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Tax Resistance: A Global History?

In 1951, a group of suburban housewives living in Marshall, Texas, known as the "Marshall Housewives," filed a complaint against the federal government arguing that it had no authority "to force American housewives to become tax collectors." Under a 1950 amendment, domestic employees owed one percent of their salaries to Social Security and their employers owed a matching amount. The Marshall Housewives started a judiciary action against the tax, which went on for years until it eventually failed, when in 1954 the Supreme Court refused to hear the case. One year later, in rural France, small shopkeepers also protested against the Social Security tax. Farmers joined the protest to denounce the fact that they paid taxes but never received any benefits. As one of their pamphlets explained: "Family allowances, none; we just have to pay. Social insurance, none. No guarantee on life accidents. Poor retirement benefits, which won't be enough to allow us to pay for hospitals in our old days." In a few months, a social movement named *poujadisme* tapped into such local protests under the guidance of a right-wing leader named Pierre Poujade.[1]

Such protests were part of a larger and global movement of protests against Keynesian policies in the world after World War II. They were both a political and social movement, which aimed at redefining postwar social contracts. If tax resisters were depicted as eccentric mavericks or crazy conservatives on both sides of the Atlantic, they displayed tactics and strategies of mobilization to reinvent the links between citizens and their institutions. Moreover, such resistance revealed the social and economic transformation of French and American societies with diverse consequences. In France, Poujade's followers felt excluded from the ongoing modernization of France, whereas in the United States conservatives were part of the new, modern middle-class that was spreading into the postwar affluent suburbs.

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As these examples display, tax resistance is always a social act, which enables social scientists to depict the social organizations of societies and their political fractures. A linear and teleological view of history tends to view tax resistance as the result of infrapolitics in ancient and early modern societies. Such a framework implies that opposition was soon to disappear with the creation of the modern and Weberian nation-state. Although it has roots in the premodern contentious repertoire, tax resistance is still at the core of modern debates on the future of democratic institutions and social solidarity.[2]

This special issue is devoted to the very moment when tax consent is replaced by resistance and opposition. But why do people rebel against taxes? We tend to assume that most of the time citizens are good taxpayers, until they suddenly express their concerns when they feel that the principle of "ability to pay" is no longer respected. The story looks somewhat more complicated. Compliance, consent, and legitimacy have to be built up and cemented since people are not compliant by nature. Every state has to cope with it: nobody likes to pay taxes. As a result, each political regime has to make compulsory taxes acceptable, fair, and useful to the community. So resistance always involves a bargaining process. Most taxpayers comply with their fiscal obligations when they see the tax system as a fair exchange for private or collective goods.[3]

However, norms of fair taxation have evolved and could lead taxpayers to oppose new taxes or collection processes.[4] Resistance then becomes horizontal, not vertical. Citizens start protesting when they realize that the tax burden is not equally shared among citizens, when the fiscal regime is suddenly seen as unfair and oppressive, when the old "tax the other fellow, but don't tax me" argument is heard. At this moment, resistance derives from increasingly concrete concerns about taxes and is fueled by the way taxes are both collected and spent. Accusations of corruption or misdemeanors against tax collectors or politicians reinforce such critics. Their goal is not to abolish taxes but to obtain formal privileges or room for negotiation in the tax code.[5] Resistance is compounded by physical contact with tax agents, and resistance reflects more the distrust of specific institutions than the rejection of the federal government as a whole.[6] In times of tax increase and tax reforms, citizens are the main targets of both government officials, who promote tax compliance, and tax resisters, who are all the more willing to enroll them in their antitax crusade.[7] If Austrian economist Joseph Schumpeter rightly argues that fiscal history enables historians to discern "the thunder of world history more clearly than anywhere else," a close look at tax resisters helps us discern some

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of the thunder of world history since the nineteenth century, including the decolonization process, immigration, financial markets regulation, and the emergence of the welfare state.[8]

The main purpose of this special issue is to focus on various examples of tax resistance during the nineteenth and twentieth centuries under different regimes and countries. Needless to say, the term "resistance" covers a wide range of practices, from individual claims (through petitions, dissimulation, and evasion) to collective action against the state (through tax strikes, violent uprisings). First and foremost, it seems crucial to abandon the logical connection that is too often made between "tax resistance" and antistatism. The fact that people refuse to pay taxes does not always mean that they reject the state as a whole. Following some thoughtful analyses put forward by anthropologist Janet Roitman, we argue that tax resistance is a productive mode of negotiation. "*Incivisme fiscal,*" to use Roitman's words, is an "event" during which seminal political issues are dealt with, such as the boundary between public good and private wealth, between state and civil society, and between legitimate and illegitimate forms of power, among many other things.[9] That is the main reason why social scientists have to take tax resistance very seriously.

By nature, taxation rests upon a power relationship, even though the state does not have unlimited powers on its subjects. The very fact that we speak of "citizens" rather than "subjects" explains why public authorities cannot but rule with their population's consent. The "predatory rule" needs legitimacy if it wants to last.[10] Tax resistance, whatever its forms, appears to be one of the forms of action that people can use to defend their interests and their worldview against the fiscal state. A global perspective shows that most of the modern states have had to cope with tax resistance at one time or another. What distinguishes them is their ability to find or to negotiate room for compromise and obtain quasi-voluntary compliance from their population. Hence, we do not need to refer to cultural assumptions about the atavistic antitax feelings of one people or another to understand the weaknesses of certain states. In this respect, the comparison between China and Europe proves to be useful. As historian Roy Bin Wong argued some fifteen years ago, the high number of tax protests in twentieth-century China, until now, has a lot to do with the Chinese authorities' inability to draw a clear line between state and civil society, and of securing lasting compromises with local elites.[11]

Another purpose of this special issue is to highlight the numerous forms of tax resistance as a social act. Collective violence is only an option of last resort, the one that exposes people to the harshest repressive measures in case they are defeated. From the French colonial empire to Switzerland and the

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Ottoman Empire, social groups and political organizations have opposed the payment of direct and indirect taxes in many different ways. "Tax revolts," which we have learned to look at differently since E. P. Thompson brilliantly argued that they were much more complex than simple "spasmodic actions" led by irrational mobs,[12] are a political obsession that hides much more creative ways of protest. James Scott's reflections on the role of dissimulation, hidden practices, and civil disobedience perfectly fit with some of the analyses developed in this issue, although they are not restricted to poor classes but also play a great role in the way elites try to diminish their tax duty.[13] As José Antonio Sánchez Román argues in his article on antitax culture in Argentina, "Resistance occurred without revolt." This culture expressed itself through the noncompliance of tax rules, rather than through open rebellion. In the second half of the century, this culture of noncompliance eroded the Argentine tax system and contributed to the inflationary surges and the undermining of welfare policies. During the interwar years in Europe, the Swiss bankers analyzed by Christophe Farquet or the American bankers in southern states thickly described by Isaac William Martin hoped to circumvent legal rules of payment without infringing legal limits.

Resistance always involves more than pocketbook politics; it also brings to the forefront a cultural vision of the world. Elsbeth Heaman perfectly describes the cultural and racial feelings that have shaped tax resistance in British Columbia. Laurent Manière details the way Dahomean local elites used the tax issue to promote their anticolonial stance and their defense of natives' identity. By enlarging the picture to something other than money, these articles point to the fact that economic causes do not predict when and where tax resistance occurs. A tax burden of 50 percent would have seemed unbearable to most people a hundred years ago—and still is for contemporary Americans—but is rather well accepted in such countries as Sweden and Norway. Moral values and social beliefs have a direct impact on "tolerance thresholds" and their evolution. Although few economists would agree with this statement, we consider taxation to be much more than an economic matter: as with many other political issues, it is rife with symbols, values, and passions. This is why, for instance, European colonial powers had difficulty understanding and curbing tax protests in Africa at the beginning of the twentieth century, because they did not perceive the extent to which taxation was intertwined with beliefs in witchcraft and supernatural powers, as was the case in the Bambatha Rebellion of 1906 against the poll tax in South Africa.[14] Tax refusers do not fight only to get their money back; they also defend their own conceptions of politics, power, and social hierarchies.

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In the end, a striking conclusion of many studies dealing with tax resistance underlines the interclass aspect of such mobilization. Such cross-fertilizing movements could expand beyond both social and political traditional categorizations. Most leaders of tax protests are seen as mavericks because they find support beyond traditional political lines. Of course, Ottoman peasants and Swiss bankers do not resort to the same forms of political actions. Actually, each social group has its favorite "contentious repertoire." But there is not a clear "class divide" when one looks at some major collective movements against taxation. Peasants' uprisings are often channeled by local elites who aim at securing their position and protecting their privileges from a centralizing power, as, for instance, in the Ottoman Empire.[15] Isaac Martin's pioneering work on the Californian tax revolt also shows this kind of dynamics, from a grassroots movement in the early 1970s to an elite-based conservatism later. The relations between tax resisters and public officials are much more complicated than one might think, especially in the 1970s. As Alexis Spire explains, under the leadership of Gérard Nicoud tax resisters shifted from legal means to violent demonstrations, and even threatened tax officers. Even more interestingly, French journalists and politicians felt sorry for the rioters, and not the civil servants. Nicoud was even received by the French president, Valéry Giscard d'Estaing, as the symbol of the French populist hero. The social boundaries of tax protests evolve during the movement itself in a dynamic and creative way. Various social groups may gather and build a coalition against the state, but this is always a temporary one. As a result, tax resistance is as much a social conflict as a political one. Thus, the point is not only to look for the "social" origins of tax protest, but rather to understand how these collective episodes may transform the relationships between social, ethnic, or gender groups, as shown, for instance, by Elsbeth Heaman in her article. For some particular communities, class consciousness is more a result of tax protest than a cause of it, especially if we think of the middle classes or small shopkeepers.

In a time when tax resistance is more widespread than ever in the Western world, a special issue such as this hopes to open the debate about the way social scientists have analyzed consent and resistance to the tax system. Moreover, we argue that it is necessary to bring social movements back in if we want to understand fully the capacity of the state to design, apply, and monitor public policies. Social historians and policy historians deal with the same issue, that of understanding how states are able to extract revenue without endangering social peace, in order to face the numerous challenges raised by the current economic and financial crisis. Had the Greek crisis only one

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merit, it would be that of emphasizing how weak a state is when it is unable to curb tax evasion, promote a fair and neutral administration, and defend the public good. Tax resistance has never been so modern.

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NOTES

1. On the Marshall Housewives, see Romain Huret, *A Republic Without Taxpayers? American Tax Resisters from the Civil War to the Present* (Cambridge, Mass., forthcoming); on *poujadisme*, see Romain Souillac, *Le Mouvement Poujade: De la défense professionnelle au populisme nationaliste (1953–1962)* (Paris, 2003); Nicolas Delalande, *Les batailles de l'impôt: Consentement et résistances de 1789 à nos jours* (Paris, 2011).

2. Sidney Tarrow and Charles Tilly, *Contentious Politics* (Oxford, 2006).

3. For a recent synthesis on the notion of taxpayers' consent, see also *The New Fiscal Sociology: Taxation in Comparative and Historical Perspective,* ed. William Martin, Ajay K. Mehrotra, and Monica Prasad (New York, 2009), 1–27.

4. On examples of tax resistance and tax compliance, see Marcelo Bergman, "Tax Reforms and Tax Compliance: The Divergent Paths of Chile and Argentina, " *Journal of Latin American Studies* 35 (2003): 593–624. Clarence Y. H. Lo, *Small Property versus Big Government: Social Origins of the Property Tax Revolt* (Berkeley and Los Angeles, 1990); William Isaac Martin, *The Permanent Tax Revolt* (Palo Alto, 2008).

5. On this notion of formal and informal privileges, see Martin, *The Permanent Tax Revolt*, 6–8.

6. On this issue of trust, see Margaret Levi, *Consent, Dissent, and Patriotism* (Cambridge, 1997); Joel Slemrod, *Why People Pay Taxes: Tax Compliance and Enforcement* (Ann Arbor, 1992); Martin Daunton, *Trusting Leviathan: The Politics of Taxation in Britain, 1799–1914* (Cambridge, 2001).

7. On propaganda and taxpayers' culture, see Carolyn Jones, "Mass-Based Income Taxation: Creating a Taxpaying Culture, 1940–1952, " in W. Elliot Brownlee, *Funding the Modern American State, 1941–1945: The Rise and Fall of the Era of Easy Finance* (New York, 1996), 121–38.

8. Quotation in Martin, Mehrotra, and Prasad, *The New Fiscal Sociology,* 1.

9. "*Incivisme fiscal* . . . is a productive event in which the concepts, metaphoric relationships, and suppositions that serve to theorize and hence delineate the most appropriate means and ends of power are challenged, reviewed, and reconfigured. Although a moment of political conflict, it cannot be reduced to the mere jockeying of social groups for control over material resources," in Janet Roitman, *Fiscal Disobedience: An Anthropology of Economic Regulation in Central Africa* (Princeton, 2005), 8. For a similar approach, see also Choukri Hmed, "Les mouvements sociaux et la politisation de l'argent public, " in *Gouverner (par) les finances publiques*, ed. Philippe Bezes and Alexandre Siné (Paris, 2011), 225–62.

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10. See Margaret Levi, *Of Rule and Revenue* (Berkeley and Los Angeles, 1988).

11. Roy Bin Wong, "Tax Resistance, Economy, and State Transformation in China and Europe," *Economics of Governance* 2 (2001): 69–83; see also Jean-Louis Rocca, "L'Etat entre chiens et loups: Résistance anti-taxes et racket fiscal en Chine populaire," *Etudes chinoises* 11, no. 2 (1992): 77–140; Thomas P. Bernstein and Xiaobo Lü, *Taxation Without Representation in Contemporary Rural China* (New York, 2003); Lucien Bianco, *Peasants Without the Party: Grassroots Movements in Twentieth-Century China* (Armonk, N.Y., 2001).

12. E. P. Tompson, "The Moral Economy of the English Crowd in the Eighteenth Century," *Past and Present* 50, no. 1 (1971): 76–136.

13. James C. Scott, "Resistance Without Protest and Without Organization: Peasant Opposition to the Islamic Zakat and the Christian Tithe," *Comparative Studies in Society and History* 29, no. 3 (1987): 412–36; and *Weapons of the Weak: Everyday Forms of Peasant Resistance* (New Haven, 1985).

14. Sean Redding, *Sorcery and Sovereignty: Taxation, Power, and Rebellion in Rural South Africa, 1880–1963* (Athens, Ohio, 2006).

15. For this kind of interpretation, on a recent African case, see Tim Kelsall, "Governance, Local Politics, and Districtization in Tanzania: The 1998 Arumeru Tax Revolt," *African Affairs* 99 (2000): 533–51. The author counters the idea according to which this rural tax revolt was a triumph of "popular participation" and a sign of discontent toward corrupt political leaders. On the contrary, he insists on the role played by local elites, on their "machinations," and their attempts at strengthening their local networks.

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