

Property Threats and the Politics of Anti-Statism

Tax revenues have risen robustly across Latin America in recent decades, casting doubt on the region's reputation for having states too poor to finance economic and social development. However, dramatic differences persist in the magnitude of national tax burdens and public sector size, even among seemingly similar countries. This book examines the historical roots of this variation. Through in-depth case studies of Argentina, Brazil, Chile, and Mexico, as well as evidence from Ecuador and Guatemala, Ondetti reveals the lasting impact of historical episodes of redistributive reform that threatened property rights. Ironically, where such episodes were most extensive, they hindered future taxation by prompting economic elites and social conservatives to mobilize politically against state intervention, forming peak business associations, rightist parties, and other formal and informal organizations that have proven to be remarkably enduring.

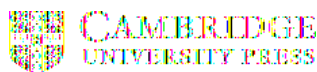
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The Historical Roots of Contemporary Tax Systems in Latin America

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Cambridge University Press
978-1-108-83085-0 — Property Threats and the Politics of Anti-Statism
Gabriel Ondetti
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/9781108830850

DOI: 10.1017/9781108914147

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First published 2021

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

ISBN 978-1-108-83085-0 Hardback

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To Indira and Ben, with love

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Preface and Acknowledgments

When I began researching tax policy roughly a decade ago, my intention was to leave behind land reform, a topic that had dominated my earlier scholarly work but whose relevance in Latin America seemed to be waning. However, land reform and the broader issue of property redistribution refused to be left behind. Within a few years, I had come to realize that attempts to restructure property relations had played a fundamental role in creating the surprising differences in taxation I was trying to explain. By threatening property rights, left-leaning governments in some Latin American countries had inadvertently given rise to anti-statist political blocs that posed a lasting obstacle to taxation. My foray into the realm of fiscal politics had, equally inadvertently, brought me back full circle to the question of property redistribution. This book is the end product of that circuitous intellectual journey.

I have accumulated many debts along the way. Two people have been especially important to the successful completion of this project: my former dissertation advisor Evelyne Huber and my wife and colleague Indira Palacios-Valladares. Evelyne provided detailed comments on the entire manuscript and has been a vital source of advice and encouragement. Indira went over multiple versions of each chapter and put up with my often-cranky responses to her criticisms. She has also supported this project in many other ways – so many that it is not possible to mention them all here. I am also grateful to our son, Ben, for tolerating my research-related absences, both physical and mental.

A number of other professional colleagues also deserve thanks. Matt Carnes, Tasha Fairfield, Gustavo Flores-Macías, Jim Mahon, Fabrício Augusto de Oliveira, Luiz Carlos Bresser-Pereira, Jenny Pribble, Aaron Schneider, and Mónica Unda have provided valuable comments on my previous work on this topic. Gustavo also invited me to a 2014 workshop on the politics of Latin American taxation at Cornell University, which provided very useful feedback and resulted in an excellent edited volume. A number of researchers located in Latin America gave me crucial assistance in obtaining and interpreting fiscal data, most notably Luis Aboites, José Roberto Afonso, Oscar Cetrángolo, Juan

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Carlos Gómez Sabaini, Michael Hanni, and the aforementioned Fabrício Augusto de Oliveira. I am also grateful to Benjamin Davy, Ulrike Davy, and Lutz Leisering for inviting me to participate in the “Understanding Southern Welfare” research group at the Center for Interdisciplinary Research (ZiF) at the University of Bielefeld in Germany, which contributed to my thinking about the politics of redistribution.

Sara Doskow, my editor at Cambridge University Press, has been very supportive of this project and exceptionally efficient at moving it toward publication. In addition, I must thank the two anonymous reviewers she engaged, who provided rigorous critiques of the manuscript, helping me improve it substantially. My graduate assistants, especially Mason Gaspard, Corbett McKinney, Trinh Nguyen, Stephen Rowe, and Sirvan Salehzadeh, have also been a great help.

The extensive fieldwork I conducted in Argentina, Brazil, Chile and Mexico was made possible by grants from the American Philosophical Society, the American Political Science Association, and Missouri State University. It was also facilitated by visiting affiliations with the Centro de Investigación y Docencia Económicas (CIDE) in Mexico, the Instituto de Ciencia Política of the Pontificia Universidad Católica de Chile and the Escuela de Gobierno of the Universidad Torcuato Di Tella in Argentina, as well as the flexibility of my department head, George Connor, and dean, Victor Matthews. Finally, I owe a debt of gratitude to the eighty-six people (listed at the end of the book) who took time from their often-hectic schedules to sit for interviews. This book might not have been published without their contributions and, if it had, it would surely have been a much poorer work.