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Historical Evolution of Taxation and Public Expenditure: A Global and Indian Perspective

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Abstract
Taxation and public expenditure are two cornerstones of modern governance and economic development. Their origins, however, lie in the earliest organized human societies, where the collection and redistribution of resources played critical roles in building administrative capacity, maintaining social order, and asserting sovereignty. This paper explores the historical evolution of taxation and public expenditure from ancient civilizations to contemporary nation-states, with a particular focus on both global trajectories and the Indian context. It also reviews the classical and neoclassical economic theories that have provided the intellectual scaffolding for understanding fiscal systems. Drawing on examples from Mesopotamia, Egypt, Greece, Rome, medieval Europe, and India—from the Mauryan Empire to the British Raj—the paper demonstrates how fiscal practices evolved in tandem with political, cultural, and economic changes. The theoretical contributions of Adam Smith, Pigou, Samuelson, and others are also examined to underscore how foundational ideas continue to inform public finance in today's economies.

1. Introduction

Taxation and public expenditure serve as the primary fiscal tools through which governments mobilize and allocate resources to fulfill collective needs. The functions they serve—ranging from defense and law enforcement to education, infrastructure, and welfare—have expanded significantly over time. Yet, the historical origins of these mechanisms are rooted in the practical necessities of early state formation: the need to maintain armies, fund public infrastructure, manage irrigation, and support elite and religious institutions.

Across civilizations, fiscal institutions have reflected the interplay of political authority, economic organization, and cultural norms. Ancient societies collected taxes in kind and used them to build monuments or fund wars. Medieval and early modern states relied on these tools to sustain royal courts and project power. In parallel, the scope and purpose of public expenditure evolved—from ceremonial and military use to broader economic and social functions.

This paper presents a comprehensive review of the historical development of taxation and public expenditure, beginning with ancient civilizations, then shifting to India's historical experience, and culminating in the theoretical underpinnings shaped by classical and neoclassical economic thought. It aims to provide a nuanced understanding of how these fiscal mechanisms both reflected and shaped societal priorities over time.

2. Global Historical Evolution of Taxation and Public Expenditure

2.1 Ancient Civilizations

In the earliest civilizations, taxation was deeply entwined with religious and political authority. In Mesopotamia, around 3000 BCE, temples functioned not only as religious sites but also as economic hubs. Grain, livestock, and labor were levied as tribute to these institutions. This tribute helped finance large-scale irrigation systems critical to agriculture in the arid region, as well as religious ceremonies and administrative functions.

In Ancient Egypt, the Pharaoh's rule was deeply theocratic, and the state operated through a centralized bureaucracy. Taxes were collected in the form of grain, cattle, and labor (particularly during the inundation season, when agricultural activity was paused). These resources were used to build monumental architecture—such as pyramids and temples—and to maintain complex flood control and irrigation systems that were crucial for sustaining the Nile Valley civilization.

In Classical Greece, especially in Athens, the notion of civic duty was closely linked with taxation. The liturgy system required wealthy citizens to fund public goods such as warships (triremes), theaters, and festivals. These liturgies were not formal taxes but compulsory public contributions that reflected the citizen's status and prestige. This early model of elite tax responsibility underpinned collective governance and reinforced the importance of public goods.

The Roman Empire developed one of the most complex tax systems in antiquity. Its tax base included tributum (land and poll taxes), portoria (customs duties), and levies on trade, inheritance, and property. Provincial taxes were collected both directly and via tax farming (publicani), a system prone to abuse. The immense revenue supported military conquests, administrative governance, urban planning, and public entertainment (e.g., gladiatorial games). Roman roads, aqueducts, and administrative offices were all financed through public revenue, enabling centralized control over a vast territory.

Despite the technological and administrative sophistication, these systems often imposed severe burdens on peasants, leading to recurring revolts and eventual fiscal strains. Taxation was thus both a source of state capacity and, paradoxically, a cause of civil unrest and regime collapse.

2.2 Medieval Europe

The collapse of the Western Roman Empire led to the feudal fragmentation of Europe, where fiscal authority was localized under the manorial system. Instead of centralized taxation, feudal lords extracted rents, produce, and labor from serfs in return for protection and the right to cultivate land. Lords, in turn, owed military and financial support to higher nobles or monarchs.

Monarchies during this time relied on episodic revenue sources, including customs duties, land taxes, scutage (money paid instead of military service), and tallage (levy on towns or royal domains). Kings often demanded extraordinary contributions for war or ceremonial expenses, sometimes resorting to forced loans from the wealthy.

Tensions over arbitrary taxation culminated in political milestones such as the Magna Carta (1215) in England, which required the monarch to consult nobles before levying certain taxes. This marked the genesis of representative oversight over taxation, which gradually expanded across Europe.

Even though public spending was limited, kings invested in royal courts, fortresses, and basic administrative machinery to consolidate rule. Some urban centers, particularly in the Italian city-states, began to finance infrastructure such as walls, harbors, and markets, laying the groundwork for modern municipal governance.

2.3 Early Modern Europe and Mercantilism

The rise of nation-states and centralized monarchies in early modern Europe required more regular and predictable fiscal systems. This period, influenced by mercantilist doctrine, saw the state as an agent for economic strength and territorial expansion.

Taxation became more structured, with excise taxes, stamp duties, poll taxes, and property taxes being levied to support growing bureaucracies and militaries. In France, the *taille* and *gabelle* (salt tax) were prominent sources of royal income. In England, the monarchy depended on customs duties and, later, a permanent excise system.

Public expenditure primarily supported war efforts, especially in the context of colonial expansion and intra-European conflicts. Revenues funded standing armies, naval fleets, and the building of roads, canals, and ports, aimed at strengthening internal cohesion and international competitiveness.

The ideological justification for taxation and state-led investment began to shift subtly, with thinkers recognizing the role of government in promoting commerce and maintaining national power. Yet, tensions persisted between taxation levels and public consent, leading to uprisings and, eventually, demands for greater political participation.

3. Historical Evolution of Taxation and Public Expenditure in India

The Indian subcontinent has witnessed diverse and dynamic systems of taxation and public expenditure over millennia. These systems evolved across various historical periods, reflecting shifts in political authority, religious practices, land tenure systems, and foreign influences. Unlike the relatively linear development of European fiscal systems, India's trajectory was shaped by overlapping dynasties, empires, and colonial administrations that left distinct institutional legacies. This section traces the evolution from ancient times through the Mughal era to British colonial rule.

3.1 Ancient and Classical India

India's early approach to taxation and public finance was deeply influenced by religious texts, legal codes, and administrative treatises. One of the most influential texts, Kautilya's **Arthashastra** (circa 4th century BCE), provided an extensive manual on governance, economic policy, and revenue administration during the Mauryan Empire.

Key Features:

- **Land Revenue**: Considered the most significant source of income. Farmers paid a portion of their produce to the state, usually between one-sixth and one-fourth, depending on land fertility and crop type.
- **Trade Taxes**: Levies were imposed on trade routes, marketplaces, and imported goods.
- **Professional and Occupation Taxes**: Artisans, miners, and other professionals contributed taxes or fees in cash or kind.
- **Moral Justification**: Kautilya emphasized a pragmatic yet ethical approach: a king should act like a "bee collecting honey" without harming the flower, i.e., the taxpayer.

Public expenditure was directed towards:

- **Military upkeep**, including elephant and cavalry units.
- **Public works** like roads, irrigation canals, and embankments.
- **Royal administration and justice systems**.
- **Religious patronage**, especially temples and educational institutions.

The **Gupta period (4th–6th century CE)** continued many of these practices but saw a greater decentralization of authority. Local chieftains and feudal landlords administered taxes at the village or regional level. In **South India**, during the **Chola dynasty (9th–13th century CE)**, an efficient revenue system was in place, with detailed cadastral surveys and revenue classifications based on soil type and irrigation potential.

Temples in the South not only served religious purposes but also acted as local fiscal and administrative centers, managing donations, land grants, and funding public goods such as tanks, roads, and granaries. Public finance, in this sense, was interwoven with spiritual life, reinforcing state legitimacy and redistributive justice.

3.2 The Mughal Era

The Mughal Empire (1526–1707) centralized fiscal administration to an unprecedented degree, blending Persian administrative innovations with indigenous practices.

Revenue Innovations:

- **Todar Mal's Bandobast** under Emperor Akbar formalized land revenue assessments. This system:
    - Standardized **measurement units (gaz)** and **area classifications (zabt)**.
    - Accounted for **soil quality, crop patterns, and average yields**.
    - Established the **dahsala system**, where taxes were based on a 10-year average of produce and paid in cash or kind.
- **Jagirdari System**: Revenue rights (not land ownership) were assigned to Mughal officials (Jagirdars), who collected taxes and maintained troops in exchange.
- **Customs and Transit Duties**: Trade across provinces incurred tolls and duties, contributing significantly to imperial coffers.

Public expenditure supported:

- **Grand architectural projects** such as the Taj Mahal, Red Fort, and Jama Masjid.
- **Military expansion** and frontier defense.
- **Administrative salaries and maintenance of the royal court**.
- **Public goods** like sarais (rest houses), roads, wells, and urban infrastructure.

While the Mughal tax system was technically advanced and revenue-rich, it placed heavy burdens on the agrarian population, particularly during periods of famine or poor harvest. Local corruption and arbitrary extractions by intermediaries led to periodic revolts and weakened administrative legitimacy over time.

3.3 Colonial Period: British East India Company and Crown Rule

Colonial rule introduced dramatic shifts in both taxation logic and the structure of public expenditure. These changes were driven by the priorities of revenue maximization and imperial control rather than developmental or welfare considerations.

3.3.1 Company Rule (1757–1858)

Following the **Battle of Plassey (1757)** and **Diwani rights (1765)** in Bengal, Bihar, and Orissa, the **East India Company** became the de facto fiscal authority in large parts of India.

- **Permanent Settlement (1793)**: Implemented by **Lord Cornwallis**, this system fixed land revenue in perpetuity and created the **Zamindari system**, where intermediaries (Zamindars) collected revenue from peasants. While intended to create a loyal landed aristocracy, it led to:
    - **Peasant exploitation and eviction**, as Zamindars increased rents beyond capacity.

    - **Revenue stagnation**, since the government could not revise taxes even during inflation or productivity gains.
- **Ryotwari and Mahalwari systems** (in southern and northern India, respectively): Direct settlements with cultivators or villages aimed at increasing administrative efficiency and government control.
- **Excise and Customs Duties**: Levied on salt, tobacco, opium, and textiles. Salt tax, in particular, became a major symbol of colonial oppression (e.g., Gandhi's Salt March).

Public expenditure during Company rule was highly skewed:

- **Military spending** accounted for more than half of the budget, aimed at suppressing uprisings and expanding British territory.
- **Infrastructure investments**, such as railways and ports, were designed primarily to facilitate the export of raw materials and movement of troops.
- **Negligible investment** in education, health, or agriculture, despite rising peasant distress.

3.3.2 British Crown Rule (1858–1947)

Post-1858, the British Crown assumed direct control, introducing a more bureaucratic, centralized, and legalistic fiscal regime.

- **Income Tax Act (1860)** introduced direct taxation for the first time, but it was primarily levied on the salaried and merchant class.
- **Excise duties and customs tariffs** became more sophisticated and regressive in structure.
- **Salt tax** continued as a source of colonial revenue, despite widespread opposition.

Patterns of Public Expenditure:

- Continued prioritization of **military, law and order, and administrative spending**.
- Development of **railways, telegraphs, and irrigation canals**, mainly to enhance extractive capacity and market integration for British goods.
- **Limited investment** in **education, public health, and agriculture**, contributing to India's stagnation in human development indicators.
- **Provincial devolution** began under the **Government of India Act of 1919**, but real fiscal control remained with the British bureaucracy.

The colonial fiscal legacy left India with:

- A **structured but extractive tax system**.
- An **infrastructure network** that was underutilized for domestic development.
- **Deep socio-economic inequalities** and widespread peasant impoverishment.

By the time of independence, India inherited the **institutions of modern taxation**—but also the deep distrust of a system designed for foreign exploitation rather than local welfare.

4. Classical Foundations and the Minimal State

The classical school of economics emerged in late 18th-century Europe during the transformative period of the Industrial Revolution, Enlightenment thought, and the rise of market-based production. Classical economists such as **Adam Smith**, **David Ricardo**, **Thomas Malthus**, and later **John Stuart Mill**, fundamentally shaped early understandings of taxation and public expenditure. Their writings introduced foundational ideas regarding the **role of the state**, **economic liberty**, **efficiency**, and **justice**, many of which continue to underpin modern fiscal systems.

The central theme in classical thought was the belief in **self-regulating markets**. Yet, classical economists did not advocate for a stateless society; rather, they outlined a **minimal but essential role for government**—what we may now call the "night-watchman" state.

4.1 Adam Smith (1723–1790)

Widely regarded as the father of modern economics, **Adam Smith**'s seminal work, *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776), laid down a systematic framework for understanding economic institutions, including taxation and public spending.

Smith's Three Core Functions of Government:

1. **National Defense**
    - Smith argued that one of the primary duties of the state was to protect its citizens from foreign aggression.
    - Since defense constitutes a **non-rival and non-excludable good**, private provision is inefficient. Only the state can sustain an army and navy for common defense.
2. **Administration of Justice**
    - Maintaining internal peace and enforcing contracts are vital for market functioning.
    - Smith believed that the judiciary was indispensable for the protection of property rights and civil society.
3. **Public Works and Institutions**
    - He recognized the need for **infrastructure** (roads, bridges, canals) and **public institutions** (schools, universities) which provide long-term benefits but may not be profitable for private investment.
    - Smith anticipated the modern concept of **public goods**: items that the market underprovides because of **free rider problems**.

Smith on Taxation:

Smith proposed four principles of taxation—often referred to as the **"Canons of Taxation"**:

- **Equity**: Taxes should be proportional to the income or ability to pay.
- **Certainty**: The amount, time, and method of payment should be clear to the taxpayer.
- **Convenience**: Taxes should be collected at a time and in a manner convenient to the taxpayer.
- **Economy**: The cost of tax collection should be minimal relative to the revenue collected.

Smith supported **proportional taxation** but expressed concern about **excessive taxation**, which could discourage production and savings.

4.2 David Ricardo (1772–1823)

Ricardo's focus was more on **income distribution** and the long-run implications of fiscal policy. He theorized about the economic burden of **taxation and public debt**, particularly its effect on **capital accumulation** and **comparative advantage**.

- Ricardo observed that **public debt**—if funded by borrowing rather than taxation—could crowd out private investment and depress economic growth.
- He was particularly wary of **taxation on capital or profits**, arguing that such levies could reduce investment incentives and alter international competitiveness.

Although Ricardo did not develop a comprehensive theory of public expenditure, his analysis brought attention to the **intergenerational impact** of public borrowing—a concept that remains central in modern debates about fiscal sustainability.

4.3 Thomas Robert Malthus (1766–1834)

Best known for his *Essay on the Principle of Population* (1798), Malthus's contribution to public finance lies in his **concern with poverty, population growth, and social welfare**.

- He viewed **poor laws** and **charitable relief** with caution, fearing that unconditional welfare might reduce individual incentives to work and contribute to **overpopulation**.
- However, Malthus acknowledged the **economic and moral case** for public relief in times of famine or economic crisis.
- His ideas laid early foundations for thinking about **social expenditure and demographic sustainability**.

4.4 John Stuart Mill (1806–1873)

Mill is often seen as a transitional figure who preserved the classical belief in economic liberty while recognizing the emerging **social responsibilities of the state**.

Mill on Public Expenditure:

- Mill believed that the state should fund and manage certain services—such as **basic education**, **public health**, and **urban planning**—where market mechanisms failed or where public benefits greatly exceeded private returns.
- He advocated **progressive taxation**, unlike Smith's proportionality, asserting that those with higher incomes should contribute more than proportionately to the public treasury.

Mill also introduced the idea of **"just distribution"** as distinct from efficient production. This distinction helped legitimize **redistributive public policies**, setting the stage for later welfare economics.

4.5 Summary of Classical Contributions

Economist	Key Contribution to Fiscal Theory	View on Government Role
Adam Smith	Canons of taxation, limited public goods theory	Minimal state; support for defense, justice, infrastructure
David Ricardo	Impact of taxes and debt on income distribution and investment	Skeptical of excessive taxation or debt
Thomas Malthus	Population-welfare relationship, conditional relief	Welfare needed in emergencies; feared disincentives
John S. Mill	Progressive taxation, support for education and health	Broader state role to promote fairness

Together, these classical thinkers offered a **conceptual baseline**: while free markets are efficient in most cases, **limited but strategic public expenditure** is essential for the provision of justice, security, infrastructure, and basic social services. They also initiated key discussions on the principles of taxation, debt sustainability, and the ethical role of the state—discussions that continue in contemporary fiscal policy.

In the next section, we expand upon the **neoclassical refinements**, where the emphasis shifts toward correcting market failures, externalities, and the formal theory of public goods.

5. Neoclassical Extensions: Efficiency, Externalities, and Welfare

By the late 19th and early 20th centuries, economics underwent a major transformation known as the **"marginalist revolution"**. This intellectual shift marked the transition from classical to **neoclassical economics**, which focused on **individual decision-making**, **utility maximization**, and **marginal analysis**. Within this framework, economists began to formalize conditions under which government intervention is not only permissible but essential to improve **efficiency**, **correct market failures**, and **enhance social welfare**.

Whereas classical economists emphasized the minimal role of the state, **neoclassical theorists** introduced more **analytical justifications for public expenditure**, particularly through the concepts of **externalities**, **public goods**, and **Pareto optimality**. These ideas laid the groundwork for **modern welfare economics**.

5.1 Alfred Marshall (1842–1924): Marginalism and External Effects

Alfred Marshall, author of *Principles of Economics* (1890), is often regarded as the father of neoclassical economics. Although his primary focus was on microeconomic principles—demand, supply, elasticity—he introduced the concept of **externalities** (then called "external economies" and "external diseconomies").

Key Contributions:

- Marshall recognized that **private decisions can have unintended spillover effects**—both positive and negative—on others not involved in the transaction.
- For instance, a **factory polluting a river** imposes a cost on nearby residents (a **negative externality**), while a well-educated workforce benefits the entire economy (a **positive externality**).
- These effects cause **market prices to deviate from social costs/benefits**, resulting in inefficiency.

Although Marshall did not prescribe specific policy solutions, his insights opened the door for **government interventions** (such as taxes, subsidies, or regulations) to correct these discrepancies and align **private incentives** with **public interests**.

5.2 Arthur Cecil Pigou (1877–1959): The Economics of Welfare

Building on Marshall's externality theory, **A.C. Pigou** published *The Economics of Welfare* in 1920, where he developed a comprehensive theory of when and how the state should intervene to **correct market failures**.

Pigovian Theory:

- Pigou proposed that **externalities** cause a divergence between **private marginal costs/benefits** and **social marginal costs/benefits**.
- In the case of **negative externalities** (e.g., pollution), the market tends to overproduce harmful goods. Pigou recommended imposing **corrective taxes** (now known as **Pigovian taxes**) to internalize these costs.
- For **positive externalities** (e.g., vaccination, research), the market underproduces socially beneficial goods. Pigou advocated **subsidies** to boost their provision.

Public Expenditure Justification:

- Pigou's model legitimized **government spending** on health, education, research, and infrastructure—not merely as charity, but as an economically efficient response to market failures.
- He also emphasized the role of **public goods and merit goods**, recognizing that certain services (like sanitation or schooling) yield **societal benefits that exceed private gains**.

Pigou's framework formed the **intellectual bedrock for welfare economics** and remains a foundational argument for **environmental regulation**, **public healthcare**, and **state-funded education**.

5.3 Paul A. Samuelson (1915–2009): Public Goods Theory

A transformative figure in 20th-century economics, **Paul Samuelson** introduced a **rigorous mathematical model** of public goods in his landmark 1954 article, *The Pure Theory of Public Expenditure*. He defined **pure public goods** through two key characteristics:

Two Defining Features of Public Goods:

1. **Non-rivalry**: One person's consumption does not reduce the amount available to others.
2. **Non-excludability**: It is not feasible to exclude individuals from benefiting, even if they don't pay.

Examples: **National defense**, **lighthouses**, **street lighting**, **scientific research**.

Samuelson's Condition for Optimal Provision:

To determine how much of a public good should be provided, Samuelson introduced the following equilibrium condition:

$$\sum_{i=1}^{n} \mathbf{MRS}_i = \mathbf{MRT}$$

Where:

• **MRS_i** is the *marginal rate of substitution* of individual *i* between the public good and a private good.
• **MRT** is the *marginal rate of transformation* between the two goods in production.

This condition implies that the sum of individual willingness to pay for the public good should equal its marginal cost of production. Only the state can feasibly implement such provision, since market pricing mechanisms fail due to the free-rider problem—where individuals underreport their preferences or avoid paying, hoping others will cover the cost.

Policy Implication:

Samuelson's theory provided a mathematical justification for public spending, particularly for goods that markets would not provide at all, or would underprovide. It became the foundation of public finance, cost-benefit analysis, and fiscal policy design in post-war economics.

5.4 Pareto Efficiency and Welfare Economics

Neoclassical theory also incorporated concepts of **Pareto efficiency**, named after **Vilfredo Pareto**, which became central to welfare economics.

Pareto Criterion:

- An allocation is **Pareto efficient** if no one can be made better off without making someone else worse off.
- While this condition is **necessary**, it is **not sufficient** for social justice or equitable distribution.

This led to the **Second Welfare Theorem**, which states that any Pareto efficient outcome can be achieved by a competitive market, provided that initial endowments are appropriately redistributed. This opened space for redistributive taxation and transfer payments, not to distort markets, but to ensure fairness in initial conditions.

5.5 Summary of Neoclassical Contributions

Economist	Core Concept	Fiscal Implication
Alfred Marshall	Externalities	State should correct market spillovers via regulation/subsidy
A.C. Pigou	Welfare Economics	Use taxes and subsidies to internalize social costs/benefits
Paul Samuelson	Public Goods Theory	State must provide non-rival, non-excludable goods
Vilfredo Pareto	Pareto Efficiency	Redistribution can achieve equity without sacrificing efficiency

5.6 Legacy of Neoclassical Thought

The neoclassical school added analytical depth and mathematical rigor to the case for public expenditure. Unlike the classical view that saw government as a necessary but limited actor, neoclassical thinkers identified specific domains where market failure necessitates state action.

These include:

- **Correcting externalities** (pollution, education, health)
- **Providing public goods** (defense, basic research, clean air)
- **Redistribution for social equity** (via progressive taxation, welfare)

At the same time, neoclassical models also exposed the limits of state intervention, highlighting the risk of government failure, bureaucratic inefficiency, and misaligned incentives, which would later be critiqued by the public choice school.

6. Conclusion

The evolution of taxation and public expenditure reflects the long journey of human societies from rudimentary forms of governance to complex, institutionalized states. From temple levies in Mesopotamia to structured revenue systems in Rome, from feudal dues in medieval Europe to the rationalized tax codes of modern states, fiscal instruments have not only financed governance but also shaped the nature, legitimacy, and reach of political authority.

Globally, historical evidence illustrates that early taxation served the basic needs of survival and order—defense, irrigation, infrastructure, and religious functions. Over time, the functions of public expenditure expanded alongside political centralization, the rise of trade, and growing expectations of social welfare. The transition from patrimonial rule to constitutional and developmental states paralleled the evolution of public finance from an extractive tool to a strategic lever for nation-building, economic development, and equity.

In the Indian context, fiscal systems evolved through a rich interplay of indigenous innovation and external imposition. The Mauryan and Mughal empires developed sophisticated taxation systems oriented around land and trade, aimed at consolidating central control and facilitating administrative reach. However, it was under British colonialism that taxation became explicitly extractive, with public expenditure channeled to protect imperial interests rather than foster Indian welfare. Although India inherited a relatively advanced fiscal infrastructure, it was accompanied by deep socioeconomic inequalities, regional imbalances, and popular resentment, setting the stage for an independent fiscal vision focused on developmental goals and inclusive growth.

On the theoretical side, classical and neoclassical economists provided intellectual scaffolding that continues to guide public finance. Adam Smith's minimalist state, Pigou's correction of market failures, and Samuelson's theory of public goods offer enduring frameworks for evaluating when and why public expenditure is warranted. These theories also laid the foundation for key principles in fiscal policy: efficiency, equity, accountability, and transparency.

Three enduring tensions are evident across both history and theory:

1. State vs. Market: To what extent should the state intervene in economic life?
2. Equity vs. Efficiency: How should limited public resources be distributed?
3. Consent vs. Coercion: What legitimizes the state's power to tax and spend?

Today's fiscal challenges—ranging from climate change and inequality to digital public infrastructure and global taxation regimes—continue to revisit these core questions. Understanding the historical pathways and theoretical frameworks of taxation and public expenditure thus offers not only academic insight but also practical wisdom for designing resilient, inclusive, and sustainable fiscal policies in the 21st century.

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