

Global Histories of Taxation and State Finances Since the Late 19th Century. Conference of the Laureate of the 2016 International Research Award in Global History

Veranstalter: Vanessa Ogle, University of Pennsylvania / Institute for European Global Studies, University of Basel

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The international conference of the 2016 International Research Award in Global History presented taxation and state finances as a hitherto under-investigated topic in global history research. The award aims to support young researchers in the field of global history and is jointly sponsored by three Universities: the Department of History and the Cluster of Excellence „Asia and Europe in a Global Context“ at Heidelberg University (Roland Wenzlhuemer), the Institute for European Global Studies at the University of Basel (Madeleine Herren-Oesch) and the Laureate Research Program in International History at the University of Sydney (Glenda Sluga). This year, Vanessa Ogle from the University of Pennsylvania was awarded for both her excellent previous research in global history and her innovative proposal for the named conference.

While taxation traditionally seems to be a matter of the territorial state, the first Session „The Politics of International Taxation“ chaired by Martin Lengwiler (Basel) discussed fiscal policy as an issue of international politics. MATTHIEU LEIMGRUBER (Zurich) presented a long-term perspective on multilateral fiscal diplomacy by outlining the non-governmental side of taxation from the 1920s onwards through institutions such as the League of Nations and the Organization for Economic Co-operation and Development (OECD). In a different approach, RYO IZAWA (Hikone, Japan) illustrated the history of international double taxation for multinational enterprises from a comparative view on Great Britain and Japan, a topic which leads to the problem of tax avoidance on a global

stage. In the subsequent discussion it was stated that regarding tax policy the national and the international spheres of actions were strongly separated. On each level one specific state may have followed two different political strategies on a long-term scale.

In the second half, SEUNG-WOO KIM (Cambridge) addressed the question whether the nation state was subservient to global finance by looking at taxation as a tool and expression of economic sovereignty. Examining tax policies of the U.K. Labour Government with regard to the Eurodollar market in the late 1960s, Kim highlighted the ambivalence of the state's role. GISELA HUERLMANN (Zurich) connected the history of taxation in her paper with current events, asking about the role of the US-Swiss tax dispute for Hillary Clinton's presidential election campaign. Illustrating the transnationality of the (non-)taxation of private offshore assets with particular regard to Switzerland as the most important management site for this practice, and tracing major historical developments in Swiss taxation, Huerlimann argued for an entangled history of Swiss taxation that should consider both entanglements with banks and with (inter-)national policy and tax systems.

Following the first session JACOB SOLL (Los Angeles) enquired in a public lecture into the relationship between taxation systems and social inequality. In a *longue durée* perspective he illustrated the historical development of ideas and practices of taxation from Ancient Egypt to the city-state of Genoa, Florence, Adam Smith's England, 18th century France and the United States. According to Soll, taxation was primarily a product of the Enlightenment when there was also a high level of financial literacy through accounting practices. By contrast, today's financial landscape is marked by high financial illiteracy and a lack of transparency.

The second Session „The Postwar Moment around the Globe“ chaired by Madeleine Herren-Oesch united papers on postwar developments in the field of taxation. JASON SCOTT SMITH (Albuquerque) investigated in his paper what happened to the New Deal after World War II, using the occupations of Germany and Japan as case studies. Rather than coming to an end, according to Smith,

New Deal policy travelled abroad through the occupation forces, through bureaucrats and thinkers, and the techniques and methods of companies, resulting in an ambitious attempt of rewriting the Japanese tax system as well as an experiment in large-scale top-down planning in Germany. The subsequent discussion focused particularly on linking taxation to social questions and issues of sovereignty, highlighting that the latter case in particular was not only about generating revenue but also about the punishment of occupied societies. KRISTY IRONSIDE's contribution (Manchester) focused on the political and economic developments following the Soviet Union's announcement in 1959 of abolishing income taxes for its citizens. The scheme, Ironside argued, was primarily supposed to generate ideological gain and its gradual implementation was abandoned after two years due to it causing new economic problems. ZOI PITTAKI (Glasgow) examined the functioning of the Greek tax system in the post-war era by following an administrative approach which highlighted the relationship of mutual mistrust between the Greek people and politicians. Problems in the system were not so much the rates of tax for businesses but their inconsistency. The paper as well as the subsequent debate drew attention to how the tax system has been perceived as illegitimate and unfair, leading to responses such as wide-spread tax evasion. The global post-war moment, the speakers agreed, had arisen from a seismic shock through World War II, generating a dynamic of both rupture in that many countries needed rebuilding and continuity particularly in terms of a lot of the ideas and experts involved in this.

The third Session „From Progressive Taxes to Neoliberalism“ was chaired by Vanessa Ogle. In her presentation ROBIN EINHORN (Berkeley) discussed the introduction and development of the income tax policy in the USA in the context of the rivalry between the republican South and the democratic North. Also focusing on the United States, JOSEPH THORNDIKE (Falls Church) elucidated the progressive taxation during the 20th Century with a focus on World War II. Following Thorndike, the US-fiscal policy has to be seen in the context of race policy, while the New

Deal strongly referred to the question of social justice. Furthermore MARC BUGGELN (Berlin) introduced the period of the 1970s to the 1990s as turning years for a new neoliberal fiscal policy in Europe: a development, which differed from state to state very much in quality and speed. The subsequent discussion established that the historical narrative of how progressive the income tax was differed very much from the USA to Western Europe. While in the US the Second World War works as a reflection point, so do the 1980s in a European perspective.

During the second part, STEVEN A. BANK (Los Angeles) investigated the advent of tax planning as an industry in the United States by looking at the correlation of tax rates, the rise in tax-paying population and the growth in tax planning services, particularly from the 1950s onwards. Connecting economic and social dimensions of taxation, Bank related the types of services offered to the moral connotations they bore to the wider public they were addressing, highlighting the shift from something covertly offered to a service that could be advertised explicitly and openly. MATTEO MUZIO (Genova) followed the history of anti-tax revolt in California in the 1930s and 1940s through his case study of the company Whitaker & Baxter, highlighting their successful campaigns against the fuel tax, in the field of property tax, and against a pension plan. Connecting the company's activities to the larger political climate and to prominent political and economic figures, Muzio's paper drew attention to the issue of agency involved in shaping tax policy. Thus, as pointed out by Vanessa Ogle, both presentations raised the question of compliance as a key aspect in the history of taxation.

In her public evening lecture MONICA PRASAD (Evanston) discussed the entanglements between money and contemporary American politics. Along several examples she explained how the influential lobbying industry works. Subsequently she illustrated how businesses have been most powerful in creating tax loopholes by using their political power. Following Prasad, there exists an enormous gap between the socio-political requests of US citizens and the reformatory praxis of high politics regarding its fiscal de-

cisions from the 1970s until today. Comparing the United States and Europe, Prasad concluded that the European political economy was based on a grand bargain of welfare programs in return for relatively favorable tax and regulatory treatment of capital whereas in the US companies had to lobby much harder to achieve tax rates similar to those in Europe.

CORINNE PERNET (Basel) served as chair for Session IV „Empire and after“, which introduced a post-colonial perspective to the conference. BAS DE ROO (Ghent) exemplified inter-imperial interactions by looking at the fiscal policy of the French Congo and the Independent Congo State with a focus on the creation of the Congo free trading zone. Afterwards MADELINE WOKER (New York) presented her paper about the structure of the French colonial fiscal system and the meaning of taxation for an unequal society by bringing together perspectives from Indochina, West Africa and Algeria. ASSAF LIKHOVSKI (Tel Aviv) stressed the definition of „center“ and „periphery“ by illustrating the continuities and fractures of the tax systems in Mandatory Palestine and Israel from the 1940s to the 1960s. Likhovski pointed to South-South perspectives when he explicated the circulation of fiscal knowledge from Israel to other developing countries through legal experts. During the discussion it was pointed out that in the colonial context taxation had to be understood firsthand as a tool of power. Moreover there is more specific research to be done about the question if the taxation system in the French colonies was accompanied by a system of direct violence against the colonial subjects. The transfer of ideas between colonies and the trans-colonial exchange of expertise in fiscal topics, the participants agreed, seems to be a promising field at the intersection of new Empire studies, colonial history and a global history of taxation.

In the final roundtable discussion, Madeleine Herren-Oesch, Glenda Sluga and Vanessa Ogle reflected on the significance of taxation as a topic area touching many other issues and on its implications and benefits for global history more generally. Madeleine Herren-Oesch emphasized the immense heuristic potential of taxation in a global history perspective as a lens revealing

new perspectives on power relationships, territoriality and chronology. According to Herren-Oesch, colonies and empires in particular were very useful for uncovering power play and global issues in taxation and, vice versa, taxation could help study other issues in colonial and postcolonial history. Glenda Sluga, too, highlighted global history as a necessary perspective on taxation and drew special attention to the important issue of actors in the history of taxation. The conference, according to Sluga, had shown historical actors moving in and out of partially overlapping fields of work and categories on national and international levels, meriting further investigation. Their activities showed reconfigurations of the state and shedded light on the relationships of individuals and businesses with regard to a larger social contract. Vanessa Ogle outlined the strengths of global perspectives on the history of taxation, in particular comparative approaches and the study of flows and connections of money in the context of territorialization. She saw the significance of taxation for historians working beyond this topic area in its potential to further illuminate fields such as state building, sovereignty and the intersection of politics and economics. Among the promising fields for further investigation identified by the participants were gender issues raised through the study of micromechanics of taxation, South-South relations between former colonies and more technical questions such as free riding and tax incentives, and the question what prerequisites researchers need to bring into the study of a global history of taxation.

Despite its nominally very specific and in parts quite technical-sounding area, this conference presented a well thought-out array of multifaceted topics raising a broad range of themes and questions pointing well beyond the actual subject matter and offering multiple references to important present-day issues. Widespread current problems such as tax dodging, tax havens, global inequality and many more can only be adequately understood if we do not only study their historical dimensions but, crucially, also consider their global references and dimensions. In this respect, the conference offered produc-

tive contributions to historical questions of present-day relevance and laid fruitful foundations upon which to build further research.

Conference Overview:

Session I: The Politics of International Taxation

Chair: Martin Lengwiler (University of Basel)

Matthieu Leimgruber (Zurich University): Tax Lawyers of the World, Unite! Mitchell B. Carroll, Transnational Tax Networks, and International Capital

Ryo Izawa (Shiga University): International Double Taxation and Multinational Enterprises: A Comparison Between the UK and Japan (ca. 1920s – 1940s)

Seung-Woo Kim (Cambridge University): The Ambivalent State: Taxation and Eurodollar Financing of the British Economy (ca. 1965 – 1971)

Gisela Huerlimann (ETHZ Zurich): Swiss Fiscal Policies, Global Tax Competition, and Notions of Tax Justice, 1960s – 2010s

Public Lecture

Jacob Soll (University of Southern California): Aristocrats and Taxes: Some Thoughts on the Origins of Inequality

Session II: The Postwar Moment Around the Globe

Chair: Madeleine Herren-Oesch (University of Basel)

Jason Scott Smith (University of New Mexico): States of Occupation: Imposing New Deal Tax Policy on Germany and Japan, 1945 – 1955

Kristy Ironside (University of Manchester): Workers „Long-Held Dream“: The Soviet Attempt to Abolish Income Taxes, 1960 – 1962

Zoi Pittaki (University of Glasgow): Walking a Tightrope: Business, the Tax System, and Tax Conscience in Greece, 1955 – 1989

Session III: From Progressive Taxes to Neoliberalism

Chair: Vanessa Ogle (University of Pennsylvania)

Robin Einhorn (University of California-Berkeley): Progressivity and Sectionalism in

the American Income Tax

Joseph Thorndike (Tax Analysts): The Long Twentieth Century of U.S. Progressive Taxation

Marc Buggeln (Humboldt University of Berlin): Taxation and Inequality in the 1980s: A Comparison of Western European Experiences

Steven A. Bank (University of California-Los Angeles): Tax Planning in an Era of High Tax Rates

Matteo Muzio (Università degli Studi di Genova): Whitaker & Baxter: Pioneers of the Anti-Tax Revolt in California from the New Deal to Pat Brown

Conference Keynote

Monica Prasad (Northwestern University): Running to Stay in Place: Money in American Politics

Session IV: Empire and After

Chair: Corinne Pernet (University of Basel)

Bas De Roo (Ghent University): Customs in the Two Congos (1886 – 1914): How to Control Uncontrollable Borders to Tax International Trade

Madeline Woker (Columbia University): The Politics of Taxation in the French Colonial Empire, 1900 – 1939

Assaf Likhovski (Tel Aviv University Faculty of Law): Twentieth-Century Innovation in Tax Administration and Tax Law: Center vs. Periphery (Mandate Palestine, Israel)

Final Roundtable Discussion

Madeleine Herren-Oesch (University of Basel)

Glenda Sluga (University of Sydney)

Vanessa Ogle (University of Pennsylvania)

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