Essentials of Fiscal Sociology
Conception of an Encyclopedia
Fiscal Sociology: An Innovative Approach
Of Citizenship And Democracy Design

Bénédicte Le Brun

Introduction: A Speciality That Opens Perspectives

Fiscal sociology stands at the crossing of several disciplines: economic sociology, sociology of the State, anthropology, political science, fiscal law, public law; it is also necessary to take into account some dimensions of regional development, social geography, economics, local economy... This list is quite long and so many points of view can not be synthetized. The pertinence of fiscal sociology is to give some framework to a field which has been progressively shrouded in a cloud of complexities and autonomy.

Economic relations are human relations. If this definition is easy to understand and do not hurt logic, it can be difficult to maintain it in the analysis, so powerful are the economist speeches. Theses predominant speeches tend to impose the now deeply-rooted idea that economy can only be explained by economy. Anthropological and sociological theories do not escape this exclusion from the economic field. The definition of the sociology field has been shrinking as sociologists delimit, refine and claim particularities. Yet sociology can not be limited, since all humanity life is social. The potential field of fiscal sociology is very large; its sociogenesis is one of its interesting aspects, in particular ideological sociogenesis (as Max Weber considers ideology).

Fiscal sociology allows to go beyond rather irrelevant disciplinary rifts and also to open the analysis of economic connexions.

Fiscality As A Contribution To Collective Action

The French tax-system is complex, institutions are financed by various taxes (tax mix) that do not have the same roles, do not mobilize the same funds, and do not make pay same persons. If finances are centralized at the State level, other institutions exert public power and are endowed with fiscality. The financing modes

of these new institutional territories do not escape to complexity and to political stakes of financial independence. The decentralization of French public financing tells us a lot about the construction of territorial belonging and its ability to set the limit of some “us”. Indeed, fiscality can be defined in a familiar language as the transfer of “my” money to “our” money. It’s very hard to define exactly when it changes from private field to public field. A lot of persons anticipate a separate budget for taxes, money from such subsidy or from other sources is affected to this use. It is then put aside or assigned sometimes before being received: for example, some companies anticipate professional taxes far ahead in their accountancy. This observation echoes the social marking theory as defined by Zelizer3.

A work hypothesis is that distinction between notions of “private” and “public” is a legal necessity but in sociology, it would be wise to understand it as a mode of building belonging. Going from “my” to “our”, this money partly builds my place in the “us” and defines the “us” in connection with the “not us”. Ever since, the financing mechanisms of public collectivities become a part of what makes the group. For example, paying value-added tax everyday without thinking about builds belonging differently from writing an income tax return or paying a tax based on the added value of work such as professional taxes.

In a context of ladder-like places of political decisions, various belongings are mobilized by decision-makers, “pays” (life fields), regions, states, European Union… with complex, hardly-readable financial mechanisms. The distinction between collective incomes depending on the origins of the money is now a geopolitic stake in France. The political actors of local collectivities claim autonomy and financial independence. This independence demand comes as opposed to the budgetary supervision of the State. Money is becoming a stake of independence.

Fiscality As A Tool Of Territorial Political Design

Fiscal sociology proposes a concrete approach of the organization of public action. The obligation to pay taxes is also an obligation to contribute to an institution; in the same time, compulsory levies are the result of democratic games and of the evolution of the place of various institutions in the political arena. The decentralization of public financing begun in the 80’s in France is considered as stepping backwards by some actors: this is linked to the will of a greater control over expenses and to a problem of managing the responsibilities of public finances between state and local collectivities. Legal responsibilities for ill-spending or over-spending, and also responsibilities for making a too general expense, with

an important societal impact. Some financial transfers to local collectivities are assigned to obligatory expenses, which leaves very little place for political decision-making. Actors claim a certain supremacy for each decisions level. But it is not expressed as such, speeches could be contradictory: the State is disparaged as the nasty centralizing force and yet actors deny the competition between the levels on the political organization ladder. In the facts, holding several official positions makes political actors mobilize various belongings according to the place they play a part in.

There is a gap between decentralization texts, law texts governing financial procedures and the way these texts are implemented. Each time a funnel redefines the reality of decentralization. Territories buildings come within the framework of identitary strategies interwoven in the political action. The claims of belonging to a territory and to the supremacy—even limited—of this territory become the stake of competence transfer to local collectivities. It deals with power, establishing this power. But not only power over people, also power to make an “us”, a together. Thus, fiscality is very linked to the legitimacy of the institution and to the legitimacy of territories in public action. This refers to the identitary strategies of the actors and, particularly, their way of building social classification through territorial belonging.

Belonging is often associated with identity. Yet, this concept must be dealt with care because defining an identity amounts to tell what is and what is not, to enclose a whole, and to close it off from others. Therefore, studies consisting in making typologies run the risk of contributing, even against themselves, to make social classifications. If defining transport users typologies can help urban policy to be more efficient, it is ineffective and also dangerous to use social classification such as “national identity” or “regional identity”. Studying the exchange rather than the result of the exchange allows not to harden groups or to form some others, but to represent what builds hardenings. Money is one of these exchanges that shows and forms belonging. Because money is concrete, it is possible to establish a socio genesis of the rules, to establish a comparison between the rules and the actual practices, which is difficult to make with other more invisible types of exchanges such as idea exchanges. Identitary strategies do not necessarily come up in the same time as belonging, identity may come later, to suit a belonging imposed by a social classification or it may come before, and it is the hypothesis analyzed here, to legitimize an institution, its administrative system, its political decisions, etc.

This way of dealing with this question leads to take into account the compulsory feature of belonging; paying a tax, compulsory levies, is participating, even without one’s will, to a collective action. Belonging is sometimes analyzed...
through the feelings it brings. Here again, the national, regional or local feeling is not always mobilized in the same time as the objective belonging.

**Conclusion: An Important Lighting On Political Organization**

Fiscal sociology allows us to shed a considerable light on the notion of citizenship. These particular economical relations that fiscal relations are lead to acknowledge money as an instrument not only of exchange but also of social classification and of legitimate domination building. When fiscality becomes complex and put taxpayers in relations with several levels of political decisions, its modes become a part of the territorial design.

**References**

The Making Of The Estonian Fiscal Constitution: Institutional Interests Versus Historical Constraints

Ringa Raudla

Abstract

This paper analyzes the making of the constitutional provisions pertaining to budgeting in the Estonian Constitutional Assembly (1991-1992). The Estonian case is used to test the conjectures derived from the existing literature on constitutional political economy. The case of Estonia indicates that although institutional self-interest of the framers played an important role in drafting the constitutional budget process provisions, there were also notable exceptions, represented by proposals of institutional self-binding by members of the Assembly. The case study also demonstrates the significance of the Estonian inter-war constitutions in shaping the fiscal provisions in the 1992 Constitution.

1. Introduction

Constitutional political economy is a branch of political economy that examines how constitutional rules are chosen and what their impacts are. Though initially constitutional political economy was primarily a ‘normative endeavour interested in legitimising the state and its actions in terms of fairness, justice, or efficiency’, in which the constitution was viewed as a social contract, then by now, the research program has clearly expanded and includes an increasing number of works of positive analysis. Although the branch of positive constitutional political economy that is concerned with constitutions as explananda (focusing on factors that shape the adoption of a constitution) is still in its early stages of development, it has received increasing attention (owing to constitution-making in the European Union, among other factors) in recent years. Of particular inter-

Notes: 1


3 Notes: 1
est have been the following questions: How do the types of actors involved in constitution-making, their preferences and the constraints they face influence the resulting content of the constitution?

As a result of intellectual affinity between constitutional political economy (CPE) and public finance, fiscal aspects of constitutions have received extensive attention in constitutional political economy. In particular, the literature has focused on constitutional provisions concerning balanced budget requirements, tax and expenditure limitations, borrowing restrictions and debt ceilings. Hitherto, however, the main focus of research has been on the impacts of these provisions rather than on their emergence. The studies that have regarded fiscal constitutional provisions as explananda have been, for most part, concerned with provisions that have been added to existing constitutions rather than analyzing how constitutional provisions pertaining to budgeting come about when an entire constitution is written afresh (for example, after a regime change). Furthermore, despite growing attention to budget procedures as factors explaining fiscal outcomes, there have been no studies that would have explored how constitutional provisions pertaining to budget process (regulating the preparation, adoption and implementation of the public budget) come about in the constitution-making process. This article seeks to fill this gap by making use of fiscal sociological approach. It will first put forth an analytical framework for examining budgetary constitutional provisions as explananda: by drawing on the hypotheses concerning constitution-making in general, a list of conjectures is put forth. Subsequently, these conjectures are tested with the case study of constitution-making in Estonia in 1991-1992.

Estonia is a particularly interesting case for constitutional political economy and fiscal sociology for a number of reasons. First, Estonia stands out for its commitment to fiscal discipline, which is a major concern for CPE. Since a number of studies have attributed the commitment to fiscal discipline in Estonia to its

---

4 Notes: 2
budgetary institutions\(^7\), the factors influencing the emergence of budgetary institutions in Estonia should be of particular interest for constitutional political economy\(^8\). Second, the form of constitution-making – the Constitutional Assembly that included members of the existing legislature (the Supreme Council) and delegates from the Estonian Congress – lends itself to analyzing the effects that different kinds of participants can have on the content of the constitution.

The main sources of information for analyzing the emergence of the budget process provisions in the 1992 Constitution were different draft constitutions submitted to the Constitutional Assembly, the previous Constitutions of Estonia and verbatim records of the plenary sessions of the Constitutional Assembly. In addition, the published memoirs of the participants in the Constitutional Assembly and archival materials on the work of the Constitutional Assembly have been used for compiling the case study. The paper is organized as follows. Section 2 outlines the theoretical propositions on fiscal constitutional provisions as *explananda*. Section 3 gives an overview of how the budget process provisions in the Estonian Constitution came about and section 4 tests the theoretical conjectures with the Estonian case. Section 5 concludes.

### 2. Theoretical Propositions

The existing theoretical and empirical works in positive constitutional political economy have put forth a number of hypotheses concerning the effects of the constellation of actors involved, their motives and the constraints they face on the resulting content of the constitution\(^9\). Although these conjectures have not been formulated with specific reference to fiscal provisions, one can deduce more specific formulations from these general hypotheses.

---


