

From Fisc to Fiscal: The Dark Matter of Money and *The New Fiscal Sociology*

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Thank you! I'm excited to be here today commenting on such an energetic and bold book as *The New Fiscal Sociology*. Here's the short version: works proposing to regenerate forgotten strands of research abound in social science history, but *The New Fiscal Sociology* actually follows through. Now, the longer version: today I'll do a few things. First I'll tell you more about why the book's great. But then I'll press at the edges of the its substantive and conceptual focus to develop directions for further work. Along the way I'll attempt a balancing act: I'll try to ride an empirical hobbyhorse while balancing on a theoretical soapbox! I hope the result isn't too, well, taxing...

The New Fiscal Sociology's stands as a success because it opens a conversation. Fiscal questions have long lurked at the edges of central issues for social science historians: war, development, revolution, demographic transformation, politics, the state, and the figurations of "the social." Rather than treating taxation as the marginalia of state formation, the authors in the volume and editors articulate it as a discreet social process worthy of direct comparative study. The picture they paint of taxation, as a conceptually elegant process with a wide causal valence, is model of disciplined analytical thinking combined with sweeping empirical reach. Like an unfolding puzzle, asking the simple question "how do states get resources?" opens a huge variety of issues to new consideration. Although all the articles do this in one way or another, I'd like to call out two that I found especially interesting and provocative: Kiser and Sacks' fascinating exploration of semi-autonomous revenue authorities in Africa makes us ask basic questions again about the reach and appropriateness of "modern forms of governance" and Robin Einhorn's examination of early-american patterns of land taxation exposes the underlying assumptions about personhood and categorization that profoundly influenced American political development.

Now on to constructive criticism! Let's start with one of the editors' boldest claims: speaking of the titular New Fiscal Sociology, they write that it "may be poised to rewrite conventional accounts of modernity itself by placing the social relations of taxation at the center of any historical or comparative account of social change" (p. 2). This is usually a line you skim. "Modernity," un-huh. "Social change," blah blah. But if we pause to contemplate, two very different sorts of claims collide in that sentence: fiscal sociology is at the core of that great (albeit now simultaneously "multiple") world-historical singularity called modernity; and yet it is an indispensable part of *any* historical or comparative account of social change. That is, fiscal sociology is at the same time a central character in the world's one great drama and a universal-ish package of theoretical propositions and mechanisms transposed everywhere by scholars' promiscuous imaginations and limited only by

“scope conditions” from being timeless social law. This tension is unavoidable; it’s the foundational moment of social science history. But rather than a flaw, this kind of tense claim is like high-energy physicists flinging particles at one another in order to learn from the wreckage of their collision. In that spirit, let’s examine the juxtaposition of these claims about modernity and about a general analysis of social change to reveal new, rich and profound tensions in each dimension.

Modernity first. My basic question to the authors is: how tightly do they intend to circumscribe the circle of modernity, spatially, temporally, and analytically? References to “the modern world” abound in the book, as do declarations about how taxation helps draw boundaries between different kinds of people and different identities (for example, Lieberman’s chapter), but an uncharitable reader might conclude that the meaning of “modernity” here is actually fairly narrow. Indeed, because of the book’s central analytic metaphor of contractual bargaining—an issue I’ll return to later—one might conclude that it’s a book about developed, 20th and 21st century, “high modern” states first and Modernity’s Others a distant second.

What do I mean by “Modernity’s Others”? Relatively integrated, robust, self contained “national states” are probably pound-for-pound the most important and powerful political units that have existed in world history. But when have they not existed in relationship to a dizzying variety of alternative systems of political organization? Everyone one of the European states mentioned, the United States, and even Japan, has controlled a significant empire for a long stretch of the commonsense definition of “modernity.” (And what’s China today? A state or an empire?) Now, aside from the “we can’t do everything!” objection that I’m going to ignore (because you should be able to do everything!), one answer to this objection is that taxation works in a basically similar way in empires and modern states. We could easily transpose Tilly’s analysis of Putin’s autocratic rule laying the foundations for a possible democratic renaissance in Russia (a fascinating inversion of neoconservative “starve the beast” strategies, by the way). But despite careful modesty and repeated denials, this kind of analysis is implicitly teleological; the big empires were just waiting for bargaining and conflict over extraction to climax in decolonization. Since (the implicit argument continues) the most productive bargain between ruler and ruled looks broadly like a western European state (whatever the potential variation of contemporary tax states), we should get there analytically. (Kiser and Sacks’ chapter is a useful corrective here.) And, besides, wasn’t the Biggest Imperial Moment of The All, the American revolution, a perfect example of a taxation-leads-to-democratic-demands cycle?

Of course, how empires broke up is important, and the American revolution is undoubtedly a crucial turning point of world history that fits the model proposed in the book. But empires also functioned just fine for longer than states have been integrated units, and it seems to me that some time could be spent contrasting, in addition to comparing, taxation in empires as well as states. The fundamental logic of national states might be that of a ruler bargaining with a polity, but in empires that logic seems to me to be coupled with the attempt to project power and political control from one polity to another. This, in turn, seems to admit the possibility that one of these two polities

taxation strategies might deviate from one another in interesting ways (beyond merely resource endowments, bargaining positions, and all that). What bound such political units together for so long, and with such force that it took hundreds of years (almost 200 in the case of the British in India) to break them apart? And what role did taxation play there? Was it the same as in states?

We could ask a similar question of European states themselves for at least the early modern era. Like empires, this is a concern very easy to dismiss by claiming that early modern states obeyed a logic basically similar to “fully” modern states. But in addition to the fact that many European states were themselves poorly-integrated empires until late in “modernity” (Austro-Hungary, anyone?) there are also other important differences. As Schumpeter among many others notes, in the early modern era, taxation still obeyed the logic of the fisc, that is, of the patrimonial household treasury under control of whoever claimed to be its head. But the fisc itself was embedded in a set of overlapping and concentric obligations--between the ruler and “his people,” of course except the identities involved on both sides of the relationship were much more multiple in the early modern era; between Church and State; within the rulers’ own family; and between ruler and vassals, who claimed, of course, to be rulers in themselves. I think the multiplicity and deep intertwining of many of these obligations implies an analysis related to that proposed in the book but different than that appropriate for the modern era. In short, and with apologists to bellicist analysts of state formation (including Schumpeter himself on this point) we still can profitably ask how the fisc became fiscal.

By asking about the analytic and empirical boundaries of “modernity” we could radicalize one of the earliest claims the authors’ make, that taxation is at the heart of “who is a member of our political community, [of] how wide we draw the circle of the ‘we’” (p. 1). The empirical focus of the vast majority of the book is on the logic and rules inside of the circle. But if taxation is a process of boundary drawing, additional focus could be paid to what’s outside the circle, and how inside and outside constitute one another. (And again, Lieberman’s chapter--and his book!--are good starting places.) My claim is not that this relationship would be completely different in states and empires, or in the modern and early modern world, but rather that the “error terms”--the substantively interesting and causally important factors missed by such a model--*are* probably very different.

Let me turn from talking about the singularity of modernity to a discussion of the general claim that taxation deserves pride of place in any comparative and historical account of social change. I agree, but I’ll press here at the boundaries of the substantive mechanism the authors propose. They reveal it very early in the book: “In the modern world, taxation *is* the social contract” (p. 1; emphasis original). This turns out to be the basic, structuring idea of many of the analyses presented in the book and the authors’ own theoretical agenda: taxation is a bargain, formal or informal, conscious or unconscious, between ruler and ruled in which “...taxpayers give up resources in exchange for collective goods that amplify...society’s productive capacities” (p. 14).

What kind of claim is this supposed to be? Do the editors mean the social contract is a *model* of how taxation functions, where we learn about causes and consequences by treating social relations *as*

though they are contracts? Or is it a *description*, meant to make a much stronger claim about how the actors involved--the rulers and ruled--think about their world? (As the editors put it, taxation is “the actually existing social contract”; p. 26). The editors and many of the papers in the volume mix the two senses together, but my point is that the two different ways of thinking about a “contract” imply very different agendas for the new fiscal sociology.

Thinking of the social contract as a model moves us a long way towards concrete explanations for the emergence, durability, power, variations, and consequences of the various modern tax states. It also yields great returns for the scholar herself, because it provides a transposable, flexible, and elegant basic idea from which imposing edifices of explanation can be built up. The model of a social contract, in short, can be applied anywhere that it can be persuasively shown to help explain the outcomes that we care about. And that turns out to be a really large swath of world history. In fact, it is especially good at explaining long-haul transformations in state form and particular smaller-scale set-pieces of policy and institutional transformations. The general, transposable version of the social contract does a lot.

But not everything! Indeed, the model comes freighted with some assumptions. One of the central ones is that there are actors already there who can join in a contract, and indeed that the parties involved understand, consciously or unconsciously, the nature and stakes of that contract. Put another way, the contract as model or metaphor works well for concrete situations, but only if we assume that the institutional foundations of its functioning already exist!

So, you can probably see the problem: the world is a lot messier than that, and as I've argued a moment ago about empires and the early modern era, the “error term” of the model is not stable over time and space. And this is where the second sense of taxation as “the actually existing social contract” comes to the rescue: actors really thought of their relationship to their rulers in this way and vice versa. This solves the problem because if both sides agree about what's going on, then the scope conditions are met and we're fine. But this, remember, is an *empirical* claim about actors, who they are, and the kinds of worlds they live in. This is a hard empirical claim to dispute in the “modern” world. But the fact that the social contract is *also* an empirical, real institution means that it has a history and an origin, and that it collides and blends with other institutional settlements as it emerges and diffuses. (To begin thinking about this question, perhaps we can return in discussion to a few of the chapters in the volume: Moran's chapter on Smith, Brownlee's on Shoup in Japan, and Einhorn's on early American taxation.)

Of course, I'm not expecting the authors to have an explanation of the basic institutional transition to modernity in their back pocket; instead I mean to suggest that it's an important avenue for further research. Indeed, if we glance back at colonialism in the early modern period we see a much more complex picture than a contractual approach allows. Take the British in India, building an empire there just as the American colonies were declaring independence. It's true, British efforts to measure, collect, and process agricultural and other taxes resembled the contract model in some

ways (there were petitions, riots, and classic forms of agrarian collective action). But taxation also was the focus of bitter misunderstandings and forms of state violence that don't as easily fit into the contract model. How, for example, would one explain how the British disembedded feudal forms of rule among large landholders in Bengal, attempted to institute a market in private property in land, and ratified and spread an indigenous caste system? The British weren't all powerful, of course (Brownlee's cautionary analysis of postwar Japan is equally applicable here), but the point is that efforts to tax and extract resources in a colonial setting appear to be deeply intertwined with forms of state power that fabricated and institutionalized the kinds of actors and relationships that a contract model of taxation takes as given. And I would further suggest that drawing these processes of basic institutional and agentic fabrication to attention also has a great deal to contribute to the new fiscal sociology.

So I have suggested here that understanding taxation using the metaphor of a social contract obscures important phenomena that taxation has a lot to do with. What metaphor would I suggest instead? Well, keeping with my earlier reference to physics, I would suggest that taxation might be understood as a force field of fiscal circulation binding the state to both the economy and society. Given its various institutional and historical embeddings, taxation has the potential to transform not only the state and society, but also to constitute the kinds of actors participating in that circulation (and therefore making up the state, economy, and society).

In sum, my reaction to this impressive collection is an excited "yes, and" instead of "no, but." The collection carves out and reinvigorates a forgotten space in the study of the emergence and variation in modernity that is something that social science historians must take seriously. But as we move forward towards the goal of a fully articulated fiscal sociology that the editors propose, let us do so cautiously, paying close attention to the questions and issues that are bound up in the concepts and perspectives we are using.