape our economies and social relationships. From the extra pennies added when we purchase household goods, to the large sums involved when property moves hands, from buyer to seller, and between generations – the 'taxman' comes in and out of all these transactions and life events, shaping how they unfold and what they mean.

This book is an anthropological investigation of tax. Our approach is a multi-perspective one, rooting the study of tax in local, national, comparative, and transnational perspectives, and moving between several scales to capture the many views, actors, and objects that populate tax systems – the taxpaying individual, taxpayer groups, revenue authorities, tax policymakers, political discourses, auditing processes, collection technologies, and the workings of financial systems. Our aim is to explore these elements together, to read the experiences of a self-employed woman becoming a taxpayer in Ghana alongside the approach of the Organisation for Economic Co-operation and Development (OECD) and G20 countries towards value creation and distribution within a global economy. We argue that this multidimensional approach is the most effective and insightful way of tackling tax as an object of study because it

We thank all our contributors for their input at various stages of writing this introduction and special thanks to Anna-Riikka Kauppinen for providing useful feedback on a late draft. Mugler's research was funded by the Swiss National Science Foundation, Grant 10001A_166087 and 204011, and the Bern University Research Foundation. Sheild Johansson's work was supported by a UK Research and Innovation (UKRI) Future Leaders Fellowship (grant number MR/V022261/1) and a Leverhulme Early Career Fellowship ECF-2017-091. Smith's research and project, AnthroTax, has received funding from the European Union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement 101026736.

recognises that tax is constituted by many relations, material realities, and ideas, and provides us with a fruitful interpretative access to this heterogeneous social world of taxation. This approach echoes recent work in the anthropology of 'systems', or sets of relationships (Appel 2019; Povinelli 2016; Tsing 2015), which recognises that an object of study is many things at once.

In this volume, we ask large questions about the meanings and definitions of tax, as well as fine-grained ones about how particular fiscal systems function. Connecting all the work presented here is a commitment to explore tax systems ethnographically rather than normatively, tracking how these systems both shape and are shaped by politics and their sociocultural contexts. This introduction raises fundamental questions about tax which we believe are under-examined and where an anthropological lens offers both new insights and avenues of debates, as well as impulses for disciplinary self-reflection. These questions include: how is tax defined and by whom, and with what distributary effects and consequences? What and who is taxable, and how are they rendered so? What do taxes do – how are they implicated in the histories and present of global and local equities and inequities, racisms and colonialisms? Our main contention is that asking and pursuing answers to these questions in an anthropological way will produce new and deeper understandings of tax – what fiscal systems do in our world and what socialities taxes disable and enable.

Taxation demands our attention as a core political issue. It affects who gets or shares what, when, and how, as well as why and with whom. Taxes are central to the conceptualisation of the sociology of rule and the modern state system. Canonical theorists in the social sciences considered them crucial to defining, enabling, and constraining societal, political, and economic relationships (Durkheim [1893] 1933; Marx & Engels [1848] 2012; Schumpeter [1919] 1991; Simmel [1907] 1978; Weber [1922] 1978). In these classic texts, tax policy was treated both as a 'symptom' and 'cause' of large-scale changes in the economy and society, and as a place where the emergence of different norms and forms of statehood was negotiated between states, capital, and citizens. These theorists emphasised how taxation both fostered and impeded capitalist economic development and the reproduction of wealth and income inequality.

It is surprising that within the discipline of anthropology, it is a relatively less explored topic, given the central role that tax plays in society and social theory – the impact any tax mix has on the inner workings of a state and to any government's possibilities and constraints in addressing basic issues as diverse as health care, infrastructure, education, and social security – and in light of the ongoing rich conversations about tax in New Fiscal Sociology (Martin, Mehrotra, & Prasad 2009). Bar a few early notable examples (Guyer 1992, 2004; Maurer 2008a, 2008b, 2004; Rawlings 2003; Roitman 2005), taxation has only recently become scrutinised by anthropologists – many of them included in this volume.

It is particularly curious that our discipline has not tackled this topic previously, seeing as anthropologists have been at the forefront of social scientific debates about the state and citizenship (Bierschenk & Olivier de Sardan 2014; Gupta 1995, 2012; Lazar 2013; Ong 1999, 2006; Scott 2017, 1998; Thelen, Vetters, & von Benda-Beckmann 2018), bureaucracy (Bear & Mathur 2015; Gupta 2012), and other relevant areas, such as policy (Shore & Wright 1997), capitalism and finance[1] and law[2]. In addition, economic anthropology is a well-developed field (Carrier 2021; Hann & Hart 2011; Sahlins 1972). Indeed, relations and rules of allocation, the movement of resources within different forms of societies, and the political and economic implications of this have always been core topics of anthropology (Polanyi 1944, 1957 – redistribution and householding; Bird-David 1990; Ferguson 2015; Peterson 1993; Widlok 2017; Woodburn 1998 – sharing; Maurer 2012, 2015 – payment). In particular, exchange and reciprocity are classic fields of study in anthropology relating to the sociopolitics of resource management and the moral

[1] The body of work on capitalism and its driving logics and beliefs, as well as everyday manifestations, have been crucial to generating the questions that the anthropology of tax is asking today, such as what role affect plays in financial systems, how people conceive of wealth creation, and what is considered a public good (Bear 2015; Bear & Mathur 2015; Ho 2009; Muehlebach 2012; Zaloom 2009).

[2] The anthropology of law's attention to how states, which have national orientations and frameworks, function in a globalised economy, and the attendant conversations about legal fictions of international law and domestic law, such as the sovereign nation-state, separate corporate person, or legal responsibility (Eckert & Knöpfel 2020; Riles 2013), are key touchstones for current tax work (Foblets, Goodale, Sapignoli, & Zenker 2022; Maurer 2001; Mugler 2019; Rawlings 2004, 2005), as well as the legal reasoning employed by international institutions and businesses (Riles 2011). Finally, legal anthropological research on property relations has also opened up terrain that tax scholars now build upon, such as the relationship between people, material and immaterial resources and objects of value, and the state, and the interlinking conversations about rights, 'natural rights', obligations, privacy, and freedoms (Blomley 2005; Coombe & Chapman 2020; Humphrey & Verdery 2004; James 2007; Sikor 2006; von Benda-Beckmann, von Benda-Beckmann & Wiber 2006).

orders produced through mutual dependence (Lévi-Strauss 1971 [1949]; Malinowski 1922, 1935; Mauss [1925] 1954). Tax engages everyone, directly or indirectly, in systems of distribution and resource allocation. We all live within the social worlds that fiscal systems produce, so it is time anthropology turns its attention to tax.

This volume marks an exciting moment of doing just this. It is a consolidation of a recent wave of tax scholarship within anthropology. Rather than a sub-discipline, we conceptualise our contribution as forwarding tax as an important analytical lens for all the fields of research mentioned above, *and* as an object of study in its own right. This volume, in particular, brings tax into the fold of state–society scholarship, an area where it undeniably deserves a place at the table. The move ensures the politicisation of tax, as well as the introduction of a new relational modality – fiscal sociality – to the study of the state and citizens.

Why Talk about Tax Now?

In the last decade, research and debate in the social sciences have been awash with topics such as the Anthropocene, inequality, and new models of redistribution – all with the aim of getting to grips with our contemporary condition where humanitarian and ecological crises, including climate shocks, pandemics, and wars, necessitate that we work to find new and better paths forward. Tax systems are a crucial part of building alternative futures. They are a space that has the power to radically transform socio-economic relations (Piketty 2020). Simultaneously, they are structures that can and do perpetuate harm and exploitation (Bhambra & McClure 2022; Martin & Prasad 2014; Prasad & Deng 2009; Willmott, this volume). By forwarding multiple perspectives about what tax systems do and how they are experienced and constituted, this volume, and an anthropological approach to tax more widely, makes incisive interventions in what is one of the central conversations of the century.

While tax has been key to state-building throughout history and given attention as such by various scholars beyond anthropology, within the context of the recent history of tax relations, *now* is a crucial moment for anthropology to explore tax. More people, including ourselves and many of our research participants, have become increasingly interested in taxation. While there is great variety in how people talk about taxes and encounter taxation on a practical and material level, we identify significant turning points illuminating why taxation has become increasingly a matter of contestation and concern.

The 2008 financial crisis lifted the curtain on the systemic transformation of capitalist economies over the previous four decades and showed that contemporary capitalism is 'financialised' (Hann & Kalb 2020; Krippner 2005; Lapavitsas 2013). The economic crisis brought domestic and global distributional conflicts into the foreground of public debate, acting as an accelerator for interest in taxation (Christians 2014; Dietsch 2015; Pogge & Mehta 2016). That banks, insurance, and mortgage companies demand self-regulation and freedom from interference from the state, but then call for publicly funded bailouts when things get tough, was loudly protested by, amongst many others, the members of the international Occupy movement (Juris & Rasza 2012; Mitchell, Hancourt, & Taussig 2013). Their reaping of massive private returns, but socialisation of risks and losses with taxpayer money, was particularly controversial because the catalyst of the crisis was years-long speculative mortgage lending to the poorest households in the United States by these very companies (Hiß & Rona-Tas 2011). Millions lost their homes to foreclosure when they were unable to refinance their expensive 'subprime' loans, which were being traded in 'securitised' form in global financial markets (US Government Accountability Office (GAO) 2012).

The negative effects of credit liberalisation and a growing international credit industry were felt across the globe. Where credit had previously been a substitute for increases in salaries, it became an unsustainable liability as salaries and small profits dried up (James 2014; Narotzky 2015; Schraten 2020). Tax protests occurred most vociferously in countries where governments implemented austerity measures that significantly curtailed public spending and wiped entitlements to social welfare and security, and where people were asked to pay more taxes (Rakopoulos 2015). Alexis Spire (2020), who analysed the recent tax protests in Greece, Spain, and France, showed for instance that 'taxation has become a symbol of injustice' for lower income households in these countries – those who were hit hardest by domestic tax increases and experienced concomitant reduction and withdrawal of public services lost faith in the redistributive capacity of taxation (see also Bäumer Escobar 2020).

Pressures for tax reform and 'domestic resource mobilisation'[3] were also accentuated in countries only indirectly hit by the financial crisis, in

[3] 'Low' or 'inadequate' levels of domestic resource mobilisation are measured as 'tax revenue-to-GDP ratio' or 'total government revenue as a proportion of GDP'. These states

the sense of being recipients of financial assistance from aid organisations or being otherwise dependent on creditor institutions such as the International Monetary Fund (IMF) or World Bank. Such countries were forced to act to strengthen their ability to raise taxes and other revenues when, after 2008, development aid payments were reduced due to budgetary constraints in donor countries. Moreover, effective tax collection gained more traction as an important aspect of *good governance* (IMF et al. 2010; OECD 2008; OECD 2015). The Consensus of the United Nations (UN) International Conference on Financing for Development, which took place two decades ago in Monterrey, Mexico (UN 2002), cited the tapping of domestic resources through taxation as fundamental to sustainable development. Taxation is treated in these debates as a catalyst for the development of responsive, effective, and accountable government, and for the expansion of state capacity. The bargaining around taxation, so the theory goes, strengthens the 'social' or 'fiscal contract' between the state and its citizens (Bräutigam, Fjeldstad, & Moore 2008; Moore, Fjeldstad, & Prichard 2018).

The global circulation of these ideas of what a 'good tax system' or a 'good taxpayer' should look like, and how to get there, has been crucial to how tax policies and reforms are composed in the twenty-first century. Various contributors to our volume have encountered research participants dealing with the demands of such domestic reform initiatives that aimed at increasing domestic resource mobilisation through building a national tax culture and broadening their tax base. For instance, the introduction of electronic tax filing systems, which should make tax paying easier, and reduce opportunities for tax evasion and corruption, created liquidity and bureaucratic difficulties for taxpayers from Kenya to Croatia, and Bolivia (Elmi, this volume; Sheild Johansson 2022; Smith 2020). Adding this nuance to prevailing debates over what constitutes 'good' governance shifts the main question away from why these reforms do not work to what logics and assumptions are built into these reforms and how that relates to the socio-economic and cultural context within which they exist. This framing also allows for larger systemic and structural questions such as: 'who is bailing out whom' during an economic crisis, 'who is in debt to whom', and 'whose resources are in need of being mobilised for whom'?

often have economies characterised as rent-seeking, with concomitant low levels of personal income tax revenue compared with other tax revenues, and higher levels of informal, undeclared, or underground work and employment.

The widening post–financial crisis inequality gap within and between countries is another turning point which renewed public and scholarly interest in taxation (Milanovic 2013; Piketty 2014, 2020; Stiglitz 2012). Thomas Piketty's highly cited work, for instance, which draws on historical tax records, has increased awareness not only of the historical developments of wealth and income concentration around the world, but also of the widespread use of progressive taxation in the twentieth century as a key instrument of social reform. France, at the end of the nineteenth century in the Belle Epoque years, experienced a surge in inequality because 'there seemed to be no limit to the concentration of fortunes' and private wealth could accumulate with hardly any (tax) restrictions (2020: 127). To raise revenue, France implemented progressive tax rates in the early twentieth century, which also addressed the substantial wealth disparities that had emerged. Piketty also highlights the use of time-limited special taxes to deal with large public debt crises. Germany and Japan, for instance, imposed massive wealth taxes after World War II, and in this way reduced their public debt without austerity measures or transferring the debt to future generations (Piketty 2020: 441–465).

This consensus of 'embedded liberalism' (Polanyi 1944; Ruggie 1982), to combine free trade with a government's responsibility to provide employment, welfare, and reverse economic inequality – albeit an equality only sustained by the violent differentiation of citizenship along race and gender lines – through tax policy and other interventions, evaporated in most economies towards the end of the twentieth century. The 1980s brought a rise in economic and legal reforms that prioritised markets over governments in allocating economic resources and that pushed private property rights and the deregulation and dismantling of the welfare state (Bear 2015; Beckert 2010; Moyn 2018). Since then, cuts to top personal income tax rates and business taxes have readily been introduced to provide a 'competitive' and 'free' economic environment (Hürlimann 2019; Prasad 2012). Net wealth taxes, and taxes on wealth transfer, are now far less widespread than they once were in many OECD countries (OECD 2018).

Having said that, we observe that this dominant reading of tax, in particular pertaining to the notion that the taxation of income, wealth, and businesses is a hindrance to investment, economic growth, and development, is now being seriously challenged by new discussions about tax as a productive force within economies, including those forwarded by international organisations, as discussed above (Mazzucato 2013, 2021;

Perret 2021; Piketty 2020; Tax Foundation 2020). Social and economic justice debates around corporate social responsibility and human rights see taxation as a tool to tackle systemic poverty and structural inequality. They have also helped legitimise demands for more fiscal and financial regulation, new forms of taxes, and higher tax rates – demands that hitherto have often been characterised as ‘radical’. A renewed interest in international tax cooperation, wealth taxes, and time-limited special taxes is, for instance, emerging. The global minimum tax rate for large multinational corporations, to which, under the auspices of the OECD, 136 countries agreed in 2021, is an example of a coordinated international attempt to curtail tax competition between countries and therefore the fiscal privileges of global firms. Politicians who suggested such a move in the early 2000s were derided (Pausch 2022). The political pressure and mandate at the OECD to come to such an agreement was not a given, but came off the back of more than a decade of work by advocacy networks like Association for the Taxation of Financial Transactions and Aid to Citizens (ATTAC), the Tax Justice Network (TJN), and Oxfam in demanding more tax justice (Mugler 2019).

While the fiscal effects of such an agreement are still unknown, the debate around corporate taxes and, connected to that, that of high-net individuals, deepened public awareness of the legal tools upon which the offshore economy relies to manage private and company wealth. *The Panama Papers* (2016) and *Luxembourg Leaks* (2014) were, for instance, based on globally shared data sets that were easily accessible on the Internet and provided new reference points for transnational tax demands.[4] Such large-scale work of investigative journalists made the entanglement of national and global inequalities and the financialisation and digitalisation of the economy real, concomitantly delegitimising standard economic arguments about the benefits of lax regulations and tax competition.

Special taxes are another example which illustrate that higher tax demands emphasising the redistributional capacity of taxation have returned as an argument within the mainstream policy repertoire of state

[4] *The Panama Papers* were released in 2016 by a network of 267 reporters from one hundred countries that partnered with over one hundred media organisations. It was an unprecedented investigation in terms of the financial and legal records that were compiled and analysed to explore a specific part of the global offshore economy, namely the work of Mossack Fonseca & Co., until then the world’s fourth largest provider of offshore financial services. The *Papers* revealed the offshore holdings of politicians and public officials globally and sparked resignations, arrests, and policy changes in dozens of countries.

actors and their advisers. To deal with the accumulated public debt due to coronavirus emergency measures, the chief-economic adviser of the Swiss COVID-19 taskforce suggested in August 2020 that the country introduce a five-year tax on profits for companies that its proposal referred to as ‘Corona winners’ (Swissinfo 2020). Special taxes were not only discussed, but swiftly implemented in a number of European countries by spring 2022. At the time of writing, some gas and oil companies are thus taxed on any ‘excess profits’ they earn due to the energy shortage and price hikes caused by Russia’s current war against Ukraine. The UN secretary general, António Guterres, urged governments to push ahead with special taxes to protect vulnerable citizens from skyrocketing energy prices and their knock-on effects on peoples’ livelihoods (UN 2022). In the United Kingdom, these ‘windfall taxes’ were implemented by the Conservative Party, which has been voting in favour of limited state interventions and tax cuts for decades.

In contrast to Alexis Spire’s findings – that taxation is becoming a symbol of injustice in various social circles – these ‘pro-tax proposals’ emphasise the redistributional power of tax. We suggest that such a shift in how taxes are perceived and discussed also relates to current demands for more rather than fewer state interventions in the market, and increased acknowledgement of how state-funded activities, and therefore also taxpayer money, contribute to private and corporate wealth (Mazzucato 2013; Pistor 2019). In these demands, the state is conceptualised as an active rescuer instead of a disruptor of the free market’s more effective distribution of resources. When reserves and revenues become scarce and inflation rises, the resource question, we suggest, re-emerges in political debates as one of distribution – and thus, taxation.

However, exactly what is shared with whom, how much, and for what reasons via taxation are empirical questions, as our volume’s contributors demonstrate so well. And while new tax conversations are emerging, and taxation is becoming a more politicised issue, taxation is also something ordinary and omnipresent. Most people pay some form of tax on their income, capital, property, or consumption. They pay their local and national tax authorities, whether they like it or not, and often the habitual nature of these payments render them almost invisible and apolitical. Our aim in the next three sections of this introduction is to provide new perspectives on such a ubiquitous phenomenon. We ask: how can taxes be anthropologically conceptualised and analysed? For the purposes of this discussion we pose the following three questions: (1) What is tax? (2) What and who is taxable? (3) What do taxes do?

These questions inevitably overlap and constitute each other. The question, 'what do taxes do?' only makes sense when one can answer the question, 'what is a tax?' Yet the answer will not be provided fully to the reader in that first section. Instead, the question recurs throughout the three sections, just as thoughts about 'what is taxable' and 'what taxes do' are interwoven into our discussion from the start. While these questions artificially separate an analysis of tax, we include them here as discrete questions, because we believe that thinking through them helps us get to the heart of an agenda for the anthropology of tax. Each section furthers an analysis of its set question by engaging with the ethnography and arguments from the chapters in this volume, as well as material already published by scholars active in the field. We have inevitably left out an array of analytical starting points and perspectives and fully acknowledge the limitation of this discussion, as it is constrained by our data, our own positionalities, knowledge and interests, and space.

What Is Tax?

Taxes circulate in our daily lives, but while some visibly appear on our payslips and receipts, others are barely noticeable. But what kinds of payments are taxes? We might define them as legally legitimated ways for governments to extract resources from private individuals and businesses to pay for the needs of the sovereign realm – be that public provisions, infrastructure, military, or debt servicing. Arguably, another key characteristic is that they depersonalise exchanges: they pool resources and decouple them from the payer in a form of generalised reciprocity. The complexity of their redistribution means that the taxpayer is never sure what exactly they might be getting in return, or when. In sum, taxes are the legal extraction and reallocation of resources, they are often implicated in the creation of public goods (whatever these may be), and they are depersonalised.

In this short description, we appear to have a good definition of tax. However, this definition only tallies with the experience of some tax cultures and it is clearly linked to western ideas of social contracts and the function of a state (Burnyeat & Sheild Johansson 2022; Makovicky & Smith 2020), rooted in liberal political philosophy and tied up in assumptions about nation-states, freedom, and consensus. As social scientists have shown, many public goods are produced beyond the state (Meagher 2018); some tax systems, especially historically, do not redistribute, but rather reinforce wealth inequality (Bhambra & McClure 2022; Gardner