

Preface

The initial idea to develop this project was born when we were working together on a series of contributions focused on political economy issues of taxation in different areas of the world. Our task was to describe the main political factors which played a major role in the design of the tax system and in the implementation of tax reforms in some specific countries. These works increased our interest towards developing countries, in particular those which have recently experienced an economic transition toward a market economy and/or a political transition toward democratic institutions. We found that in these countries the foundation of democracy and its consolidation over time, as opposed to the presence of autocratic regimes, as well as other political elements, such as the role of lobbies or interest groups, are important factors in the analysis of tax level and tax design. They may interact with the main macroeconomic variables, such as the level of GDP per worker, the openness of the economy, the level of debt and the share of agriculture, and with other socio-economic factors, such as the age of the population, female labour force participation, urbanization, population density, schooling enrolment and the extension of the shadow economy.

Many rigorous empirical studies have analysed developing countries and their political regimes with the objective of explaining their development and growth. The analysis of tax systems and in particular the tax composition of these countries has instead received much more limited attention from the applied political economy literature. We thus decided to start this project as an attempt to develop a detailed and comprehensive empirical analysis. Such a quantitative approach implies a collection of political, fiscal, macroeconomic and socio-demographic data for a large set of countries and for a certain time span. We decided to narrow our attention to two critical world areas, Asia and Latin America, and collect data for as many countries as possible in these two areas. We also decided that it would be useful to collect data for new EU member countries and use them for comparisons. Finally, owing mainly to the availability of compa-

rable data, we restricted our attention to the time period starting in the 1990s. We had this idea in the back of our minds when we met Matthew Pitman, who encouraged us to submit our project to the Editorial Office of Edward Elgar Publishers.

The collection of data has not been an easy task, especially for those countries where the official international statistics do not provide organized or online information. We are grateful to several people who helped us during this process, in particular Maria Victoria Espada from CEPAL and Roberta Gatti from the World Bank.

We gratefully acknowledge Luigi Bernardi and Vito Tanzi for encouraging us to develop this big project and for their useful comments. We also benefited from discussions and contacts with many researchers at several stages of this project: Alberto Barreix, Matteo Cacciatore, Angela Frascini, Vincenzo Galasso, Luca Gandullia, Anna Marenzi, Riccardo Puglisi, Parthasarathi Shome and Stanley Winer.

Some of the ideas developed in the book were presented in preliminary forms at national and international conferences, in particular at the annual meetings of the Italian Society of Public Economics and the annual meetings of the International Institute of Public Finance of recent years, as well as seminars at the University of Pavia, OECD, Stockholm University and the University of Tallinn.

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Although we are grateful for all the help received, we are responsible for any errors that may have remained in the book.

