Anthropology of Tax

A smorgasbord of insights, perspectives, methods and theories

Lotta Björklund Larsen
PhD, Associate Professor
TARC (Tax Administration Research Centre) University of Exeter Business School
Tax and Taxation?

Distinguish between tax and taxation (the practice of collecting tax)

Taxes finance governmental/public activities but serves political purposes (Musgrave 1959)

• resource allocation
• income redistribution
• economic stability

Taxation as a

social network • human relationships • social organization?
Taxation create relations

• Most citizens pay taxes and most benefit from them

• Giving, receiving and giving again make society possible (Mauss). The way taxes are collected and spent informs on societal values

• Reciprocity and redistribution. A social contract?

• Tax is an explicit economic relationship between a citizen and his/her state and an implicit economic relationship with all other citizens

• People are more prone to pay taxes if everybody else pay their fair share. Or at least we perceive that this is the case
Holistic

• Avoid easy explanations
  • Bad morals
  • *homo economicus*
  • Political, ideological, static categories

• Studying practices: seeing what people do, what tools and knowledge they apply, what they write and aiming to understand while they also sometimes - *often* - do not do what they say they do

• ANT (actor network theory)

• Things, technologies, theories and how humans in various roles (tax administrators, tax advisors, taxpayers) engage with these (Boll)
Ethnographic examples

• Successful Swedish Tax Agency. Strives to be legitimate by simplifying, equitable treatment of taxpayer, moral mottos (Björklund Larsen)

• The promise of digitalization increasing compliance not fulfilled: Kenyan Itax (Osman Elmi)

• Ghanaians negotiate between tithes and tax (Kauppinen)

• Making ”taxpayers” of indigenous populations reveal colonialist policies (Willmott, Sheild Johanson)

• Taxation difficult to disconnect fromm other public finances ”Small places, large questions” (Hylland-Eriksen)
Comparative

• Anthropology make comparison possible beyond legal – economic – organizational models

• Cooperative compliance (CC) is an OECD model to establish closer collaborations between tax administrations and MNE’s in the name of efficiency and increased tax compliance

• A comparison of CC in 7 Northern European countries with very different outcomes
  • Studying guidelines is not enough – study actual practices
  • Moral will is not enough to comply but actual interactions
  • Quantified measurements seldom applicable in tax compliance

• Cultural, institutional and societal factors influence compliance practices and thus success of models
A curious perspective on the future ...

and new technologies

• Digitalization, climate change, income and wealth gaps
• Avoid simplistic solutions. Tax is complex
• Holistic perspective - humans, things, technologies, practices in network
• Take people seriously. Good reasons for ”irrational/stupid” behaviour
• Difficult/impossible to know people’s intentions – the why. People do not always say what they do.
• Pre-established issues, categories cannot be taken for granted
• Organizations have one voice, yet peopled by many with various tasks, agendas and agency
• Giving voice to overlooked people

Rethinking money means rethinking tax – and taxation
References


Thank you for your attention

Let the discussion continue...