

INTRODUCTION

On Tax and Treasure

A Fiscal Anthropological Approach to Taxes



On a gloomy Friday afternoon on 30 January 1976, two tax inspectors accompanied by policemen walk into the entrance of the Swedish national theatre Dramaten. They are looking for the director, the world-famous filmmaker Ingmar Bergman, who has just started the rehearsal for August Strindberg's *The Dance of Death*. An incredulous and aghast Bergman is led away and charged with tax negligence. It is for real: when they exit the building a third policeman, who had been posted on the corner to make sure that Bergman would not escape by a back door, approaches and greets the party. While Bergman is being taken away for an immediate 'conversation', his home is searched and a number of binders are secured. He is bewildered, afraid, upset. This event¹ throws him into a state of depression and he is hospitalized in a psychiatric clinic.

Two months later, his depression switches to pure anger as the charges are dropped. He is innocent but he finds it impossible to work and think in Sweden and leaves on 22 April for Germany promising never to return. The ensuing worldwide (adverse) publicity was aimed only at Swedish bureaucracy, as Bergman said that RSV (the tax collecting authority at that time) could do as it pleased with his estate. The issue for him was not the taxes he was said to have neglected to pay, but rather the treatment he had been subject to: a bureaucratic show of strength accompanied by threats and blackmail (Bergman 1987: 121). It did not help that the two tax inspectors² wore similar black leather coats, apparently in fashion at the time.³



Illustration 0.1 Skatteverket logo.

Bergman's emigration and all the brouhaha it created was one event that made decision makers at the tax collecting authority rethink their strategies on how to treat taxpayers and what the relationships with them should be. The prevalent view about taxpayers among RSV employees seemed to be one of cheaters: if a taxpayer was not already caught avoiding taxes, it was just a question of time.⁴ Compliance meant enforcement. It is difficult to assess what the answer to the chicken and egg question is in such relations between tax collector and taxpayer – does the tax collector regard the taxpayer as a cheater from the very start or does the taxpayer err, intentionally or not, thus becoming a cheater? If the view is that controlling and auditing is the only way to relate to taxpayers, the latter will always be seen as prone to evade taxes to the largest extent possible. In line with this view of taxpayers, no one would voluntarily part with their hard-earned money unless there were sanctions (cf. Levi 1988). Starting with the Bergman affair, a long trajectory began towards making the Swedish tax collecting authority and its employees develop and apply a different approach towards the taxpayers.

The authority has apparently succeeded, as contemporary standing of the Swedish tax authority is very different. In surveys citizens currently

hold this bureaucracy in the highest esteem of all the nation's government agencies (Arkhedede and Holmberg 2015: 22, 24), despite the fact that Swedes pay among the highest income tax rates in the world. How it collects a considerable amount of money from each taxpayer while being the governmental institution Swedes are most positive towards – 69 per cent think it performs its duties well and only 5 per cent have negative views on this authority (Holmberg and Tryggvason 2014: 11) – makes it an interesting object of study.⁵ It has worked diligently to change its way of working, so in its aim to collect taxes and minimize tax errors it says it mediates the application of law and fulfils the orders of government, while among the citizens it taxes it strives vigorously to be seen as legitimate in its practices (e.g., Skatteverket 2007b, 2008b, 2012).

How has the the Swedish Tax Agency, *Skatteverket*, which will be referred to as the Agency throughout this book made this transformation? With tax compliance issues vigorously debated all over the world, there are lessons to be drawn from an apparently successful national tax collector, both for implementing an effective tax compliance regime and for reimagining the kinds of persons who willingly pay their taxes. Thus, a well-functioning tax collecting authority has to be taken seriously when we talk about taxpayers' willingness to comply and to pay.

This leads to a second concern: if we are to understand why Swedes willingly pay their taxes, we need to know how they are made to do so. Important to note is that this book is not a mere reflection of what is going on at the Agency, a mirror as it were, but is an inquisitive account of the workings of this Agency in making Swedes comply. Be aware though: I am not negative about taxation per se, nor is the purpose to argue for a change of tax laws according to a political agenda or other (radical) ideas. This is an investigation based on curiosity about how taxation is made given the laws, and how this tax collecting authority has come to be and still is regarded as one of the most trustworthy institutions in Swedish society.

Obviously, there are many other issues than a well-liked collector that impact citizens' consent to pay taxes. For one, getting value for money paid. This means that taxes paid are spent on infrastructure, things and services that are in accordance with values held in society; they should not disappear into private accounts, be spent on corrupt practices or be used to construct megalomaniac installations. 'Taxes, after all, are dues that we pay for the privileges of membership in an organized society' as Franklin D. Roosevelt put it. Yet even in Sweden taxpayers still evade and avoid taxes, so the Agency continues its work to increase compliance in society. With its good standing among the population at large it has to be careful of not rocking the boat and diminishing its hard-earned

legitimacy if it changes its practices. After all, if Ingmar Bergman RIP had been questioned by the Agency today, it is not preposterous to assume that he would have been approached in a radically different way. Things have changed at the Agency and continue to change, which means changing the gaze somewhat: from looking at the Agency's existing procedures and control practices to how it works to understand why some taxpayers comply and others do not.

Above all, it is this third concern that this book addresses; the knowledge the Agency applies to understand what makes people comply with tax laws and pay their dues. More explicitly it is an anthropological inquiry about a seemingly successful tax collecting authority and how it works and impacts the Swedish population's willingness, considerable by international comparison, to pay up. We will follow how knowledge about compliance is gathered within this organization, the insights each of these knowledge claims provide and the implications of this bureaucracy's view on society. It is a processual view (the Agency wants to increase compliance) that studies how new knowledge is created and in turn is treated. There is knowledge that reinforces previous knowledge, but also challenges the established strategies and values the Agency applies to society.

In this quest I followed the birth, upbringing, disciplining and finally burial of a report produced by this Agency. The report lived for three years, from initiation to final version. It was a thing in the making (Latour and Woolgar 1986; Marcus 1995); from an idea of aiming to understand how certain things matter in the world to recognizing what can be publicly communicated about such matters. Underlying this report is a risk assessment project coordinated by the Agency's Analysis Unit. It was one of the largest projects ever undertaken by the Agency and is a project that provides insights into the broader workings of the Agency and the many aspects of how it understands society; how it performs taxation and the relationships it aims to create with taxpayers. Apart from knowledge-making about tax compliance, work on the report allows us to gain some insights into how Agency employees work, cooperate and interact with each other in the workplace. As the project also engaged external corporations, we will briefly step outside the Agency and follow how a consultancy assignment is handled and how the concerns of the private business interests of excessive governmental investigation are articulated. In this way additional insights are given into how the Agency carefully tiptoes around so as not to negatively influence the attitudes on taxation issues. These collaborations provide yet another context that allows us to see how certain knowledge claims emerge as important, whereas others are rejected.

The report was after all never published, as some of its contents contradicted previous knowledge communicated to the public. I do not argue that the knowledge this particular report communicates shapes the taxpayer, but the work with this report reveals many of the issues that are currently at stake for the Agency when trying to increase compliance among Swedish taxpayers. When insights from the report were presented within the Agency, it learned lessons from its very creation and existence and changed taxation practices because of the message the report carried and the new audit measures it recommended. Through the report's making we will see how the Agency engages with taxpayers, the methods it uses to create new knowledge and how it imagines applying the new knowledge – all in relation to the Agency's concerns about retaining legitimacy while shaping tax compliance.

Creating and Retaining Legitimacy

Legitimacy is not easily secured. Bergman's engagement with the Agency showed us that an effective tax collector cannot just force a given tax law on citizens. It has been proposed that the foundation of a functioning welfare state is a tax system that is widely accepted and considered fair and legitimate (Lodin 2007; Nordblom 2008), yet to appreciate the legitimacy of the tax system it has to be understood more broadly. Our gaze has to reach beyond the structure and the aims of the actual law to see how the system is applied and interpreted (cf. Merry 1990; Valverde 2003). Here legitimacy is understood as based in historically produced and ways of accepting authority, as something that also expresses morale or that guides how society at large responds to law, politicians and bureaucracy (e.g., Pardo 2000). Legitimacy is therefore also steeped in tradition – like Rome, it is not built in a day.

The much sought after voluntary tax compliance requires a legitimate tax system where taxpayers and the tax collector must share an understanding of what the rules mean (Picciotto 2007: 11) – in practice. Legitimate tax regulations should for example thus be seen as simple and fair (Picciotto 2007: 24), have an 'appearance of objectivity' (James 2010: 575) but also be made to work efficiently (Björklund Larsen 2015; cf. Riles 2011). It includes an element of flexibility in the practised legal techniques that renders the near future 'workable' for taxpayers (cf. Riles 2011: 180). Yet, acquired legitimacy is by no means static; changes to the enforcement of laws, and by what means, risks impacting the legitimacy of the enforcer among those who are affected by the very same changes (Riles 2011: 65). This often means increased suspicion in

the relationship between enforcer and law abiders, in effect decreasing legitimacy.

To direct focus onto a tax system's legitimacy is thus to study its acceptance by taxpayers.⁶ In practice it means that licit and legal actions converge. This is worth making explicit, because the common association between the licit and legal, on the one hand, and the illicit and illegal, on the other, is often complicated in practice. There are many activities that in essence are illegal but are still commonly practised. Yet in Sweden illegal and illicit are often used as synonyms; for example, in the English summary of the reports on *svart arbete*, titled 'Illicit Work in Sweden' (1998). What in essence is *svart arbete* is not easy to pin down and therefore such practices are easy to justify and make licit (Björklund Larsen 2010). With the focus here on the workings of a successful tax collecting authority, the question becomes how the authority imagines taxpayers' understanding of these aspects of legitimacy.

I thus argue that when the Agency creates knowledge designed to increase compliance it is both shaping *and* being shaped by Swedish taxpayers. To make the legal licit is a balancing act which is easier said than done. Maintaining this balance is of utter importance in the Agency's continuous efforts to be seen as legitimate among the Swedish populace. There are thus lessons to be drawn from this propitious national tax collecting authority, both for implementing an effective tax compliance regime and for reimagining the kinds of persons who willingly pay their taxes.

Yet this book is also about Sweden. Although highlighting taxation from a tax collector's perspective might appear narrow, this book will give insights on values held in contemporary Sweden, following Joseph Schumpeter's claim: in order to understand any society and its political life, one of the best starting points is taxation (1954). The remains of this chapter will lay the groundwork for how taxation is seen and studied with an anthropological perspective – a fiscal anthropology. But first I want to situate this study with a very brief introduction to Sweden and to Swedish values according to how some fellow social scientists have identified them. We will then proceed to learn about the all-encompassing tax law that the Agency has to work with. The law provides much interpretational leeway for the Agency, and while it pays attention to legitimacy, this interpretation has to be handled with care. In order to take seriously the effect of the collecting strategies on the relationship between the state, the tax collecting authority and the citizens who pay, we have to investigate how such a collecting authority actually applies the law and to see what its employees do when they 'tax' (cf. Boll 2011) or create strategies to do so. I will then explain more specifically the methodological

– method and theory that I see difficult to separate – approach applied in this book.

The Peculiarities of Swedishness

Swedes like to refer to themselves and their usage of things as *lagom*. An untranslatable word, it means neither too much nor too little but just right (Barinaga 1999: 7). *Lagom* pinpoints the delicate balance between the individual and collective in Sweden, which Barinaga exemplifies with the Vikings' sharing of drink from the common bowl; there had to be enough *mjöd* (mead) for everybody when the bowl had made its round. Your sip had to be *lagom* (ibid.). Yet *lagom* sits ill with Swedish values relative to other countries. In the World Value Survey's measurements of cultural values – a survey that describes variations in such values among approximately seventy nationalities – Sweden has a particular position. The result is visualized on the 'Inglehart-Welzel Cultural Map of the World', showing one axis with 'traditional values' at the lower end escalating towards 'secular-rational values'. On the other axis, 'survival values' are set against 'self-expressional values'. If we are to believe such surveys, Sweden displays an extreme result on the graph compared with other countries, being situated in the extreme upper right-hand corner. According to this survey, Swedes are simultaneously particularly rational and the least prone to worry about survival issues; they trust their government and fellow citizens.⁷ The World Value Survey argues that there is a continuous inclination towards these values, a fact that makes Sweden appear as a modern and somewhat trendsetting country. Or perhaps this extreme position is a sign of the peculiarity of being *lagom*?

Historians Henrik Berggren and Lars Trägårdh explain this seeming paradox as 'statist individualism' (Berggren and Trägårdh 2006: 49 ff).⁸ They trace this notion from the history of a country that was never feudal and where common men have been relatively free in a comparative perspective. So although Swedes put much trust in the state, there is also an individualistic component. 'The striving for individual freedom and autonomy, rather than the more socially acceptable embrace, constitutes the fundamental drive that underpins the state-individualistic social contract' (Berggren and Trägårdh 2006: 54, my translation). The Swedish model, including the welfare state, is argued to emerge from these forces. The contemporary Swede has a direct relationship with the state, regarding both rights and responsibilities, mainly through the social security net. Swedes are thus seen as a people of individuals, no one worth more

than any other, and a people that can depend on the state when in need, before having to turn to family and kin (cf. Daun 1989; Berggren and Trägårdh 2006: 43). Swedes are thus seen as being comparatively trustful of the society in which they live and of the state that governs them (cf. Möller 2007: 18).⁹

Sweden is one of the larger countries of Europe, and although sparsely populated there has been quite a large influx of immigrants over the last sixty years, yet resulting in only around ten million inhabitants. The large majority live in the south and the remaining population is scattered along the coastline on the western shore of the Baltic Sea; the dense forest in the north is sparsely populated.

This big country has mercifully been unaffected by war for almost two hundred years, making for peaceful development. In the second half of the nineteenth century it was still poor and mainly agrarian, which caused many of its citizens to emigrate towards the Americas in pursuit of a better life. During this time industrialization simultaneously took off; the emerging industry was based on rich national resources of iron ore and forestry, helping the country to grow wealthy. This fortuitous development moved forward rapidly after the Second World War, as the country was unscathed by the horrors of war that most of Europe had experienced, and an undamaged Swedish industry supplied material and products for the reconstruction of Europe. Sweden thus found itself in the 1960s as one of the globe's wealthiest countries. The growing wealth was the source for a development of the welfare state, while privately owned industry and the state cooperated and grew for the benefit of both (e.g., Allvin 2004; de Swaan 1988; Rothstein 1992).

Many countries consider themselves welfare states today, yet the Swedish version is still considered a role model (e.g., Svallfors 1995), perhaps due to being one of the first. It is subject to debate why the welfare state came to take the course it did in Sweden (cf. Bäck and Larsson 2006: 295), but its development is mostly credited to the Social Democratic Party that governed Sweden when the welfare state emerged.¹⁰ Two governing ideas are part of the Swedish welfare state self-image; ideas that remain even if governments have changed. One such idea was *Folkhemmet*, literally the People's Home. Despite the concept's murky history, during the Social Democratic reign it became a notion of a place where all citizens would feel equal (Frykman and Hansen 2009: 80) and where no one would be dependent on or abused by any other person (Lewin 2008: 30). This idea of equality might have earlier historical roots than twentieth-century social engineering (Berggren and Trägårdh 2006: 52), but one of its consequences was an evening out of differences in income level (Bennich-Björkman 2008: 47).

The other idea was *arbetslinjen*, the Work Approach. Getting all Swedes to work is argued to be one of the main and most successful parts in the building of the Swedish welfare society (cf. Esser 2005: 14; Lindvert 2006: 18). The Work Approach fits well with the country's Lutheran religious history. Although Sweden is nowadays a very secular country, Lutheran ethics such as self-sufficiency (Rosenberg 2013) and the importance of work (Björklund Larsen 2010) are part of this self-image. It was 'an axiomatic policy of actively promoting, preparing and facilitating employment' (Rosenberg 2013: 184). The state took an active role in getting people to work and all Swedes ought to contribute to building the country.

It is not too far-fetched to say that the Work Approach and the idea of equality are central cornerstones in the construction of Swedish society, including its financing.¹¹ Taxes on personal income – from work – provide the foundation for Swedish welfare politics.¹² Personal income tax is by international comparison very high (cf. KPMG 2009) and constructed as marginal tax (with an increased percentage level on the last krona earned). High-income earners thus have higher tax rates than the average Swede.

This redistribution of income via taxation underpins the idea of equality as well as adding to the Swedish public discourse on the benefits of paying tax. It starts at an early age; the blessings of taxation are even addressed in children's TV programmes.¹³ Although politicians, legislators and opinion makers might 'slightly' disagree on the amount of tax that should be paid, most seem to agree on the importance of taxes for Swedish society, including the idea of marginal tax rates as fair. It is hardly *comme il faut* in Swedish political debate to argue for substantially less tax, and tax issues seldom take a prominent place in Swedish elections.¹⁴ As a former colleague born and raised outside Sweden shared with me: 'Being Swedish is very much defined by paying tax; then you feel included. Nationalism is (also) created when delivering the annual tax return Sunday evening [first Sunday in May] into the letterbox. Being a taxpayer is central for Swedish identity; you then become a worthy citizen'.

Tax and Taxation in Sweden

The Swedish word for tax, *skatt*, is of Germanic and Nordic origin; *schat* (tax) and *Schatt* (taxable); in old English it was *sceatt*. Interesting to note is that in contemporary Swedish, for the citizen, *skatt* has two quite contrary meanings. It is the burden imposed by the state; the *National*

Encyclopedia bluntly describes it as ‘forced contribution to the public without direct redistributive obligation’. This levy is extracted from citizens to cover the costs of public needs. In war, there may also be charges imposed on a defeated country but then it is often referred to as a tribute. Synonyms for skatt or tax are often invented when its collection is seen as problematic. Studying Swedish tax history reveals the amazing ingenuity: *ledning*, *gengärd*, *jordeboksräntan*, *fyrmanngården*, *silverhjälp*. Currently, Swedes can pay *inkomstskatt*, *skatt på kapitalinkomster*, *moms*, *värnsskatt*, *fastighetsavgift*, *punktskatt*, *arbetsgivaravgift* or *egenavgift*, *vinstskatt*, *skatt på realisationsvinst*, *fordonsskatt*, *bensinskatt*, etc. It is not easy to discern the actual tax burden in percentage, but the verbal flair is most probably universal.

Another meaning of skatt is in the sense of treasure connoted to wealth, often hidden and of a value difficult to estimate. Think of the dream of Treasure Island where somewhere a mysterious hidden chest with gems and jewels of various kinds can be found. This skatt, treasure, often contains a mixture of all kinds of valuables.

The word skatt also occurs in the sense of property; a collection of valuables, money and in some languages can even mean cattle (cf. Muñoz 2011). Often kept hidden and referred to as a collection of something that can be used in dire times, this version of skatt is something in storage, an asset or something saved. Skatt is also the abundance that nature can provide. For example in Sweden lingonberries are referred to as the red treasure of the forest, and the much sought after chanterelles as the forest’s golden variety. A skatt can include everything from collections that have a non-material value such as archives, books, poems and literature to the more tangible ones such as items made of gold or silver and incorporating gems and pearls. Furthermore, someone is a skatt if s/he has special attributes, and is especially used as a name for someone you hold dear, most often by women but also children. My husband, a Dane who retains his mother tongue in our daily conversation, calls me *skat* (yes, Danish is similar but has fewer consonants) in his more affectionate moments. Finally, *skatta* means to estimate, guess, gauge, or to value something. At the end of this book we will return to my argument that legitimate taxation reflects the values held by the Agency on the citizens from whom it collects taxes. Skatt thus goes full circle in this book – from the practice of taxation to enacting the values of the very subjects that it engages with.

So skatt is many things. The tax burden, mainly originating from people’s work, is figuratively amassed in the state’s treasure chest and the contents of this chest make the Swedish comprehensive welfare state possible. The Swedish state is often depicted as the very essence of a welfare

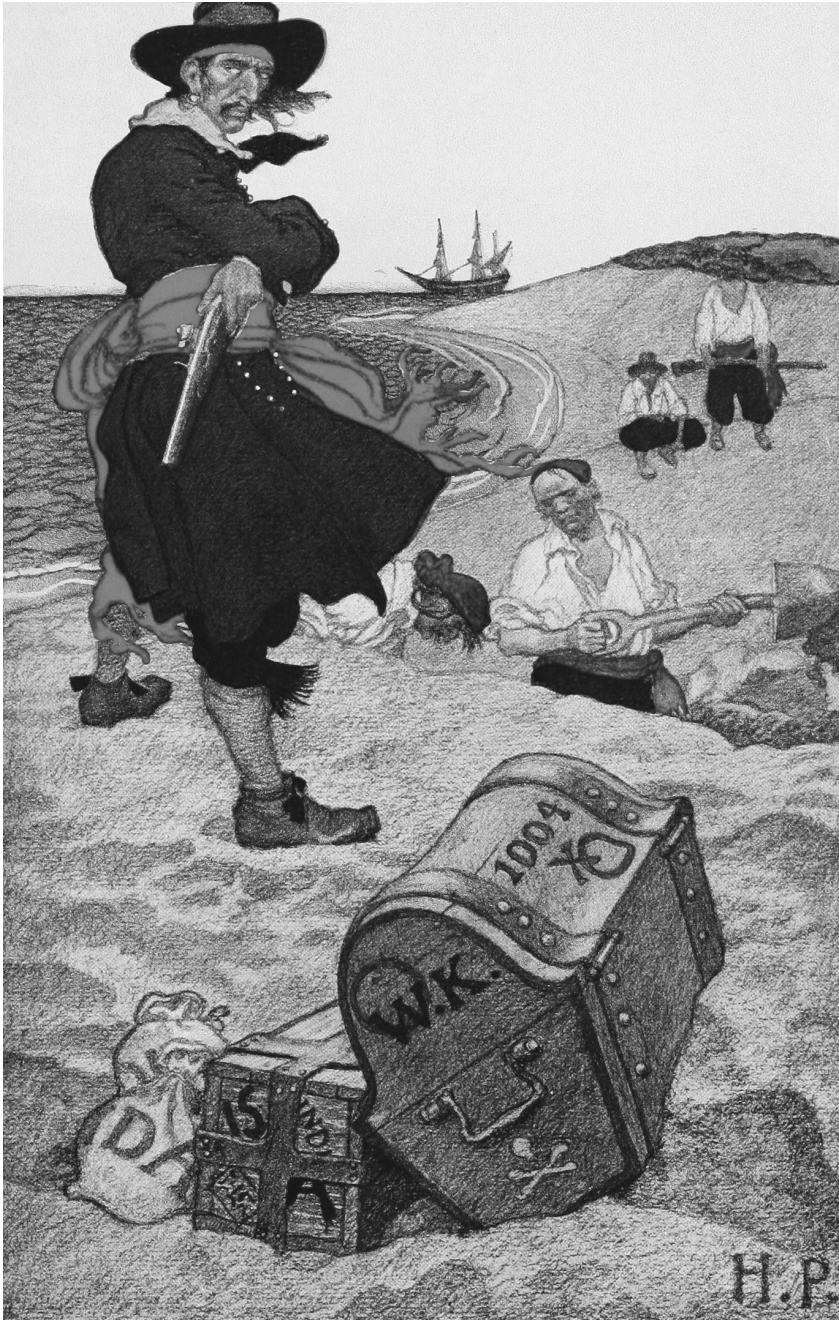


Illustration 0.2 *Buried Treasure*: Illustration of William 'Captain' Kidd overseeing a treasure burial.

state (e.g., Steinmo 2002; Svallfors 1995); yet welfare does not come free – the funding of it all derives from taxes. I will not go so far as to argue that it is the word itself that performs taxation (cf. Mann 2006), but the meaning of a word contributes to people's views of it (Barinaga 1999: 9) and perhaps thus also informs tax compliance in Swedish society.

There are currently four main types of Swedish taxes, and the Agency is responsible for administrating and collecting all of them. Income tax provides the main funding for municipalities and provinces and makes up about two-thirds of the total tax collected in Sweden. Income tax is basically applied to all types of personal income, including work, pensions and sickness benefits, and includes indirect tax on work in the form of social fees. This latter tax is typically paid by the employer on behalf of the employee and does not show in tax returns. The actual tax percentage on income is thus far larger than what is shown on individual tax statements. Second, there is VAT (value added tax – *moms*), which is included in all consumption prices for private individuals. It is a governmental tax and amounts to almost 20 per cent of total tax collected. The third largest tax comes from capital, mostly on surplus from corporate activity and amounts close to 10 per cent. Excise, import and some other small varieties make up the remaining 10 per cent.¹⁵

Contemporary Swedish tax laws date back to 1991 when the 'centennial tax reform' was agreed upon.¹⁶ The main purpose of the reform of the century was economic proficiency and it was very radical in comparison to contemporary tax reforms of many other countries (e.g., Agell, Englund and Södersten 1996; Steinmo 2002: 840). The law itself was a political compromise yet built on a lengthy investigation process by various stakeholders (Sørensen 2010: 62) aiming to create a solid, simple, transparent and fair system. One result was to broaden the income tax base while lowering the rates, changes that were implemented both for employees and for corporations. The reform also emphasized neutrality in taxation practices in order to provide efficient financing of public spending while aspiring to create minimal distortion in citizens' economic decisions (e.g., avoidance, which had been possible for high-income earners under the previous tax regime).¹⁷

The 1991 change of principles meant a move away from global income taxation to dual income tax (Agell, Englund and Södersten 1996: 645). Income from salaried work and return from investments and profit from business were separated and taxed accordingly. All exchanges of work/exchanges of services having (economic) value were deemed to constitute income – regardless of whether the compensation consisted of money, a service in return or of material objects. Thus everything deemed income ought to be subject to tax assessment and any recompense from

The screenshot shows the website www.skatteverket.se. At the top, there is a navigation bar with various links and a search bar. Below the navigation bar, there is a main content area with several sections:

- Aktuellt**: A section with news and updates, including a link to "Fler nyheter".
- Viktiga datum för privatpersoner**: A calendar showing important dates for private individuals:
 - 15 Jun: Skatteverket skickar ut Slutskattebesked
 - 30 Jun: Skatteverket skickar ut Beslut om förenklad fastighetstaxering
 - 30 Jun: Skatteverket skickar ut Beslut om särskild fastighetstaxering
- Kontakta oss**: Contact information including the phone number 0771-567 567, operating hours (Måndag-torsdag 08-18, Fredag 08-16), and a link to "Fler kontaktoppgifter".

At the bottom of the page, there is a logo for "Vår vision är ett samhälle där alla vill göra rätt för sig" (Our vision is a society where everyone wants to do the right thing) and a link to "Personuppgifter (PUL) | Om kakor (cookies)".

Illustration 0.3 www.skatteverket.se.

exchanges of services and goods was legally described as income. One aspect of this is that barter legally compares with cash compensation; another is that proximity of social relationships between exchangers is not relevant (Skatteverket 2006a: 21).

This consequence of the reform has been largely overlooked in public discussion; in fact it is the Agency's interpretation of tax laws that matters when Swedish income taxes are collected, which is a fact the Agency recognizes (e.g., Skatteverket 2006a).¹⁸ The Agency has a daunting task and it is quite aware of its vulnerable position, as it recognizes that its interpretation of the tax laws and the way it performs its fiscal duty has an impact on the citizen's willingness to pay. The Agency thus continuously adapts the system aiming to be perceived as even more reasonable and equitable for the taxpayer (Skatteverket 2011c). 'Our vision is a society where everybody wants to do their fair share' (*Vår vision är ett samhälle där alla vill göra rätt för sig*) is the motto prominently displayed on its website. This somewhat intriguing message removes emphasis from the Agency as being a mere collector of taxes to its being a shaper of taxpayers' morality, and underscores the relational aspect of taxation. All Swedes have to contribute. Needless to say, this fact also attracts the attention of an anthropologist interested in the relationships that economic exchanges create.

To understand tax compliance in Sweden – or in any other country – it is thus vital to understand how taxpayers are made to contribute. If

the Agency upholds its aims and mottos, its practice of tax law is subject to many considerations of ‘what goes’ in society. Although the law says that all exchanges having value ought to be subject to tax, the Agency is involved in quite considerable boundary work to distinguish between exchanges subject to taxation and those that are not (Björklund Larsen 2015). This means we also ought to look at the relationships created by exchanges having value.

Fiscal Anthropology: Taxation Creates Relations

So let us look at taxation from this angle, as exchanges that create relationships. From an anthropological perspective is an economy seen as made up of people who exchange and thereby create social relations. There is an abundance of economic exchanges – market transactions, gifts, robbery, corruption, just to mention a few – of which each is defined by some specific criteria, is made in specific circumstances, and creates its own type of relationship. The point is that the way people go about exchanges has to do with what could be called economic, social and cultural values.¹⁹

Tax is one type of economic exchange. In modern welfare states, tax payments comprise one of citizens’ largest, if not *the* largest, economic relationship to anybody. Taxes can be viewed as where the state has greatest impact on the private lives of its citizens (Tilly 2009: X, XIII) and as such it is the most pervasive of relationships existing between citizens and state (Martin et al. 2009: 4). Thinking about taxes as yet another expense that Swedes pay – rent, mortgage, transport, food, clothing, membership fees, Internet and other communication expenses, entertainment – they make up a substantial part, taking into account all the different ways the state levies charges. Regardless of what it is called – VAT, income tax, capital tax, social fees – taxation brings in funding to the state. It finances defence, infrastructure and welfare and has as such at least the intention to benefit all citizens. It pays people in public employment. In a democracy, it is we – the citizens – who ultimately decide what taxes we should pay and how these resources should be collected and what they should be used for. As John Locke has already stated – taxes get into issues about democracy and reciprocity (Locke 1988: §§140). Yet, tax compliance not only depends on the level of tax but on many other issues (e.g., Hadenius 1985). An anthropological perspective on taxation not only hones our understanding of the explicit economic relationship between citizens and the state but also the implicit economic relationship with all other citizens. All citizens (supposedly) pay taxes and all (supposedly) benefit from living in a welfare state. In this light, tax collection in practice has

an impact on how taxpayers view their relationship with the state and ultimately with other citizens. This is a holistic view on taxation – a view that intimately connects the spheres we call economy and society (cf. Maurer 2005b).

Consider the concept of ‘tax competition’ between countries that came to prominence in the 1990s. Tax competition makes for an imagined future, writes Bill Maurer (2009), and shows that it does not describe an actual condition but is a ‘logical outcome’ of contemporary economic theories about market behaviour governing all economic decisions. This is regardless of whether it is humans, corporations or countries that make them. The fact that some people move their wealth to societies with lower tax rates is not necessarily a result of a competition between countries. There can be many other issues at play for moving money than the mere emphasis on competition of tax rates between states. Maurer’s point is that the emphasis on competition takes away the taxation issue itself. What might we discover if we for example see tax payments as exchanges instead of pure payment? Seen as exchanges, we expect something in return, but seen as payments they alter our relation to the state.

Whilst only a few anthropologists have written explicitly about taxation, more have looked at cheating and evasion (e.g., Mars 1982; Maurer 2010; Roitman 2005), perhaps in an echo of a more popular focus on avoiding taxes rather than on paying them (e.g., Capecchi 1989; Leonard 1998; Pardo 1996; Scott 1999). Circumventing tax might be the consequence of ideological or religious convictions when economic matters are organized. Anthropologists often have a concern for the powerless and vulnerable in society, and if our gaze includes the tax collectors it is in the role as despicable representatives of power (Lin 1948) or as ignorant bureaucrats, who do not spend tax receipts democratically (e.g., Guano 2010; Gupta 2012; Pardo 2004). It is not only Italians who can justify tax cheating as a result of their state’s lack of fiscal fairness and universalist spending on the one hand and the same state’s ‘seemingly capricious application of rights, duties and entitlements’ (Guano 2010: 488) on the other; Swedes too can find similar reasoning and excuses (Björklund Larsen 2010, 2013a, 2013b; Laurin 1986). Taxation is reciprocal and the act of collecting taxes is closely connected, yet not exclusive, to the redistribution of the same (e.g., Gudeman 2008).²⁰

Inspired by Schumpeter but articulated as an economic anthropological question, I study taxation as a relationship between citizens and between citizens and state. In sociology the fiscal sociology movement has revived Joseph Schumpeter’s original concern about the enormous impact of taxation on most societal features (1954: 6). This is the branch of sociology that deals with questions about how the state, through its tax

laws and regulations and the practice of these, creates a fiscal dynamic that affects people's ways of exchanging and the economy in a broad sense (Campbell 1993; Marques 2004; Martin et al. 2009). One pertinent question within traditional fiscal sociology concerns when and why states can raise taxes (Tilly 2009) and still make their citizens comply with the law. Often, the acceptance of tax increases among the population at large is on account of wars and the necessity to fund resistance (Feldman and Slemrod 2009). As mentioned, for two hundred years Sweden has not been at war and we have to look for other explanations for Swedes' relative willingness to comply and pay up under changing tax regimes.

From a sociological point of view, the new fiscal sociology moved away from paying attention to the spending of taxes – who benefited from the spending of taxes, for what reasons these taxes were spent and the consequences of such expenditures – to looking instead at the effects of taxation on various social categories and at what fiscal practices were applied by any given state (Campbell 1993: 180).²¹ The 'new fiscal sociology' addresses three broad issues (Martin et al. 2009). First, its proponents want to move the focus to informal social institutions; in part to underline that taxation is part and parcel of social relationships. The opportunity to tax is not only a political issue that depends on a country's legal structure but is shaped by diverse social institutions such as family, friendships, trust, work and religion. Second, fiscal sociology takes note of a country's history, the unfolding of events and the financing of those. An explanation of social phenomena has to pay attention to history and traditions. Third, focus is set on the impact of taxation on a societal level rather than on the individual.

This approach to the study of taxation thus encompasses a wide set of questions including the impact on and of economic, cultural, political, institutional and historical factors (cf. Oats 2012 for an overview of various interpretive fieldwork approaches to the study of taxation). A sociological approach 'differs from other approaches by focusing explicitly on the complex social interactions and institutional and historical contexts that link state and society in ways that shape fiscal policies and their effects' (Campbell 1993: 164). If we take seriously the reciprocal relationships as an outcome of taxation, one could argue that this link must be even more pertinent in states with high tax rates – that is, where a large part of the price of a private purchase, as well as net personal income, is tax. There are different explanations for why high tax rates have been accepted: due to war, as some historical research has indicated (e.g., *ibid.*: 167), but also to the building of a welfare state. High taxes can be said to originate in the organizational strength of societal groups and of the institutional structure of the state (*ibid.*: 168), and it has been shown that

Swedes actually became more content with taxation from 1960 to 1980 despite the almost exponential increase in tax pressure during the period (Hadenius 1985: 362). Axel Hadenius's research showed that it was not taxation per se that Swedes appreciated, but the benefits provided by it.

This book acknowledges the importance of the questions raised by the fiscal sociology movement – the focus on informal institutions and history and taxations – but strives to get an even closer look by examining how a successful tax collecting authority works in practice; being there, talking with its employees, observing how they apply their knowledge and usage of software and other devices, reading the documents they write, seeing how they engage with taxpayers and so forth. These ethnographic questions could be slightly adapted to fit any study of a group of people; being there, talking with them, observing how they use their tools, studying what they produce, seeing how they engage with the outside world. It is what anthropology at its core is all about.

There are a few noteworthy anthropological studies of taxation that have indeed already been carried out. Building on anthropological holism, they show that the organization of taxation both reflects and maintains societal values. For example, Janet Roitman has examined the relationships forged through taxation in the Chad Basin, Cameroon, and demonstrated that they cannot be separated from the development of broader economic relations. She shows how tax evasion and the development of the political terrain have both resulted from French colonization. By applying the concept of 'tax-price', Roitman shows how Cameroonians simultaneously became consumers and taxpayers (2005). The French introduced the colonial currency CFA that became a source of European wealth as a result of colonial trading while simultaneously creating tax subjects. People who trade make profits that can be subject to tax; knowing that they are subject to both market exploitation and tax, they also find ways to avoid it. In Roitman's words 'conflicts over regulation and redistribution mean taking issue with the very rules that organize and govern economic life, such strife can only be understood by examining the very conventions that give rise to the concepts and objects of an economy' (ibid.: 6). This is made explicit in the concept of tax-price; it simultaneously refers to CFA as both a means of exchange as well as a valuation rule.

Concentrating on the efforts performed by a tax collecting authority in the Adamawa Province of Cameroon, José-Maria Muñoz shows how this authority tries to create taxpayers of individuals and businesses (Muñoz 2010). The preferred tax is on wealth and as livestock makes up the lion's share of people's wealth it is livestock that is subject to tax. Muñoz point out that we cannot understand 'tax effort' only by looking at how the state tries to control taxpayers' activities or through a tax office's

administrative efficiency. Taxation, or the avoidance of it, must be viewed through a historical gaze of what has value. In Cameroon, tax avoidance has been described as a cat and mouse game (cf. Braithwaite 2002) where people are trying to hide what the tax offices ought to find – in this case with reference to how people manage their cattle, how they document their stock and the way their wealth, in this case cattle, is transacted.

Both these studies see taxation practices and tax compliance from an anthropological perspective. They show the problems taxation regimes confront and depict a larger picture than the legalities of a tax system or its economic outcome. It can be proposed that taking account of historical arrangements – what is seen as having value, how this ‘what’ is exchanged, who is seen to benefit from these exchanges and people’s response to them – make an impact on contemporary tax compliance in any given society.

Two other studies, from very different societies and times, direct the gaze to values held in society. Taxes collected and taxes spent have to be in accordance with those values in order to be seen as legitimate. Melville Herskovits (1952) shows how tax collection maintained a social structure in several places in West Africa. There was always a cost for the chief, king or government for ruling – a cost that had to be collected from some sort of surplus among the governed people. Societies with more complex political organization have a ‘sharply differentiated system of taxation and public expenditure’ (1952: 417). For example in the historical kingdom of Dahomey, taxes were collected in various ways but the way taxation was organized reflected values in society. Such ‘taxes’ could originate in various types of valuables: money, foodstuffs, cowries and cattle. All villagers had to bring taxes as ‘gifts’ to the king, but as he also was a villager even he had to pay the same type of taxes as his subjects. The message that all people were equal was conveyed when all could see what everybody else, including the king, contributed. Although stories from these preliterate societies cannot recall how much or the way taxes were collected (1952: 417). Herskovits argued that any ruler who wants to obtain legitimacy has to make sure that *all* contribute and that the ‘gifts’ are spent in a way that accords with the cultural values in any given society. The king could either give them to a group or to all ruled subjects to win loyalty or he could spend lavishly in order to enhance his status.

In contemporary society it is vital for any functioning tax system to be perceived as fair (Rawlings 2003). The Australian tax system at the beginning of 2000 was viewed as two-tiered, favouring the wealthy, yet most citizens regarded compliance with the system as an important social responsibility. In order to sustain compliance, it was therefore of the utmost importance that authorities pursued fairness and retained control

over income subject to tax. Measures were taken to restrict income from escaping to overseas tax havens or to places where taxes were lower. Not surprisingly, his overarching argument for fair taxation is that all citizens ought to pay their dues and all citizens should be treated according to the same rules (Rawlings 2003: 291).

Although people might be unequal in the market and in their economic life, fairness and equality appear to be important tax collecting values, whether in contemporary Australia or in historical Dahomey. If you pay tax, everybody else seen as a member of society should also pay – including the ruler(s). This argument chimes loud and strong with the contemporary revelation of the Panama Papers and the following worldwide public outcry. Taxation has to be organized according to prevailing sociocultural values.

I end this short exposé of fiscal anthropologies with a study from one of the most economically equal nations in the world, Denmark. Ethnologist Karen Boll studied ‘tax compliance’ in Danish society. She approaches taxation as a set of practices and keeps both the ‘economy’ and the ‘law’ in the background. The outset for her analysis is the work performed at the Danish Tax and Customs Administration, SKAT, and the way it involves taxpayers – in this case small Danish companies. She describes how tax compliance is effected in practice in a variety of settings, but always as a laborious feat involving the active participation of auditors and taxpayers, and the knowledge, technology, rules and regulation and enforcement of these (Boll 2011, 2014a, 2014b). Her ‘study therefore shows that the “source of government” in relation to tax compliance does not reside (only) inside the state but it is also the effect of a heterogeneous assembly of other actors and practices’ (2011: 225) – what tax collectors do when they make citizens pay up (seemingly voluntarily). Her work, especially in the methodological sense, provided much inspiration for this book.

The foregoing studies of taxes and taxation and their implications for societal relationships and institutions underscore the importance of taking a broader, holistic approach if we are to understand *why* people pay tax (or avoid it for that matter). It does not need an anthropologist to say so: ‘Taxation is intimately connected with the form of the state and the nature of the economy’ (Daunton 2001: 6; cf. Heckscher 1935). However, a distinction between sociological and anthropological approaches to fiscal relations is worth making. To sum up, I see this study as exemplifying the latter for the following reasons. First, I see taxation creating relationships, as the focus is on the impact of taxation or more explicitly the perceived impact on society as we look at these practices from *within* the Agency. What type of relationship is taxation seen to create; what is its impact on society – and more explicitly on the taxpayers that constitute society

– deemed to be? Although the Agency is the place for this study, this is neither a study of the ‘culture’ of an organization or a bureaucracy per se, nor anthropology of policy. It can perhaps be seen as a slight shift of focus, but my aim is to pinpoint what the Agency and some of its employees actually do – their practices and the processes they undertake – when they try to understand society as a taxpaying entity and how society should be made to comply even more. This is about the knowledge the Agency creates and applies, affecting taxpayers’ economic exchanges. Analysing processes aligns with the Agency’s continuous aspiration for increased acceptance by Swedish taxpayers. In this quest it is not always successful, but the point is that the Agency also recognizes that the tax system is evolving. Behind the Agency’s practices is always its concern about being seen as legitimate in Swedish society and that means reacting to events in society as well as continuously trying to ameliorate its own position (e.g., Skatteverket 2007b, 2013). From this perspective taxation does become an expression for an ongoing social relationship with society at large.

Second, my approach is curious and investigative, but also acknowledges that there are many ways to approach taxation and tax compliance. Taxation takes place at the nexus of law and economy. If we, inspired by Schumpeter, see a tax system evolving from and affecting social and cultural values in order to make people comply voluntarily, this means that both lawmakers and especially tax authorities need to make their actions legitimate. They have to understand the social and cultural implications of their actions and have to pay attention to what people think is, if not acceptable, so at least tolerable. In turn, we taxpayers have to accept the principles of tax legislation (Lodin 2007: 490) and the way taxation is implemented in practice (Björklund Larsen 2013c; Boll 2014a, 2014b). Although performed by a bureaucracy, it is the workings of a national tax system that is in focus – how the collectors practise it and how they see its (economic) impact on contributors/citizens. The insights from a legal perspective will, in this study, intersect with social studies of finance. A fiscal anthropology thus finds inspiration from economic *and* legal anthropology.

Third, for applying anthropological methods: this book is based on multisited ethnographic fieldwork (Falzon 2009; Hannerz 2006; Marcus 1995), following a report ‘in the making’ – wherever and whenever work was collectively done to it; well, almost – I did not after all have access to all instances, a point I will return to. In addition, the fieldwork was also performed in what can be described as a para-ethnographic perspective (Björklund Larsen 2013c; Holmes and Marcus 2006, 2008; Nyqvist 2008) (see below) in the sense that my informants were also researchers in their own right and used varieties of what can be called ethnographic methods

but did not always acknowledge them as such. Their acquired data also included insights from the ethnographer studying them.

How to Study and Understand Knowledge-Making?

To study up close what knowledge this Agency applies and how this knowledge in turn is used to create compliance – shape taxpayers as it were – I followed one of their risk assessment projects. This approach has allowed me to acknowledge a holistic view on the Agency and to distil where and when certain values are pronounced while also retaining my original curiosity on how the Agency manages to be seen as legitimate in its practices and make us, the taxpayers, comply. How do they do it? How do they imagine a compliant Swedish taxpayer? Bear with me while I explain why this particular project was a good way in for looking closely at how the Agency produces and applies knowledge and how I studied it.

The Agency performs a number of these risk assessment projects yearly in order to address issues that put it at risk of failing in its duties and to collect the taxes as ordered by the Swedish Parliament (and more explicitly instructed by the Ministry of Finance). It is the Analysis Unit of the Agency that is responsible for the projects. These are mostly carried out by groups of analysts as a task force. This particular project concerned incorrectly claimed cost deductions among certain types of small corporations, here referred to as COENs (COMmercial ENTities). It was one of the unit's largest projects ever undertaken and grew well beyond its initial purpose. Apart from taking much longer than originally planned, it provided a good illustration of how a number of broader taxation issues are addressed within the Agency: how well it understands a particular problematic issue and how it informs taxpayers about it, the quantification and estimation efforts within the scope of such phenomena, and concerns about the impact on other citizens/taxpayers. The project can highlight the knowledge used to understand how the Agency views tax compliance in a broad sense.

The questions posed within the project were addressed through various 'field studies', as the analysts commonly call their research. The project collected information and created knowledge in many different ways and engaged many other departments within the Agency for their input, as well as decision makers on various levels and external providers. The project, and thus requests for analysis, knowledge and data, originated from the Analysis Unit to which the task force members belong, but was carried out at different localities, with each applying their method(s). Though this risk assessment project only involved a handful of analysts,

who needless to say had an impact on the forming of knowledge, there were many others throughout the organization who had their say, including top management and the Director General. Through this risk assessment project I was therefore able to obtain a view of the broader workings of the Agency and the many aspects of how it works to understand society, and more specifically change taxation practices that are not complied with.

I followed this risk assessment project for its entire duration of three years: from its initiation, through the research phase, the writing of the report intermingled with presentations of its conclusions within the Agency, to seeing the report finally buried. I was not there full time but rather when work was done to it collectively. Although I am inspired by ethnographies following a 'thing' (Marcus 1995), I see the report rather as a thing in the making. Geographically, the project took me to four main localities. Foremost, I was at the Agency headquarters in Solna, a suburb of Stockholm, where I spent most of my time with the task force following physical and online meetings. They also invited me to the annual national analysts' meeting in Malmö where the task force collectively presented the almost finished project. Second, I conducted participant observation and interviews at RC, a private research consultancy, which conducted an extensive telephone survey. Third, I was introduced to the Agency's Random Audit Control department in the city of Örebro. Last, I was copied into all email correspondence between the task force participants throughout the project. My fieldwork took place when work was done collectively to the report.²² The result is not *one* view but many competing and reinforcing views from within this bureaucracy of what is seen to make people comply, and not, with taxation.

It is thus what the Agency does in creating new knowledge that is in focus; the questions it poses; how they amass data to respond to these questions; and how they come up with answers. Each piece of collected data can be traced chronologically, since each document, field note and interview has its specific origin – the image of putting together a puzzle, to which the Agency used to refer in an earlier project about informal work (Skatteverket 2006a: 5, 2007a), is not really apposite. However, I find it hard to imagine a defined, set picture that makes up tax compliance; a picture that can be looked at to say that *this* is Swedish tax compliance from the Agency's point of view. Like Karen Boll in her (2011) study of Danish tax compliance, I am intent on avoiding the 'perspectivist' assemblage of a piecemeal ethnography ready to be seen, collected, transcribed, analysed, and written about.

There are thus two interrelated questions here. On the one hand I have an abundance of various material following this risk assessment

project about how knowledge is made that needs to be made sense of, yet on the other hand this is not a seamless picture about a project at a successful tax authority. Presenting such an analysis would just be reifying attitudinal surveys (Skatteverket 2012, 2013) or stories from within (Stridh and Wittberg 2015). The report was, after all, buried, as the insights and conclusions of this project were not deemed publishable.

This is why I take inspiration from ANT (actor network theory) (Callon 1986; Latour and Woolgar 1986; Law 1992), which is perhaps not so much of a theory as a research strategy (Latour 2005). This ‘theory’ aims to identify actors that in different constellations make up knowledge that shapes our world yet without taking the constellations for granted. My motivations in studying knowledge-making about taxation through an ANT lens are numerous. Importantly, it allows me to retain my ‘wonder’ at how the Agency makes Swedish taxpayers comply while not taking *anything* as a given fact or for granted. ANT is at the outset agnostic about who and what makes action possible (Hardie and MacKenzie 2007) and starts out with a clean slate studying a given societal phenomenon where no specific scientific theory has an upper hand. This is also one of the reasons for the fierce criticism it has encountered (cf. Ingold 2008; Miller 2002). The chosen acronym ANT is playfully yet forcefully argued against in its perceived flatness (Ingold 2008); that all actors are ‘there’, having equal weight and qualities instead of being embodied within different powers. In theory, tax collectors certainly have a lot of power to exert, but can this fact alone explain a successful and legitimate tax collector? Many governmental tax collectors are often seen as powerful, but rampant tax evasion in many countries questions such power. In addition does contemporary tax compliance research suggest otherwise (see Chapter 1)? I want to give the Agency the benefit of the doubt and take the flatness as an outset and not as a result.

To take this multifarious explanatory stand in earnest means, at least at the outset, to recognize all the various things, theories and technologies used to make an economic action like taxation possible (cf. Callon, Millo and Muniesa 2007; Hardie and MacKenzie 2007).

The seminal work of Bruno Latour together with Steve Woolgar (1986) addressed practices in a biology laboratory; they showed that it was not only scientific theories that created new scientific knowledge (as references in publications might indicate), but that what went on in the laboratory’s social world was also crucial when new scientific facts were created. Latour and Woolgar were in the lab; they saw what was going on and took account of all the different types of knowledge – even the most mundane ones. A range of ethnographically inspired studies at other sites followed, always emphasizing all issues, including sociocultural ones,

which can be said to constitute knowledge. At the Agency, we will see how including internal systems and procedures (Boll 2011) – such as academic research and economic valuation models (Callon, Millo and Muniesa 2007), statistics, media stories, hunches and anecdotes and other tacit knowledge of various sorts (Elyachar 2012); and even the physical locations – (Murphy 2013; Zaloom 2006) matters when knowledge is created. It will be made apparent through this story that contemporary Swedish taxation practices are not possible without all the technical means that computers, Internet and various software programmes provide.

What makes taxation possible and what creates knowledge about it may from this perspective be many different things. All these new-found facts have to be related to something else to have impact. Latour, one of ANT's main proponents, has pointed to the theory's unfortunate choice of name; as a study of practices it is rather a worknet than a network. Regardless of whether we call the connections network, worknet or meshwork (Ingold 2008), it is the relationships between bits and pieces of knowledge that show what goes and what does not from the Agency's perspective when shaping Swedish taxpayers.

Such problematic findings were presented in the risk assessment project's resulting report as to why it was decided as not being fit for external publication. I argue that the report was definitely not a failure, as the Agency learnt from its insights. Deemed unpublishable, it rather makes explicit that knowledge that is problematic is impossible to make public. Therefore '... to regain some sense of order, the best solution is to trace connections *between* the controversies themselves rather than try to decide how to settle any given controversy' (Latour 2005: 23). I have therefore chosen to follow this project and the report 'in the making' to make explicit the insights that are problematic and how they came to be seen as such.

This leads to my final point of being able to gather all disparate knowledge that shapes Swedish taxpayers into one frame. Taxation is an interpretation of law that influences citizens' economic practices. Although there is only one ANT-inspired study about taxation practices (Boll 2014a, 2014b), there are ample studies of knowledge-making in the economy, a few in the law²³ and also some studies of methods like surveys, which play an important role in this project.

To start with things economic; an ANT perspective precludes the economy as an existing domain ready to be investigated (Çalışkan and Callon 2009). Instead it acknowledges how various things and theories in networks can be seen as constructing economic matters: how exchanges are carried out and settled; what the compensation consists of; who participates; the resources they have and by what means the exchanges

are carried out; and how ideas and research about the economy make an impact on its functionality (e.g., Callon 1998; Garcia-Parpet 2007; Hasselström 2003; Kjellberg and Helgesson 2006; MacKenzie 2008, 2009). Thus economic theories are not a description of how we should understand economic matters, but are in themselves vehicles for change for how economic practices are done; for example these theories both shape and make the market and market practices (e.g., Callon 1998). Using economic theories sometimes had political motives and was sometimes unintentional, but there was a unanimous faith in approaching economic occurrences in society in this way. Knowledge from the discipline of economics was thus performed in the reality it was seen to model. Performed thus meant uttering and doing something while it was simultaneously happening (cf. Cochoy 1998; Kjellberg and Helgesson 2006; MacKenzie 2008).

Perhaps 'mutate' is a better way to describe the application of research models to reality (Neyland 2013)? The economic models are never used exactly as intended; instead they take on a slightly different appearance in practice for a number of reasons. To know how something performs we need to know the state of it prior to it being performed, and how other practices are used in coordination with the economic knowledge used – that is how the model is applied in practice, so that we can exactly predict the outcome of such a model, and how much of the reality a performative action accounts for. This is not hair-splitting and I find Neyland's questioning economic models as performative most helpful; if they are seen to mutate the human capacity is taken more seriously and this is regardless of whether we humans talk or engage with things and tools. For example, economists seldom see their models as explaining everything. At the very outset for this discipline, making models of certain economic practices in society is vital in order to explain or predict the result of such practices. Economists have a realist approach to occurrences in the world and model them accordingly. The problem is that the models the discipline of economics provides have for many different reasons and in very many places been made into the truth, yet they are very seldom performative as an exact copy, but applied with provisions. As already hinted above, the task force applies many other types of knowledge within this risk assessment project: newspaper articles, personal anecdotes, colleagues' tales, etc. Regardless of whether these are seen as true facts or complete fables, they are part of what shapes their risk assessment project and thus also the knowledge emanating from it. To know the origin of such knowledge in order to see it 'perform' or 'mutate' is impossible.

As been hinted above there are many origins of the knowledge used. Perhaps it is better to think of the dispersal of ideas in terms of

'creolization' (e.g., Hannerz 1997). Obviously the concept originates in the mix of languages spoken in the Caribbean islands and has a heavy colonialist connotation. The very idea that no culture is 'pure' but is always subject to influences resonates well with what is of concern at the Agency. Although it has the law on its side and the governmental/state power to enforce it, the Agency has to listen very carefully to what people find legitimate to tax, given the room for interpretation of tax laws. As Ulf Hannerz proposes: 'a creolist view is particularly applicable to processes of cultural confluence within a more or less open continuum of diversity, stretched out along a structure of center-periphery relationships which may well extend transnationally, and which is characterized also by inequality in power, prestige and material resource terms' (Hannerz 1997: 14). Creolization underlines a process; knowledge is never static or well-defined but open to influences from new arrivals, as are the Agency with regards to what makes people comply with taxes. Perhaps we can see existing research knowledge performing – that some of the models are mutating when they are applied to reality, but this is mostly creolized, creating new insights when combined and intertwined with other types of knowledge. This is not a study of an economy where taxation is performed according to a set formula but of the processes through which behaviour, organizations and institutions are constituted as being taxable.

Taxation is also an interpretation of law that influences citizens' economic practices. If anthropology has recently ventured into finance and taxes it has also been drawn into studying law, not least as an element of how taxation in democracies operates. In *The Making of Law* Bruno Latour (2010) tackles law as a crucial type of knowledge that makes up contemporary society. He describes a location where the law is not read to the letter – the French Conseil d'Etat²⁴ (Council of State) – and shows us that the legal reasoning between the advisers who work there is precedence-based. What appeared especially important in Latour's analysis was the view of law as a world of its own in society. 'One should be able to say that law is there at birth. It precedes us and survives us' (ibid.: 276) and he adds 'Yet it says nothing, informs us of nothing; we have to do all the work' (ibid.). The making of law is in this view the practice of it. Although tax law is not directly the object of my study, it is always there and is referred to and obeyed yet in certain circumstances subject to interpretation. Law constitutes one type of knowledge, and this type of knowledge will have the upper hand when specified in enough detail.

Latour's book is also a fine-grained ethnographic detail of law at work – or rather of the people who do the work. He makes us understand that

inside the famous and much-adorned buildings in central Paris there are people working. There are real people who go about their duties, discuss the issues at hand, and blend a deep knowledge of the intricacies of law with prior decisions that shape the law; but who also have concerns for the everyday life of the citizens they rule. Although they express occasional disdain for ‘common knowledge’ (Latour 2010: 23), my overall impression of his ethnography is that different types of knowledge need to be blended in order to make a legal decision possible within the Conseil d’Etat, which is the highest authority in France for legal appeals. As you will see, there is a great deal of knowledge-blending at this Agency you are about to visit.

In addition *The Making of Law* has managed to reach a much wider audience than the cohort of legal anthropologists or ANT researchers. Through the ethnography at the Conseil d’Etat, Latour manages to give us a picture of how lawmaking is done in practice, an invaluable insight for all not being able to be there yet interested in aspects of law. It has been argued that Latour is not very helpful with either theoretical insights or analytical concepts (cf. Boll 2011), yet the description he provides is most valuable for all people that learn about or have to deal with decisions made at the Conseil d’Etat. My ambition is to provide similar insights through the study of the work among some employees at a tax collecting authority.

Finally, Latour reminds us of the eternal yet interpretative stance of law. After drawing on historical accounts and the very detailed ethnography of the ‘ceaseless, patient, stubborn and pedestrian piece-working’ (2010: 69), he concludes that the law is always there but we have to do all the work (Latour 2010: 242). This is a statement I will revisit, as I see the Agency is actually doing most, if not all, of the work with the law at hand. As a Swedish politician and academic rhetorically asked at a presentation of mine, ‘perhaps it is at the Agency that tax politics is actually made?’²⁵ I am not sure how to respond to such a question, but in the Agency’s interpretation of a fairly all-encompassing law, it certainly draws attention to what people find legitimate.

Indeed, whereas ANT emphasizes the potentially equal standing of actors making up networks (cf. Valverde, Levi and Moore 2005: 89; cf. Ingold 2008), what is interesting about law as a type of knowledge is its capability to make a radical change to a given issue. When contested cases are brought to court, a specific legal decision will precede any other knowledge (Latour 2010; cf. Riles 2010). A carefully moulded taxable/not taxable status for certain exchanges in society can change very abruptly when a court decision is made. Yet there are always some aspects of law that are subject to interpretation and the Agency certainly has the

potential to make its own interpretations. So with the Swedish income tax laws, the Agency certainly does a lot of work on its own, although seldom all of it following Latour's claims.

Numbers are another particular type of knowledge. Numbers per se might be innocent, but when the new-found numbers relate to earlier findings we will see how such relations can make them problematic (Crump 1981: 77). Certain combinations and relations, or rather comparisons between numbers, unsettle the message the Agency wants to convey to citizens (see especially Chapters 3 and 4) and these numbers often derive from statistical calculations. Statistics has a particular status at the Agency; both as method and a range of knowledge that is frequently used and referred to by the analysts, also in this project. For some at the Agency, statistical data is even the very core of knowledge (Björklund Larsen, Johannesson and Thoresson forthcoming). If an analysis poses questions to which answers are not quantifiable in relation to other quantifiable data, for some it is knowledge not worth knowing. I would argue that although many employees at the Agency would adhere to the view that 'modern statistics is the strongest language of all' (Asad 1994: 78) in the sense that producing numbers according to approved statistical methods is convincing and reliable, this project also proved them wrong. Statistics, and the comparisons those numbers render possible, is needed if we are, in time and space, to reconstruct 'moral and material conditions for target populations' (ibid.).

Finally, my ANT approach is also emically inspired. Håkan Malmer, a retired veteran from the Swedish Tax Administration as well as participant of several governmental inquiries regarding taxation, emphasized that a tax audit is made possible due to five different components: the tax system and the inherent obligation of citizens to provide information; the authoritative capacity of the Agency; its human resources – (i.e., employees); technology; and how all these matters are organized (Malmer 2003: 50). He thus recognized that there are many aspects at play when trying to understand how the Agency in practice makes sure that citizens in their role as taxpayers comply with rules and regulations.

In sum, I find ANT a good approach to studying the making of meaningful knowledge at the Agency. The Agency's way of operating and creating tax compliance is heavily dependent on technical devices and ideas about what makes people pay tax – and avoid it. Yet anthropology also offers other tools, like the concept of creolization, to help understand the creation of knowledge I witnessed as part of the risk assessment project. The project we are about to follow exemplifies the Agency's many means to understand tax compliance among the citizens and is an example of how physical agency, technical devices and knowledge coalesce.

Tax Agency Employees at Work

Within the concept of physical agency is a human in full and it is important to pay tribute to a person's diverse capacities for action. For one, due to the Director General's intervention, the report was not published. Like the Agency that acknowledges that taxpayers make errors but can never say for sure that they are intentional or not, I can only suggest reasons for why he decided not to publish it, but I will never know for sure. As we will see, most of the Agency's employees that we meet throughout the book are genuinely interested in differing approaches to taxation. Research about taxation, tax avoidance and tax compliance is important for them, but so is understanding the driving forces as to why taxpayers actually do as they do. Even if I do not follow the Agency employees outside their workplaces (cf. Boyer 2008), I pay attention to their way of being, their different ontological capabilities, and how they influence each other in meetings. I can only bow to Boyer's manifesto attempting to know the humans behind the expert shield, follow their professional development and pay attention to the various forms of knowledge – not only the rationalist argumentation – they provide (Boyer 2008: 44).

A type of knowledge seldom recognized as such is the talk, anecdotes, stories and hunches from the media and everyday life, and this fieldwork provided many such examples. These play an important if not decisive role but are often taken for granted and seldom credited as knowledge on par with the more scientific, economic or legal references. In fact, the way the analysts told such stories resembled an ethnographic gaze. In other anthropological studies of experts in contemporary society Douglas Holmes and George Marcus grappled with similar issues (2005, 2006, 2012). They introduced the notion of 'para-ethnography' that draws inspiration from the historical roles of anthropologists but applies it to contemporary settings. Ethnographers aimed to understand aspects of 'cultures' among people living far away from themselves and their academic cohorts. These cultures often consisted of illiterate peoples that lived more or less secluded from other cultures and had very few, if any, opportunities or possibilities to understand ethnographers' society. These people had seldom travelled, never been where the anthropologists came from nor knew anyone who had. When anthropologists study experts operating in complex societies ethnographically, the outset is very different.

The concept of para-ethnography was introduced as a way to study experts; not in their entirety as social beings (cf. Boyer 2008) but in their professional role. It is a way to critically assess the type of knowledge professionals use and to at least indicate how to deal with, in my case,

tax and taxation expertise built up over many, many years: in disciplinary education and by practical work experience. This anthropological study of the work of and values held and practised by taxation experts should not be a mirror, yet should acknowledge *all* the knowledge they apply. A para-ethnography moves emphasis from employee discipline epistemology to the ‘anecdotal, hype, and intuition’ (Holmes and Marcus 2005: 237). It is also a way to include ‘common knowledge’ (cf. Valverde 2003), such as stories, hunches and examples from the media and everyday life.

A para-ethnographic stance means that the knowledge the analysts invoke includes participant observation in the sense that they live in the society they attempt to understand. As we will see, they reflect on society in referring to friends and acquaintances and how they go about their daily economic activities when they infringe on issues that are of interest to tax compliance. The way the analysts in the core project group, here referred to as the task force, carry out their chores is thus a striking example in itself of an application of para-ethnography (Holmes and Marcus 2006: 35). Its members certainly make use of the disciplinary knowledge within which they are trained (economics, political science, management), and of previous research reports that have built up the Agency’s knowledge of tax non-compliance as well as a few external research reports. But they also cite newspaper articles, refer to friends’ practices (though perhaps not explicitly), take up examples of discussions at coffee breaks and in general try to keep up with what is going on in the society in which they live.

For example, Lars and Julia, two of the analysts who will be properly introduced in Chapter 1, had been to an international conference on tax research in August 2010 and met Benno Torgler, a well-known tax scholar. Their discussions are just one example of how Agency staff reflect on the different explanatory models offered of compliance and draw on their own ‘ethnographic’ experience. As Lars said:

The classical model looks for individual behaviour, and tax compliance is explained as dependent on the risk of being caught and the consequences if caught. Then someone introduces morale, which is said to increase compliance among some people, whereas other people find satisfaction in getting away with cheating. What is lacking in this research is that taxpayers operate in different circumstances. Employed taxpayers have no chance to get away with non-compliance, as their employer pays the tax. Thus the risk of detection is 100 per cent. There is no way to avoid paying tax. And this view is what I miss.

According to Lars, Torgler recognizes that Swedes have a well-developed taxation system, but such a system is not present in the research he has

done. And Julia added her view that for a start we have to define what the norms are; what is the culture we, and the taxpayers, inhabit?

Para-ethnography also takes into consideration my own (potential) impact on knowledge creation. An ethnographer can never be a fly on the wall (cf. Blomberg et al. 1993) and the analysts also read and referred to my earlier work (Skatteverket 2011b: 98–101), which was my admission to this otherwise fairly closed organization. From a naive positivist standpoint, this fieldwork would thus be considered contaminated. However, this fact points out a reality that many researchers of contemporary institutions and organizations have to address (Holmes and Marcus 2008: 98), as well as an awareness of (Swedish) academia's so-called third task.²⁶ My informants read and reacted to what my colleagues and I wrote and also made use of our presence when we undertook research. There were numerous directly posed questions during the meetings I attended and we had many informal discussions at luncheons and coffee breaks. They also asked for lectures and discussions about qualitative research methods, which even resulted in a course introducing social scientific 'tools' for all analysts at the Agency (Björklund Larsen, Johannesson and Thoresson forthcoming). Thus both a collateral (cf. Maurer and Mainwaring 2012: 182) and collaborative (Holmes and Marcus 2012: 127) type of knowledge can evolve when doing fieldwork among curious experts. In thinking about this study in terms of para-ethnography it resolves a number of issues concerning the various origins of data, including the presence of the ethnographer and his/her knowledge about tax issues.

There are thus many varieties of knowledge and ways to attain them. To take cognizance of all of them, yet acknowledge that certain set-ups of knowledge have precedence over others when affecting tax compliance in society, I return to ANT to pursue my analysis with the help of the concept of *agencement*. Certain combinations of diverse physical agency, technical devices and set-ups of all the types of knowledge hinted at above can create different *agencement*, 'arrangements endowed in the capacity of acting in different ways depending on their configuration' (Callon 2007: 320).

Agencement is often referred to as socio-technical, as it then comprises both 'human beings as well as material, technical and textual devices' (Çalışkan and Callon 2010: 9).²⁷ How this capacity can act depends on its configuration (ibid.) while not establishing precedence between different types of agency. Thus laws, ideas, knowledge, calculations (not forgetting the people applying these) are seen as having reflexive competencies and possibility for deliberation. This concept has sometimes been translated to technical arrangement or assemblage in English research literature. Although socio-technical *agencement* is a Frenglish expression, I will

stay with it to keep the processual and shaping component that it provides. An arrangement seems more static and an assemblage quite loosely connected, whereas agencement underlines the activity (cf. Hardie and MacKenzie 2007: 57). To my mind it also remembers and recognizes whatever action has to deal with the never-ending changes in society. And these are changes that a tax collecting agency has to pay attention to in order to retain its legitimacy and keep compliance high.

Thinking with socio-technical agencement also teases out the collectivity in the actions. It is seldom one person or one thing acting alone that makes a specific impact. An employee collaborates but also pays attention to colleagues' views, what other stakeholders are up to and also, which is very important for the Agency, what society at large would think about its actions. And although a person needs to decide to put any technological device into action, at least at initiation, s/he needs it to perform the actions. As we will see, this collectivity is expressed, as employees mostly talk about the Agency as 'we' in action. Socio-technical agencement resists the temptation to contrast individual and collective action or to let a specific technique or knowledge take all the blame or credit for actions.

All action is collective since it is distributed; what vary are the mechanisms for attributing the source of the action. The shape, content and architecture of the agencement, with equipment that facilitates the action to a greater or lesser degree, from a distance, decisively influence the modalities of attributing action. So does the inclusion of specific legal or regulatory texts that distribute responsibility or property. (Çalışkan and Callon 2010: 10)

One part depends on their own capacity to act, their knowledge about research and theories as well as about people's social practices and habits. In particular, agencement is here used to think about combinations of knowledge that impact tax compliance.

In following this project – all the applied knowledge, the usage of various technical devices and its resulting report in the making – I will explore why and how certain selection processes came about; why certain set-ups of knowledge have agencement and what that says about the Agency's view on tax compliance in society. My original curiosity about how this bureaucracy makes us comply goes well with Steve Woolgar's and colleagues' adequate reminder when writing this up: could it have been otherwise (Woolgar 2014: 330)? Looking back at this project, could it have taken other turns and posed other questions, or could other knowledge have been selected for the report? Could the content of the report have been otherwise and thus have been published? And why was it not? We will see throughout this book that certain set-ups of knowledge

the project assembles are assumed to be more plausible than others and what the Agency does with this knowledge is always against a backdrop of previous knowledge and practices. In the end, it is, however, humans that decide what will be published or not. The socio-technical agencement makes explicit what can be communicated, as it has to enforce the Agency's strategies, and it excludes other set-ups of knowledge when it goes against established ideas about what makes taxpayers comply.

Secrecy and Anonymity

Anthropologists have often looked for a contained field, where supposedly both the people to be studied and the researching anthropologist find themselves in a natural, social environment (e.g., Gupta and Ferguson 1997). This somewhat naive and idealistic view of containers seldom exists in contemporary society. Instead I have followed this 'thing' (cf. Marcus 1995: 106–108; Mintz 1985), an intellectual work endeavour within an organization, the result of which was a report. As hinted, it is not the report in itself I am interested in, but rather the knowledge that was used in creating the report, the new knowledge that emerged from the project with the taxpayers in focus, and what of that knowledge could be publicly communicated given the Agency's aim to be seen as legitimate.

Following a thing, in this case a thing in the making, allowed me to visit many places where knowledge about taxation is practised and gathered. This risk assessment project, which eventually resulted in a report, although not published, is a thing that holds the fieldwork together. The field became multilocal, as it took place in different professional environments, each demanding various field methods (Hannerz 2001, 2006).²⁸

The analysts were very helpful in providing me with material and included me in their communications and even recorded the occasional meeting when I could not attend. I can only express my serious gratitude to the task force members for their help in making all this material available to me and I hope this account makes sense to them. They were also subject to a quite intimate exposure of their minds when they let me follow their reasoning and deliberations, as well as their successes and setbacks. Arguments over issues are perhaps toned down due to my presence, but throughout my following of the project there were very few disagreements in these consensus-driven deliberations. However, I also know that for more disputed issues or in their communication with top management I was left out (see more about this in Chapter 4). This was, of course, for both political and personal reasons, and the curse of the participant observer is always to miss out on 'something'. One place to which I was at

first denied access says more about the Agency's work as such than about the limits of observation.

My visit to the Random Audit Control office in Örebro was not easy to arrange. The confidentiality issue regarding my following the project had been debated on several occasions and at different levels within the Agency.²⁹ I mention this, as the confidentiality question takes place verbally at the very nexus of identifiable and physical contact between the Agency and their audited subjects. It is somewhat contradictory how searching for hidden transactions is not only an issue when dealing with the tax cheaters, as in my previous fieldwork. After all, they spoke willingly about their illegal yet licit purchases in order to justify them (cf. Björklund Larsen 2010). Also at their foe's (the Agency's) den, the same, questionable types of transactions were hidden from me.

This secrecy manifested itself in various ways. As a start, in the tax auditor Alice's office I visited, a set of binders (there was one for each entity subject to audit) had been turned so their spines faced the wall. Alice also ensured that I did not overhear any conversations taking place in the corridor outside the office. The reason, I found out, was not to protect the auditors, although they were, as mentioned, subject to quite intimate exposure of their thoughts when they let me follow their reasoning and deliberations, as well as their successes and setbacks. Second, I signed a confidentiality agreement, as all employees do, which prevents me from disclosing any type of sensitive information. Third, in Sweden information on income and taxes paid is publicly available;³⁰ however, any audit under way is strictly confidential until it has been completed, so any individual has a legal right to identity protection until a verdict is agreed upon and made public. Fourth, and in light of the above, I was told that it was out of the question for me to accompany the auditors on their visits to the selected entities, as audit visits are one of the most sensitive tasks the Agency performs. Having two visiting auditors can be seen as an intrusion, so bringing a researcher along posed too much of a risk. A compromise was finally proposed; since I could not follow a 'live' audit within the department I had to make do with being shown the guidelines and other material they used when auditing. To pursue the auditors' practices throughout an audit was thus not possible. I was, however, allowed to sit in on the discussions regarding specific cases, where the identity of the taxed person was not revealed.

Disposition of Book

To understand a legitimate tax system includes seeing how a tax collecting authority makes people comply. Such a study requires interpretation

of the law *and* an understanding of economic issues, while paying attention to how this is done in everyday practices. This study is thus an ethnography of practices concerning economic matters while being an interpretation of a tax collector's – the Agency's – legal boundaries.

In this quest I followed how a risk assessment report came about: its birth, upbringing, disciplining and burial within the Agency. The ANT approach is chosen, as this is an investigation of knowledge that shapes our everyday life. It pays attention to how certain set-ups of collective knowledge – things, theories, technology – create agencement that can be used by the Agency to improve compliance. That the tax collecting authority in question is seen as legitimate in its practices means that it observes the values held by Swedish citizens. I argue that these set-ups of knowledge make explicit certain values that are said to govern the Agency's communications with taxpayers. By studying taxation practices and teasing out the socio-technical agencements that make contemporary taxation possible, we can better understand the values the Agency says it places on Swedish society.

Such values are thus seen as a result of work (cf. Dussage, Helgesson and Lee 2015) performed by the Agency. Needless to say, Agency valuations do not only concern economic estimates of exchanges made, but follow the initial proposition that the Agency is concerned with maintaining legitimacy within society. This legitimacy must be based on some sort of shared values with taxpayers on what type of exchanges can be and ought to be subject to tax. Seeing set-ups of knowledge as agencements will tease out problematic situations so that the law may be applied equitably, at other times it identifies tensions between laws and regulations. We will also find situations where the values this Agency publicly pronounces are invoked yet contested.

Throughout the book we will see situations where combinations of people, things and ideas pronounce values the Agency places on Swedish taxpayers. The study will show that these values have changed over time, differ in various contexts and are definitely *not* the same held throughout the Agency. The book aims to describe the knowledge this governmental authority applies in making citizens comply with taxation and how it works with such knowledge in order to be seen as legitimate in its practices.

The emphasis in Chapter 1, 'From Control to Compassion: A History of the Swedish Tax Agency', is twofold. First it depicts the Agency and its history, organization, structure and place in Swedish society. We will visit the Agency and its offices, and see the impact of place and space as an example of how design impacts social interaction (Murphy 2013; Zaloom 2006). Seeing a working place in this way contributes to the reader's

understanding of ‘the critical mechanics that drive Swedish politics and society but also the more general, often uneasy, relationships subsisting between people, power and the things of the world’ (Murphy 2013: 129). It situates the Agency as the backbone of the Swedish welfare state.

Second, the chapter looks at different views on how tax compliance has been aimed for and also created. Historically, a tax administration collects taxes and verifies tax filings to ensure that the correct taxes are being paid. In the workings of this Agency, the role of such an audit control and what can be controlled (i.e., controllability) have been subject to debate. This is especially so regarding the seminal model proposed by Michael Allingham and Agnar Sandmo (1972) and the somewhat contradictory insights from Valerie Braithwaite and her colleagues in their cooperation with the Australian Taxation Office (ATO) (Braithwaite 2002). Both of these strands of research have provided inspiration for the Agency. The chapter looks at how these and other models influenced views on audits and what the implications were for the Agency’s everyday practices. Inspired by this research on tax compliance, we will follow how the Agency has adapted its work over time in order to be seen as more legitimate. I discuss what tools and knowledge were used and how the Swedish tax law is applied regarding the controllability of income and expenses. The Agency’s trajectory to greater legitimacy among Swedes could not have been achieved without the simultaneous technological development and the implementation of such solutions.

Finally, the chapter introduces the reader to the Analysis Unit and the people who work there. We will then look closer at risk assessment projects in general, their role within the Agency and more specifically to the project we follow in this book. It describes the questions and considerations that made this project about cost deductions for a specific type of commercial entity come into being and how the task force leading the project was formed.

In Chapter 2 ‘Talking with People: What Can We Learn from an Attitudinal Survey?’, we will follow the work the task force first took on – creating and executing a survey. The chapter identifies how questions addressed within the survey were composed, how the survey was planned and performed by a call centre, how the results were used, as well as the type of knowledge an attitudinal survey can provide. We briefly step outside the realms of the Agency to visit a private RC hired to conduct a survey regarding taxpayers’ attitudes towards cost deductions.

The chapter also follows the objections made by intermediate bodies representing civil society and the thresholds that had to be passed by the Agency to talk to, collect information about, and audit these commercial entities. Thus emerges a somewhat disparate view on the role of

the Agency in Swedish society, one that is different from the rosy picture initially depicted in this book.

The third chapter, 'X Per Cent: The Birth of a Number at the Random Audit Control Department', addresses numbers. This chapter describes a random audit control that is the backbone of a risk assessment project and how it arrives at statistically secured results in terms of amounts and percentages. Such numerical results are seen as a reliable 'truth', but the practices of the Random Audit Control department show that there are many societal considerations influencing such a calculation. The claims to legitimacy are articulated within this department as a negotiation between values of reliable statistics and values held by the audited taxpayers.

First, this chapter describes how the taxpaying commercial entities were selected and what impact this sample made on the resulting numbers when the details were shaped in collaboration between the task force members and the managers of the Random Audit Control department. Second, the reader will learn what auditors look for in this random audit and how they do it, including which type of knowledge they apply. Third, the chapter describes how established praxis is articulated vis-à-vis tax faults – that is, every exception to the 'correct' tax, which includes cheating, evading, and plain ignorance. Finally, the chapter reveals how the quantitative results are interpreted and the conclusions drawn, and what these considerations say about what is at stake for the Agency.

The third chapter pays special attention to the role of statistics, which has a long history in Sweden. The discipline of statistics started out as a qualitative method but developed into sophisticated quantitative calculations (Sjöström 2002). This chapter reveals the qualitative aspects of performing statistics but also discusses it as a way of trying to control citizens' practices. This is contradictory to the intent of the random audit control method, which is seen as a democratic and equitable tool. In the Agency's audit practices we see how the values of Swedish society emerge, values that are based in the Agency's legitimacy claims. Theoretically, in this ANT-inspired approach, the legal interpretations meet economic knowledge. There cannot be any incorrect cost deductions, or any deductions at all for that matter, without considering the law.

It was a long and rather strenuous project and in the final ethnographic chapter, the fourth, we will see how the various versions of the report were greeted among the Agency's management. In 'To Publish or Not? Communicating and Legitimizing Concerns Regarding the Project's Results', the reader will meet the decision makers at various levels at the Agency and see how they receive and react to the 'new knowledge' provided by the numerical results and the interpretations of these that

the task force presents. The results from this random audit control prove very problematic in contrast to the strategies laid out by the Agency in its quest for legitimacy. The chapter reveals how the management questioned the results, how and why the communication department feared the publication, and most importantly how the Director General stepped into the process – the objections he raised after reading the report in a very detailed and knowledgeable way, the drastic changes he proposed, and finally his decision to stop the report from being made public. The consensus-driven way of working stopped short here because the management was concerned about the Agency's legitimacy claims. This case also raises questions about the aim of analysis done at the Agency and for whom it is done.

In the concluding chapter, 'Values in Action', I will discuss the different values that have appeared throughout this book and return to the question of how the Agency tries to impact society. This chapter reviews not only how more than one type of knowledge is found in a particular locality or milieu, but how diverse types of knowledge compete and reinforce, make and shape, and support and contradict each other to provide new insights. In the end, concerns about the legitimacy of the Agency won out regarding what knowledge could be revealed to the public. The insights from the report that are applied internally are a different matter. Thus, in Sweden, the taxpayer and the Agency shape each other, but on different levels and in diverse ways.

Second, I argue that an equitable interpretation of the law brings out certain values, values that can be both enforced but also contradicted by the Agency's practices. All taxpayers should be treated equally, which is most easily done by an impartial reading of law and a commensuration of exchanges; yet some exchanges cannot be subject to tax, given the Agency's legitimacy claims. The chapter distinguishes what makes up exchanges that should not be considered for tax and thus be left, non-taxable, to the private realm and outside the Agency's curious eyes. The reasons given pose a dilemma for a bureaucracy that on the one hand aims to earn acceptability from all citizens in its actions, and on the other hand ought to ensure equitable treatment and thus investigate all expenditure and incomes in detail.

This book provides an account of the knowledge that shapes citizens' everyday economic behaviour – implicitly and explicitly. It is a story about Sweden that provides an example of how a state, working through one of its main bureaucratic institutions, cannot govern its citizens only by enforcing the law. In order to be found legitimate, such a tax collecting authority has to pay attention to values in the broadest sense, which has an impact on economic exchanges in society.

Notes

1. Press conference Los Angeles, late April as recorded in radio programme 'Ekot'. <http://sverigesradio.se/sida/artikel.aspx?programid=1602&artikel=813302>. Retrieved 25 April 2015.
2. Presentation Lennart Wittberg, Almedalen 30 June 2014.
3. Ingmar Bergman depicts both tax inspectors as altogether unattractive: they are plump, have impure complexions and dirty fingernails and wear flowery shirts (1987: 105).
4. Presentation Lennart Wittberg, Almedalen 30 June 2014.
5. This survey also found that governmental bodies that give out money are the least likeable – for example, CSN, the Student Aid, and Försäkringskassan, the Swedish Social Insurance Agency.
6. Willem van Schendel and Itty Abraham (2005) make the following distinction: licit, and its contradiction illicit, exist in the views of people, where illicit refers to behaviour that is not in accordance with common values and accepted norms. What is legal and illegal is negotiated within the state and/or political domains and refers to behaviour that adheres to, or breaks, formal laws (ibid.: 20).
7. <http://www.worldvaluessurvey.org/>. Retrieved 12 January 2016.
8. Statist individualism comes out of a deeply rooted and popular democratic view within society, based on the 'the Jante Law' rather than originating in people's natural rights of universal equality (Berggren and Trägårdh 2006: 43). This 'law' originates in a book about Danish (and more broadly, Scandinavian) culture written by Aksel Sandemose in 1933, *A Fugitive Crosses his Tracks* (English translation in 1936), and consists of ten commandments, all determined by jealousy and habits and ways of living in a small town, where contact with the larger world was restricted and social change slow. In common parlance, the Jante Law is unwritten but carries the message that 'thou should not regard thyself as better than any other'.
9. To nuance this homogenous picture of a trustful and law-abiding people, Swedes have also claimed that the state meddles too much in private concerns (e.g., Ahrne et al. 2003: 173).
10. The Social Democrats held power almost exclusively from the 1930s to the 1970s, with interruptions from right-wing coalitions during the last forty years.
11. This is despite the fact that the collection of revenue and the spending of it are kept strictly apart in Sweden.
12. Swedish welfare today basically consists of four different parts. First, there are public services, such as schools, healthcare and provisions for the elderly and children. Second, there is a compulsory social insurance system based on income from work. General subsidies connected with citizenship are a third component, and finally there are contingency-tested subsidies when all other sources are inadequate (Rothstein 2002 [1994]: 25).
13. A foreign-born colleague amusedly told me that his child had seen this on *Barnkanalen*, a programme for children on SR, the Swedish Public TV channel. February 2016.
14. Except for the debate about taxation on housing in the 1979 election.
15. <http://www.ekonomifakta.se/sv/Fakta/Skatter/Skattetryck/Skatteintakter-per-skatt/>. Retrieved 15 January 2015.
16. Many of the regulations and the principle of assessing income at source for tax goes further back, to *kommuns kattelagen*, the municipal tax law of 1928. The background

for the centennial reform was a floundering tax system in need of structural change (Agell, Englund and Södersten 1996: 644; Sørensen 2010; Lodin 2011). For one, the previous system had evolved into very progressive income tax rates where the idea was that high-income earners should pay more of their income in tax. But with 80 per cent at the margins, it was a system that was seen to thwart work. The incentive to work more or aim for higher income did not provide much additional net income, and recompense for work came in the form of fringe benefits that were often tax free (Sørensen 2010: 62). Any increase in tax rates meant that all citizens were affected and so the high marginal rates also affected low-income payers. A patchwork of specific taxes as well as incentives had created many possibilities for tax arbitrage, or tax planning schemes, an activity that increased among taxpayers as the marginal rates rose. The increase and spread of many loopholes perhaps allowed this system to last as long as it did (Webber and Wildavsky 1986), but in the end it was seen mainly to benefit the very rich, a contradiction in terms of the original idea of who should pay for the Swedish welfare state (Agell, Englund and Södersten 1996: 644). The change of tax system meant that the principle of paying taxes according to ability was changed to the principle of uniformity; although for higher income earners a state tax (*värmskatten*) was introduced in 1995 (cf. Agell, Englund and Södersten 1996).

17. However, the outcome of the tax reform was not as hoped. The economic cycle turned downward in 1991, when Sweden was hit hard, and in order to balance the budget adjustments to the tax reform were directly implemented. Those additional fees were seen to distort the structure.
18. From an economic anthropological perspective, this law also directs our attention to the types of exchanges that ought to be subject to tax and which ones ought only to be socially constituted. If we see exchanges creating social relations this is obviously a dilemma for the good welfare state. When does a 'helping hand' become a market transaction?
19. For those readers not familiar with economic anthropology, here are just a few of the many, many interesting works on how to understand human economic behaviour in a variety of settings: Befu 1977; Callon 1999; Davis 1992; Granovetter 1985; Gudeman 2001; Holmes 2014; Malinowski 1922; Maurer 2005b; Mauss 1990; Miller 2002; Narotzky 1997; Roitman 2005.
20. Karl Polanyi (1944) proposed redistribution (the others being reciprocity and householding) as one of three mechanisms making up an economy prior to the arrival of the market economy and its supposedly rational economic behaviour. Although his emphasis in the analysis lay on the redistributive act, it is implied that the means were freely given to the ruler. People knew that taxes would eventually be of use for the entire collective and the redistribution was used to maintain the social structure within the group that contributed.
21. Compare this fact with the vast amount of studies on the welfare state. Yet these welfare states are financed by taxes, a fact that is taken for granted and is most often omitted from such studies. We can imagine the almost endless questions that a fiscal anthropological or sociological approach could pose.
22. More specifically, input also comes from my participation in about fifty meetings originating in the Analysis Unit, lasting from thirty minutes to two consecutive days. These make up more than 100 hours of recorded and transcribed deliberations of task force discussions and manifold meetings with the analysts and various colleagues: tax auditors and managers and sometimes also outsiders from academia, as well other governmental agencies and external corporations that were invited to participate.

In addition to the participant observation, I followed the analysis work and saw it progress into various versions. I have read most of the research material, background reports and written communication between the analysts, as I was copied into almost all emails. The content of these emails varied, from invitations to meetings, long discussions about specific topics, and notes from meetings summing up the conclusions and next steps to take. With this material at hand, I can present employee views from within this bureaucracy that differ on taxation practices and the impact they have on society and taxpayers. The work of a tax collecting authority is regarded as a relational phenomenon and as such an achievement and the effect of an assemblage, or network, of various different actors. To explore certain issues and events more specifically, I conducted more or less formal interviews with about twenty employees and engaged in numerous discussions at lunch and at *fika* (coffee breaks) throughout the fieldwork.

23. I aim to sketch if not a bridge then at least the hazy contours of one between the work within social studies of finance and Bruno Latour's view on law as the practice of it.
24. Conseil d'Etat is a body of the French national government that acts both as the legal adviser of the executive branch and as the supreme court for administrative justice.
25. Comment made at a presentation at the Institute for Future Studies (IFF), 26 October 2011.
26. The university's responsibility to share and disseminate research insights, apart from the more recognized tasks of teaching and research.
27. Socio-technical derives from Michel Callon's work with John Law on hybrid collectives (1997).
28. As fieldwork, it could be said to be a type of 'polymorphous engagement' (e.g., Gusterson 1997: 116) that takes me wherever the project is professionally carried out. In contrast to the approach by Gusterson, who tried to discern the work among scientists in American nuclear weapons laboratories, I was invited to follow the project at the Agency.
29. Those involved in the debates were the project coordinator, the head of the Analysis Unit, the head of the Random Audit Control department, and a legal expert at another regional office.
30. This means that, for example, anyone can visit their local tax office and use the public computer to access income statements as well as tax payments. The tabloids often make use of this information, listing the 100 highest paid individuals in 'your municipality' as well as publishing other, similar rankings. These rankings often make the headlines in order to increase sales, leaning on the law of Jante.