Race and Regionalism in the Politics of Taxation in Brazil and South Africa

Nationally specific definitions of citizenship proved decisive for the development of the Tax State in Brazil and South Africa in the 20th century. Although both countries had been divided along racial and regional lines in the late 19th century, watershed constitutions addressed these political problems in very different ways. South Africa’s institutionalized white supremacy created a level of political solidarity that contributed to the development of a highly progressive and efficient tax system. In Brazil, federalism and official non-racialism proved more divisive, making the enactment and collection of progressive taxes much more difficult. The legacy of these divergent state-building processes remains evident at the beginning of the 21st century. Lieberman extends this analysis to a wider group of country cases and finds similar patterns and causal relationships between the politics of race, region, and taxation. The findings are based on extensive field research, large-scale national surveys, macroeconomic data, and various archival and secondary sources.

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For Amy
Race and Regionalism in the Politics of Taxation in Brazil and South Africa

Evan S. Lieberman
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Abbreviations

AH! Afrikaanse Handelsinstituut
ANC African National Congress
ASSOCOM Association of Chambers of Commerce
BNDES Banco Nacional de Desenvolvimento Econômico e Social
BSA Business South Africa
CGT Confederação Geral dos Trabalhadores
CNI Confederação Nacional da Indústria
CONFAZ Conselho de Política Fazendária
COSATU Congress of South African Trade Unions
CUT Central Única dos Trabalhadores
DP Democratic Party
FF Freedom Front
FIESP Federação das Indústrias do Estado de São Paulo
FGV Fundação Getúlio Vargas
FIRJAN Federação das Indústrias do Estado do Rio de Janeiro
GST General Sales Tax
IADB Inter-American Development Bank
IBGE Instituto Brasileiro de Geografia e Estatística
IFP Inkatha Freedom Party
IMF International Monetary Fund
IPEA Instituto de Pesquisa Econômica Aplicada
MAR Minorities at Risk Dataset
NAAMSA National Association of Automobile Manufacturers in South Africa
NAFCOC National African Federated Chamber of Commerce
NEDLAC National Economic Development and Labour Council
NNP New National Party
NP National Party
NPC National Political Community (analytic term used throughout the book, defined in Chapter 1)
PAC Pan Africanist Congress
PDS Partido Democrático Social
Abbreviations

<table>
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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>PDT</td>
<td>Partido Democrático Trabalhista</td>
</tr>
<tr>
<td>PFL</td>
<td>Partido da Frente Liberal</td>
</tr>
<tr>
<td>PMDB</td>
<td>Partido do Movimento Democrático Brasileiro</td>
</tr>
<tr>
<td>PSDB</td>
<td>Partido da Social Democracia Brasileira</td>
</tr>
<tr>
<td>PT</td>
<td>Partido dos Trabalhadores</td>
</tr>
<tr>
<td>SACOB</td>
<td>South African Chamber of Business</td>
</tr>
<tr>
<td>SAP</td>
<td>South African Communist Party</td>
</tr>
<tr>
<td>SAFCOC</td>
<td>South African Federated Chamber of Commerce</td>
</tr>
<tr>
<td>SARS</td>
<td>South African Revenue Service</td>
</tr>
<tr>
<td>SRF</td>
<td>Secretaria da Receita Federal</td>
</tr>
<tr>
<td>TRC</td>
<td>Truth and Reconciliation Commission</td>
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<tr>
<td>VAT</td>
<td>Value Added Tax</td>
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