

The Political Economy of Taxation in Latin America

Paying taxes is one of the least popular activities worldwide. Latin America in particular is notorious for having low direct taxes, weak compliance and enforcement, and high levels of inequality. Although fiscal extraction has gained renewed interest among governments in recent years, with the end of the commodity boom adding special urgency, the successful adoption and implementation of tax reforms is easier said than done, even when tax policy prescriptions are widely shared. This volume provides the first comprehensive, region-wide assessment of the role of political factors, including public opinion, democratic institutions, natural resources, interest groups, political ideology, and state capacity.

What explains the region's low levels of taxation? What explains the low progressivity in its tax structure? And what explains considerable differences across countries? In addressing these questions, each of the volume's chapters makes original theoretical and empirical contributions toward understanding how to overcome the political challenges to taxation.

Gustavo A. Flores-Macías is Associate Professor of Government at Cornell University. He is the author of *After Neoliberalism: The Left and Economic Reforms in Latin America* (2012), which received the Latin American Studies Association Tomassini Book Award. He is a faculty fellow at Cornell's Atkinson Center for a Sustainable Future and core faculty at the Cornell Institute for Public Affairs. In 2017–2018, he was the recipient of Princeton University's Democracy and Development Fellowship.

Cambridge University Press
978-1-108-47457-3 — The Political Economy of Taxation in Latin America
Edited by Gustavo Flores-Macías
Frontmatter
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CAMBRIDGE
 UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom
 One Liberty Plaza, 20th Floor, New York, NY 10006, USA
 477 Williamstown Road, Port Melbourne, VIC 3207, Australia
 314-321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,
 New Delhi – 110025, India
 79 Anson Road, #06-04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

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www.cambridge.org

Information on this title: www.cambridge.org/9781108474573

DOI: 10.1017/9781108655934

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First published 2019

Printed and bound in Great Britain by Clays Ltd, Elcograf S.p.A.

A catalogue record for this publication is available from the British Library.

Library of Congress Cataloging-in-Publication Data

NAMES: Flores-Macias, Gustavo, editor.

TITLE: The political economy of taxation in Latin America / edited by Gustavo Flores-Macias.

DESCRIPTION: Cambridge, United Kingdom ; New York, NY : Cambridge University Press, 2019. | Includes bibliographical references and index.

IDENTIFIERS: LCCN 2019006488 | ISBN 9781108474573 (hardback)

SUBJECTS: LCSH: Taxation – Latin America. | Latin America – Economic policy.

CLASSIFICATION: LCC HJ2460.5 .P66 2019 | DDC 336.20098–dc23

LC record available at <https://lcn.loc.gov/2019006488>

ISBN 978-1-108-47457-3 Hardback

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Contents

<i>List of Figures</i>	<i>page</i> vii
<i>List of Tables</i>	viii
<i>List of Contributors</i>	ix
<i>Acknowledgments</i>	xii
1 Introduction: The Political Economy of Taxation in Latin America <i>Gustavo A. Flores-Macías</i>	I
2 The Political Economy of Oil Taxation in Latin America: Policy Volatility and Untapped Potential <i>Francisco J. Monaldi</i>	25
3 Economic Growth and Tax Compliance in Latin America: Did the “Good Times” Help to Reduce Tax Evasion? <i>Marcelo Bergman</i>	53
4 Once Bitten, Twice Shy: Path Dependence, Power Resources, and the Magnitude of the Tax Burden in Latin America <i>Gabriel Ondetti</i>	76
5 Federalism and Taxation: Periods of Brazilian International Insertion <i>Aaron Schneider</i>	114
6 Particularistic Political Institutions and Tax Neutrality in Latin America <i>Mark Hallerberg and Carlos Scartascini</i>	144
7 Taxing Latin America’s Economic Elites <i>Tasha Fairfield</i>	172

8	Weak Liberalism and Weak Property Taxation in Latin America <i>James E. Mahon, Jr.</i>	193
9	Preferences for Redistribution and Tax Burdens in Latin America <i>Juan A. Bogliaccini and Juan Pablo Luna</i>	219
10	Conclusion: Addressing Taxation's Political Challenges <i>Gustavo A. Flores-Macías</i>	242
	<i>Index</i>	267

Figures

1.1	Commodity prices and Latin America's fiscal balance	<i>page</i> 6
1.2	General government balance, selected countries (% of GDP)	7
1.3	Tax-to-GDP ratio by income level (central government)	9
1.4	Latin America income share by decile group (%)	10
1.5	Change in inequality measured as Gini coefficient, <i>ca.</i> 2011	12
1.6	Change in total tax revenue (% of GDP)	13
2.1	Government-take and investor-take at different oil prices	41
3.1	Personal income tax collection (as % of GDP)	61
4.1	Evolution of the tax burden in Brazil, Chile, and Mexico, 1900–2009 (decadal averages)	80
5.1	Brazil tax revenue as a % of GDP	119
5.2	Central government share of total receipts and expenditures	121
5.3	Tax revenue as a share of GDP by type and level of government, 2009	135
8.1	Relationship between democracy and liberalism	202
8.2	Real estate taxes as a percentage of GDP against the sum of Heritage business freedom and Heritage property rights (components of the Economic Freedom Index), averages for 2010–2012	209
9.1	Dendrogram for distributive preferences in Latin America	233
9.2	VAT level and effective tax collection	235

Tables

2.1	Basic oil taxation regimes' components in 2012	<i>page</i> 39
2.2	Fiscal take per barrel (% of international price)	40
2.3	Major fiscal changes for oil companies in Latin America: 2014–2017	44
3.1	Evolution of tax revenues (including social security contributions) as share of GDP	54
3.2	VAT yield	57
3.3	Share of informal employment (nonagricultural sector) as % of total	59
4.1	Average tax burden among Latin American countries, 2009–2013	78
4.2	Tax structures, tax burdens, and total fiscal revenues, 2009–2013	79
5.1	Four periods of international insertion, federalism, and tax	120
6.1	Tax reforms that change the neutrality of the tax system, 1990–2004	149
6.2	Increase neutrality?	163
8.1	Total revenue and tax revenue by type of tax (% of GDP), general government	197
8.2	Descriptive statistics and t-tests for global, Latin America, and Latin America minus the three most hydrocarbon-revenue- dependent countries (Venezuela, Bolivia, Ecuador) on measures of democracy and economic liberalism	203
9.1	Classification of countries by class, well-being, and ideology dimensions	231
9.2	Typology for redistributive preferences	234
9.3	Forbearance and predisposition to increase tax burden for redistribution	235

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xi

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Acknowledgments

This book was born out of an effort to inform tax policy. It responds to the concern that the bulk of existing scholarship on the topic has focused on the design of the appropriate tax policies, but has neglected the political considerations that promote or hinder those policies. A central motivation for the project was the firm belief that the best economic reforms are doomed to failure in the absence of the right political conditions to adopt them and sustain them over time. Although its focus is on Latin America, the volume seeks to inform our understanding of common political challenges beyond the region.

This endeavor benefited from the generosity of several centers around Cornell. The Mario Einaudi Center for International Studies and the Institute for the Social Sciences contributed funds to hold in Ithaca the seminal conference on taxation that paved the way for this volume. The Latin American Studies Program provided support for the logistics of the conference. The Princeton Institute for International and Regional Studies at Princeton University provided a rich intellectual environment to work on the volume during my time as the 2017–2018 Democracy and Development Fellow.

I am especially grateful to Robert Kaufman, Kenneth Roberts, and Ben Ross Schneider. Their feedback at the taxation conference considerably improved the volume, and their encouragement throughout the project was key in turning it into a book. I am also grateful to Sarah Kreps, Jim Mahon, Mick Moore, Vicky Murillo, Gabriel Ondetti, Tom Pepinsky, Will Prichard, Nic van de Walle, and Deborah Yashar for helpful comments and discussion about the topics in this volume. David de Micheli, Whitney Taylor, and Jimena Valdez provided invaluable assistance with organizing the conference. Finally, I thank Sara Doskow and her team at Cambridge University Press for their enthusiasm and support for the project, and Richard and Maritza Williamson for their generosity.