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Taxation: A Vantage on the Reframing of the Economic Past

A Review of Fiscal Regimes and the Political Economy of Premodern States*, edited by Andrew Monson and Walter Scheidel (Cambridge University Press, 2015), and* Ancient Taxation: The Mechanics of Extraction in Comparative Perspective*, edited by Jonathan Valk and Irene Soto Marín (New York University Press, 2021)*

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> Our new Constitution is now established, and has an appearance that promises permanency; but in this world nothing can be said to be certain, except death and taxes (Benjamin Franklin 1789 letter; Sparks 1856: 410).

Benjamin Franklin's oft-paraphrased statement regarding the ever presence of taxes is astute in its linkage of a political charter with revenue collection, as all forms of governance must be underpinned by fiscal financing of one kind or another. And yet, until the last decade, systematic comparisons of taxation in premodern historical contexts were anything but ubiquitous. Now, since 2015, those of us in the historical social sciences are fortunate to have not one but two hefty, empirically rich edited volumes that survey revenue collections across premodern worlds. Both Andrew Monson and Walter Scheidel's *Fiscal Regimes and the Political Economy of Premodern States* (henceforth MS) and Jonathan Valk and Irene Soto Marín's *Ancient Taxation: The Mechanics of Extraction in Comparative Perspective* (henceforth VS) compile a suite of essays by renowned scholars, who outline modes of fiscal financing across premodern worlds and, in concert, begin to "challenge conventional understandings of the world in which we live" (Martin et al. 2009: 2) and historically how we arrived here.

Before discussing the contents of these tomes, I find reflective context in querying why the central questions of political economy that underpin and focus these collected works are so relevant now, more than a century after Joseph Schumpeter (1991 [1918]) heralded the key importance of taxation systems (with

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emphasis on post-classical Europe) for understanding the nature of governance. Once the question of "why now" is pondered (see also Martin et al. 2009: 4), this review builds on that intellectual history to assess the contents of these two multidisciplinary collections and what their integrated findings imply for the comparative study of premodern states. At a minimum, as the editors of the 2015 volume observe (Monson and Scheidel in MS: 5), these compendiums describe a far broader array of "repertoires and trajectories in the development of fiscal regimes than the post-1500 European experience documents."

Both volumes are grounded in the logic of Schumpeter's frame that all states depend on revenues, that diversity in fiscal practices underpin different governmental systems, and that the process through which a "fiscal state" (or "tax state") progressively exacts revenues from a wide sector of citizens generally promotes taxpayer well-being and voice (Monson and Scheidel in MS: 1–19; Valk in VS: 3–5; see also Blanton and Fargher 2016: 106–107). But, while the growth of fiscal states from more feudal/tributary states was a key element of the Great Divergence (Pomeranz 2000), the rise of modern Europe during the "Enlightenment" (e.g., Monson and Scheidel in MS: 15; Bonney and Ormrod 1999), there is no empirical basis to presume that one uniform sequence of revenue generation or forms of governance was sequentially followed globally or that a parallel sequence of "modernization" should be expected elsewhere. In fact, the long-entrenched "Eurocentric consensus" (Blanton and Fargher 2016: 100–101; Blanton et al. 2021: 81–86), which assumes that taxation and democracy were uniquely tied to contemporary Europe, while tributary modes, command economies, and despotism were in place across the Rest, stifled truly comparative considerations of fiscal financing until just the last decades. From Montesquieu to Marx to Polanyi to Wittfogel and Finley, taxation generally was not deemed a central concern for premodern states as direct political control over most matters economic was presumed. In contrast, the authors in the two works under review generally eschew (e.g., D'Altroy in MS: 33; Deng in MS: 311–312; Kiser and Levi in MS: 557) the Eurocentrism and linear/progressive expectations that have tended to envelop earlier literatures on taxes and states. By so doing, the authors in each volume are able to challenge many assumptions and "triumphal narratives" (Monson and Scheidel in MS: 4) regarding revenue collection, economies, and governance that have stymied both specific interpretations of historical cases and the building of more general cross-sectional understandings.

Woven through these volumes is a clear challenge to the premise that premodern states were despotic and largely reliant on external resources, like war booty and tribute. For the most part, the contestation of entrenched views regarding premodern economies is not direct or purely conceptual, but rather richly detailed in compilations of well-documented case studies that rely mostly on textual sources, but in a few instances (Campbell in VS) draw heavily on archaeological findings. Nevertheless, each volume is introduced by effective, theoretically focused essays (Monson and Scheidel in MS; Valk in VS) that point to the wide diversity of means through which premodern institutions collected revenues, while also framing key conceptual issues relevant to the variability in fiscal financing. Two concluding essays effectively pierce many of the old truisms about premodern polities and their revenues, while underlining that tax systems are not simply indicators of government predation but actually underscore social charters or contracts (Bang in MS: 539; Kiser and Levi in MS: 563–564; see also Bueno de Mesquita and Smith 2010). "Taxes formalize our obligations to each other. They define the inequalities we accept and those that we collectively seek to redress" (Martin et al. 2009: 1).

Collectively, it is the wide temporal and spatial sweep of the component essays in the two books that force theoretical reckonings. If we do not include the introductory and concluding chapters, the two collections comprise 27 case studies (16 in MS and 11 in VS), with foci that stretch all across Eurasia, into Egypt, but also include the Aztec and Inka empires. Through this broad scope, it becomes clear how varied revenue collections were in specific regions over time, in Greece, the Roman world, China, and Southwest Asia. The organization and fiscal underpinnings of premodern states were anything but monolithic or solely predatory or strictly enforced through coercion; nor did military concerns exclusively define fiscal practice (D'Altroy in MS: 33; Valk in VS: 23). Tax rates and regimes were variable, but more often low than high. In general, premodern tax systems were not defined by efficacy, and limits and constraints on the actual tax collected often were not a consequence of mere inefficiencies or informational gaps (Brown in MS; contra, Mayshar et al. 2017), but reflect negotiations between governors, secondary elite, and subalterns. The latter two groups frequently had more leverage and avenues of resistance than generally presumed (Kiser and Levi in MS: 562), while governors opted to satisfice short- (enhanced revenues) versus long-term (maintenance of power) gains.

These shifting plates of knowledge are most explicitly evidenced in specific case studies, which exemplify how past conceptual frames biased our readings of the past. In his study of the revenues that underpinned the Aztec empire, Michael Smith (in MS) documents that the lion's share of their fiscal financing was taxation and not tribute as has persistently been asserted. Likewise, Dimitri Nakassis (in VS) deconstructs the long-presumed vision of Mycenaean palaces as the monopolistic engine of economic production and distribution. In a similar vein, Korolkov (in VS) and Lewis (in MS) illustrate that China's early Han empire was characterized by low rates of internal taxation (household taxes, agrarian taxes, and tolls) that were allocated by emergent bureaucracies for public goods and services, a pattern not at all aligned with past presuppositions of "Oriental Despotism" (e.g., Wittfogel 1957). Likewise, internal tax revenues (head, agrarian, market), bureaucratically collected, were key to the Ottoman tax regime outlined by Metin M. Cosgel (in MS), and although history and political obstacles contributed to spatial variability, investments were made in public buildings, roads, bridges, ferries, and even a postal service and in public education (Blanton and Fargher 2008: 160). There are clear parallels to the internal taxation regimes, broadened representational voice, and public investments described for Greek poleis (Mackil in MS; Ober in MS; Monson in VS) and the Roman Republic (Tan in MS). The time has come to excise the deep-rooted notion that all preindustrial rulers outside the classical world were "rapacious leviathans devouring large shares of economic production" (Kiser and Karceski 2017).

Of course, not all premodern states were reliant on internal revenues, ample bureaucracies, and investments in public goods and services. Alternatively, more autocratic regimes were fiscally financed mainly with external resources, acquired through patrimonial and transactional networks without ample cadres of functionaries or bureaucracies, and with lesser allocations for infrastructure and public services. The control of trade, war booty, and princely estates are principal revenue regimes described for dynastic Egypt (Moreno García in VS), Merovingian and Carolingian Europe (Haddon in MS), the Third Dynasty of Ur (Garfinkle in VS), and Shang China (Campbell in VS). Alas, in the component essays of these compendia the data are either unavailable or not presented in sufficiently systematic ways to assess these patterns more rigorously, but my general impression across these works is that the overall patterns of diversity in premodern tax regimes parallel the findings of a cross-national survey of modern states over the last 200 years (Seelkopf and Lierse 2020). Broad-based, direct, internal tax systems tend to be associated with more democratic/collective forms of governance, whereas external, indirect modes of raising revenues are invoked by all political formations. The outcome of these patterns, past and present, is that heavy reliance on internal revenues is associated with distributed power and greater representation and voice.

Taxes often may seem a dry and burdensome topic. But when analyzed through a spatially broad and historically deep portal, recognized variability in fiscal financing holds clues to an array of important lessons. "Taxation is the new frontier for those concerned with state-building" (Bräutigam 2008: 1). Modes of taxation and revenue extraction did not follow a single linear global progression that pinnacled in modern Europe or America. In these volumes, evidence marshalled from Rome (Tan in MS; Tan in VS) and Imperial China (Lewis in MS) document how increasing concentrations of political power were temporally associated with shifts in revenue generation toward external revenues and other sources that were more easily monopolized. Similar fluctuations in modes of fiscal financing and governance cannot be consigned exclusively to the distant past (e.g., Razaghian 2005; Torres-Spelliscy 2016). In fact, in the contemporary United States, the last decades mark a dramatic shift away from progressive taxation (e.g., Appelbaum 2021), which also coincides with infrastructural disinvestment (e.g., Kleinenberg 2018) and less representative governance (International IDEA 2021). The take-away point is that tax systems are not simply economic; their implementation ramifies across the body politic (Blanton and Fargher 2008; Blanton et al. 2020). There is basis for the emblematic saying "No taxation without representation" (Levi 1999) and vice versa.

In tandem, the two volumes serve to redirect us from an array of entrenched truisms that direly need reframing and redress. Historically, broad-based, progressive, internal taxation has been shown to be a route to representation. The acquisition of revenues is at the heart of social contracts; it is not a predatory exercise defined by greed and efficiencies. "When taxpayers perceive that government is relatively effective, competent, and procedurally just" (Kiser and Levi in MS: 564), the more likely their quasi-compliance with revenue generation. Alternatively, "governments can easily lose the confidence of taxpayers" (Kiser and Levi in MS: 564) when promised returns are not delivered or as consequences of transgressive favoritism or corruption. Such social ruptures, past or present, tend to foment noncompliance, exit, rebellion, and even administrative collapse (e.g., Blanton et al. 2020). The comparative, historical study of taxation serves as a further exemplar that "politics and economics cannot be put into sealed boxes" (Rose-Ackerman 2017: 24). Yet, as with efforts to understand relative degrees of inequality (e.g., Feinman and Nicholas 2020; Kohler and Smith 2018), the role of markets (e.g., Feinman and Garraty 2010), and variability in modes of governance (e.g., Blanton et al. 2021), understanding variability in regimes of fiscal financing requires lifting the veils from academically siloed towers that divide the past from the present, the West from the Rest, and "enlightened" modernity from other chapters of human history.

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