BOOK REVIEW: TAX AND TRUST: INSTITUTIONS, INTERACTIONS AND INSTRUMENTS.

John D'Attoma[1]

Goslinga, S.. van Der Hel-van Dijk, L., Mascini, P., & Van Steenbergen, A. (Eds.). (2018). Tax and Trust: Institutions, Interactions and Instruments. The Hague, The Netherlands: Eleven International Publishing.

Trust is a buzzword in the social sciences these days. It's on the minds of academics across the social sciences, policymakers, and funders. People want to know why trust has declined precipitously over the last 40 years in most countries and how we can begin to rebuild it. Scholars argue that trust is fundamental for cooperation. In *Tax and Trust: Institutions, Interactions and Instruments*, the authors are concerned with a specific kind of cooperation: paying taxes. Of course, there is a huge body of literature on trust and taxation, and this edited volume brings together an impressive list of scholars from political science, law, economics, psychology, and fiscal sociology so as to address these issues from a variety of different angles.

First, the editors, Sjoerd Goslinga, Lisette van der Hel-van Dijk, Peter Mascini, and Albert van Steenbergen, perform an important service by surveying how we measure trust, and identifying some of the difficulties and limitations encountered when measuring trust. This is something that scholars have grappled with for decades. How do we accurately measure trust? Are we talking about generalized trust or something more specific? Who is the object of trust and how do we measure the reciprocal nature of trust? Moreover, how do we define trust? This volume addresses how these issues relate to taxation.

In Chapter 2, Bart Nooteboom introduces the reader to the concept of trust and begins to address some of the issues mentioned above. The author describes trust as something which derives from our expectations. When expectations are not fulfilled, trust begins to decline. Trust is fundamental for individuals, organizations, systems, and institutions. Chapter 3, by Sven Steinmo, concerns how institutions, social norms, and cognitive consistency interact to shape tax compliance behavior. Steinmo argues that effective and trustworthy institutions can reinforce the social norms that lead to a positive tax compliance environment. These two chapters differ significantly from Sonja Dusarduijn's chapter (Chapter 4), in which she examines how tax legislation can shape trust in the tax system. She argues that, in order for citizens to trust the tax system, the tax legislation must reflect three core values: equality, certainty, and clarity.

These three chapters lead fluidly into the next set of chapters, which examine interactions between taxpayers and tax administrations. In Chapter 4, Janina Enachescu and Erich Kirchler provide an overview of the Slippery Slope Framework, a well-known framework in tax compliance literature. The framework was originally designed by Kirchler, Hoelzl, and Wahl (2008), and has since been adapted and utilized across a wide range of disciplines and in many countries. The framework analyses tax compliance using two dimensions: trust in authorities and power of authorities. Enachescu and Kirchler survey the literature and claim that the interaction between these two dimensions is not yet perfectly understood. They also discuss some of the ways in which researchers can move forward with the Slippery Slope Framework.

[1] Lecturer in International Politics and Business, University of Exeter.

In Chapter 6, Judith Freedman examines how trust and transparency relate to corporate taxation. She argues that transparency can, at times, undermine trust because the public does not always understand the intricacies of, for example, international taxation. Transparency can thus lead to misperception and decreased tax morale. However, the public's push for increased transparency derives from its lack of trust in multinational enterprises and the tax authority itself, something which needs to be addressed by improving our institutions and our tax laws.

In Chapter 7, Steven Van de Walle and Shelena Keulemans provide their findings from two surveys conducted with tax inspectors from the Netherlands and Belgium. They focus on the image that tax inspectors have of taxpayers, which tends to be quite positive.

The last three chapters reflect on the various tools tax administrations use to facilitate tax compliance. Chapter 8 discusses the possibilities for digital technologies, such as blockchain and machine learning. Sander Klous and Nart Wielaard argue that although digitalization can drastically improve efficiency and effectiveness, it also requires a paradigmatic shift in models for organizing and oversight. Bart van der Sloot, in Chapter 9, discusses the legislative environment for big data and how governments can address the future of digitalization legislatively. Finally, Chapter 10 examines the use of "behavioural-informed instruments", also known as nudges. Koos Boer and Hans Gribnau argue that legal environment within which these nudges operate needs to be considered more often and before taxpayers are "nudged".

In sum, this volume is a much-needed piece of work that introduces tax specialists to many of the issues surrounding trust and taxation. It provides the reader with a great overview of the literature and a number of new insights from renowned tax experts from around the world.