

Contents

List of Figures and Tables	page vii
List of Acronyms	ix
Preface	xiii
1. Revenues, States, and Central America The Nature of Tax	I I2
The Argument Methodology of Research and Comparison Structure of the Book	16 19 23
2. State-Building in a Globalized Political Economy Globalization State-Building Fiscal Sociology Framework of State-Building and Tax Regimes Conclusion	25 25 29 34 40 50
3. Historical Junctures in Central American State-Building and Tax Central American State-Building Over Time and Across Spatax Regimes 1980s Crisis Conclusion	52 54 64 75 77
4. 1990s Transnational Integration: Quantitative Evaluation of Socioeconomic Actors, Democratic Institutions, and Tax Regimes Introduction Socioeconomic Actors Political System	80 80 83 92

© in this web service Cambridge University Press



vi		Contents
	Fiscal Conditions	99
	Conclusion	106
5.	Inside-Out State-Building in El Salvador: Dominant and	
	Cohesive Transnational Elites	109
	Introduction	109
	Increase Taxes, but Not on the Wealthiest	110
	Dominant and Cohesive Transnational Elites	115
	Facilitating State-Building	124
	Reform Abundance	128
	Reforms by Fiat and Retreat	132
	Conclusion	135
6.	Outside-In State-Building in Honduras: Dominant but	
	Divided Transnational Elites	137
	Increasing Taxes and Tax Breaks	138
	Dominant but Divided Transnational Elites	142
	Parallel Institutions	155
	Reform Cycles	159
	Reform from Outside and Erosion	162
	Conclusion	169
7.	Crisis in Guatemalan State-Building: Divided, Subordinate	
	Transnational Elites	171
	Introduction	171
	Emergency Increases, Stagnating Tax	172
	Divided and Subordinate Transnational Elites	175
	Institutional Obstacles	183
	Many Reforms, Little Change	187
	Reform Collapse and by Stealth	190
	Conclusion	196
8.	Conclusion: Globalization and State-Building in Developin	g
	Countries	198
	The Politics of Tax Regimes	199
	Countervailing Power	203
	2009	205
Αp	pendix: Database on Tax Legislation	213
	hliography	215
Index		239



Figures and Tables

Figures

I.I.	Change in tax/GDP since 1990	page 7
3.1.	Proportion of revenue from different tax sources	73
4.1.	Central American market share of U.S. apparel imports	86
5.1.	El Salvador, revenue structure	III
5.2.	El Salvador, economic change	117
6.1.	Honduras, revenue structure	140
7.1.	Guatemala, revenue structure	174
Tabl	les	
	Emerging Elites, State-Building, and Tax Regimes	19
-	Tax as Percent GDP	54
-	Divergent State-Building Over Time and Space	63
	Revenues in Pesos	66
3.4.	Tax Regimes at the End of the Liberal Period, 1929	68
3.5.	Revenue During the Depression	69
3.6.	Post–WWII Tax as Percent of GDP	72
4.1.	Indicators of Integration, Annual Averages (US\$ million)	87
4.2.	Party Systems, Central America	94
4.3.	Tax Burdens Since 1990	IOI
4.4.	Central America Average Tax, Percent of Total	102
4.5.	Free Trade Zone Incentives, Exemptions, and Durations,	
	2005	104
4.6.	Average Tax Proportions as a Percentage GDP, 2003–2007	106
5.1.	Productivity of Tax, Selected Sectors	113
5.2.	Party System, El Salvador	123
		vii

© in this web service Cambridge University Press



viii	Figures a	Figures and Tables	
5.3. Tax Reforms, El Salvador		131	
6.1. Honduras, Tax Burden by Base ar	nd Income Decile	141	
6.2. Financial Sector and International	l Alliances	145	
6.3. Business Elites in Government, by	Party and Sector	147	
6.4. Legislative Seats, Honduras		153	
6.5. Party System Polarization, Hondu	ıras	154	
6.6. Tax Reforms, Honduras		161	
7.1. Seats in Guatemalan Legislative E	lections	181	
7.2. Tax Reforms, Guatemala		188	
8.1. Dominance and Cohesion, Pattern	ns of Reform	204	