

Chapter Title: Taxes for Independence: Rejecting a Fiscal Model of Reciprocity in Peri-urban Bolivia

Chapter Author(s): Miranda Sheild Johansson

Book Title: Beyond the Social Contract

Book Subtitle: An Anthropology of Tax

Book Editor(s): Nicolette Makovicky, Robin Smith

Published by: Berghahn Books. (2023)

Stable URL: <https://www.jstor.org/stable/jj.9891560.4>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



This book is licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License (CC BY-NC-ND 4.0). To view a copy of this license, visit <https://creativecommons.org/licenses/by-nc-nd/4.0/>. Funding is provided by Berghahn Open Anthro, in partnership with Libraria.



JSTOR

Berghahn Books is collaborating with JSTOR to digitize, preserve and extend access to *Beyond the Social Contract*



Chapter 1

TAXES FOR INDEPENDENCE

Rejecting a Fiscal Model of Reciprocity in Peri-urban Bolivia

Miranda Sheild Johansson

In a grand, sunny courtyard surrounded by an imposing, pink, colonial-style building in the center of Cochabamba city, people line up to go through the door under a large sign that reads “Recaudaciones” (Collections). Clutching beige folders filled with property deeds, affidavits, and architectural plans, they wait for hours to enter the hall where the municipality collects taxes on real estate. The line reflects a cross-section of local society, including the comfortable middle classes and populations on lower incomes, many of whom self-identify as belonging to one of the indigenous language-speaking groups of highland Bolivia. Located not five minutes away is one of the city’s national tax offices, Impuestos (Servicio de Impuestos Nacionales), which collects income tax and value-added tax (VAT). In contrast with Recaudaciones, only a few people are lined up here, all of them middle-class professionals. To understand why certain

Notes for this chapter begin on page 35.

This open access edition has been made available under a CC BY-NC-ND 4.0 license thanks to the support of Bergahn Open Archive in partnership with Liberate.
<https://doi.org/10.3067/9781895399404> not for resale.

taxes are paid and others are not—why the lines for Recaudaciones are long and those at Impuestos are short—it is necessary to disaggregate tax and examine the specific exchanges that each tax involves, as well as the various relationships and imaginaries that they are constituted by and conjure up.

This chapter, based on eight months of fieldwork during 2018 in the Bolivian city of Cochabamba, located in the Andes mountain range, explores the perspectives of a group of ‘would-be taxpayers’—recent rural-to-urban migrants living in peri-urban areas, the majority of whom are bilingual in Quechua or Aymara and Spanish, and who self-identify as indigenous or *originario* (first people).¹ The main argument forwarded here is that the model of reciprocity and social contract thinking, which governments and social scientists so often employ when discussing taxes, did not resonate with this population. Instead, as the ethnographic evidence will demonstrate, they had a more nuanced approach to taxes—one that included the belief that different taxes entailed different exchanges and relationships, some of which appealed to them and others that did not.

While the then central government under President Evo Morales’s left-wing and pro-indigenous leadership was eagerly working to convince these rural-to-urban migrants to enter into a new fiscal relationship with the state—whereby the government’s vision of the country’s development into a modern, Keynesian welfare state would ultimately materialize—the said population rejected the tax model presented to them. The story that the state told its citizens about Bolivia’s fiscal system involved one main exchange: direct and indirect taxes to be paid by all members of society in return for comprehensive public services, infrastructure, representation, and social rights. But the logic of this broad exchange differed significantly from how the government’s intended audience reasoned with regard to tax compliance and avoidance. By examining individual taxes and the particular exchanges they imply from the perspective of taxpayers, a complex fiscal landscape emerges. I found that while my research participants avoided paying income tax and VAT, they were keen to pay other taxes, such as property tax and commercial license tax (*patente*). I argue that people paid these two taxes because they exchanged a modicum of money for important rights that enabled this population to survive in a context where the state did not guarantee or protect livelihoods, nor did it provide basic services. Historical experiences of tribute collection, endemic state corruption, a resource-dependent economy, and everyday desires for financial security and predictability all informed an operational logic that cast property tax and commercial license tax as something that furthered a desired independence *from* the state as opposed to interdependence *with* it. Paying income tax and VAT, on the other hand, did not confer instant rights, offering instead only the promise of inclusion in a future, national collective. This was a collective world that my interlocutors had ambivalent feelings about and, at the time of research, did not feel persuaded to contribute to.

My interlocutors linked the concept of independence to the indigenous rights movement and the potential for a decolonized future built around rural, *ayllu* communities (highland indigenous kin-based territorial units). While most people who self-identified as indigenous did not desire this kind of radical reordering of society, they nonetheless retained a consciousness of the potential, or at times necessity, to live beyond the state. As I will discuss in the next section, ‘independence’ in the sense of living beyond or at arm’s length from the state is a critical perspective that the rural population has cultivated over generations of living under state-sponsored oppression.

The invitations to a relationship of reciprocity that the government extended to its citizens through its communication of fiscal futures in their national campaign, “Creando Cultura Tributaria” (Creating a Tax Culture), did not demonstrably have traction among the population researched. In contrast with both the government and the ethnographic data that have emerged on taxpayer perspectives in other parts of the world, such as Argentina (Abelin 2012), Italy (Guano 2010), and Sweden (Björklund Larsen 2018), my interlocutors did not position reciprocity at the center of tax systems. Instead, they paid taxes to gain legitimate independence from the state, space in the city, and the freedom to invest in non-state collective worlds. They did not link the provision of services and infrastructure to taxes on individuals: these public goods were perceived as flowing from the taxed profits of the hydrocarbon industry, commonly referred to as IDH (Ingresos Directos del Hidrocarbones, direct tax on hydrocarbons).

This chapter contributes to the nascent field of fiscal anthropology by demonstrating that fiscal systems involve multiple exchange logics and that people may or may not pay tax for quite different reasons, including as a strategy to assert particular kinds of citizenship. In the context of societies where populations have historical memories of tribute collection, reciprocity is not necessarily understood as the core logic of a fiscal system. In other words, we should not assume that the payment or non-payment of tax is only about how much people will, or believe they will, get from the state. Equally, paying taxes does not automatically further a closer relationship with the state, but can instead work to create independence from the state.

Bolivian Fiscal Policy and Historical Experiences of Taxation

Since coming into power in 2006, the continuous message of Evo Morales’s government was one of change, with its flagship development program aptly named “Bolivia Cambia, Evo Cumple” (Bolivia Changes, Evo Delivers). This change involved tearing down old hierarchies of race and class and building a national industry and modern welfare state. Criticism of the Morales regime was a constant throughout his presidency, from both predictable directions, such as

the landowning elite, and less obvious ones, like left-wing activists, indigenous scholars, and environmental groups that accused him of betraying the causes to which he had declared his commitment (Bebbington 2009; Rivera Cusicanqui 2012). During his final term, he was increasingly criticized from the ranks of the middle classes, who feared growing anti-democratic elements of the regime. Yet it is undeniable that the country has undergone enormous transformation in the last decade, resulting in improvement in living standards and the wider inclusion of highland indigenous groups in mainstream society.

In recent years, the government has been working to broaden its tax base. Large swaths of its loyal electorate have moved from rural areas into peri-urban zones and are earning their money in ‘informal markets’. While a significant number of the country’s infrastructural projects have been funded through new and more favorable oil and gas deals with the foreign-based companies that extract these resources from Bolivia, there is an ever-pressing need to secure long-term public funding. There was also symbolic pressure on Morales’s state-making project to shift indigenous groups from the periphery of society to a central position of contributing citizens (Sheild Johansson 2018). As part of the government’s campaign for change, the national tax office, Impuestos, has made significant efforts to encourage a culture of fiscal enthusiasm, or at least calm compliance. Much of this work is part of the aforementioned official tax office program, *Creando Cultura Tributaria*, which was designed to bring about this cultural shift. When the program first began, it rolled out a new pension scheme, maternity/infant benefit, and in-school grant. These transfer payments were a significant attempt to create a relationship of exchange, as they offered a level of financial inclusion to the poorest in society and a taste of what living in a welfare state might entail.²

In addition to these benefits, *Creando Cultura Tributaria* works through national campaigns and educational programs, particularly targeting primary schools. The cartoon characters of *Don Fisco* and the fiscally naive monkey *Mono Titi* explain the virtues of paying taxes to children and their parents. Impuestos also regularly runs events such as “Día de la Cultura Tributaria” (Day of Tax Culture) across the country. Billed as a day of family fun activities, these events communicate messages regarding fiscal responsibility, while promoting a positive feeling around fiscal inclusion. Another hugely popular event is “La Factura de la Felicidad” (The Receipt of Happiness), a national lottery where all receipts from transactions that include VAT are entered into biannual sweepstakes with prizes such as refrigerators, televisions, and cars. These contests create an incentive for consumers to demand receipts from vendors and companies, encouraging them to take part in transactions that involve VAT.

In an effort to resonate with the half of the population that self-identifies as belonging to an indigenous group, the educational and promotional materials of *Creando Cultura Tributaria* draw on highland, indigenous notions of exchange,

solidarity, and well-being. For instance, the stated aim of Impuestos is to help contribute to an improved quality of life for all Bolivians in order to *vivir bien* (live well). *Vivir bien* is a politicized term that invokes a purportedly indigenous approach to life, a philosophy of living in harmony with fellow humans and mother earth (*Pachamama*). This language specifically references the Aymara- and Quechua-speaking highland, indigenous groups and their rural, *ayllu* communities. In explicitly linking taxpaying to highland indigenous notions of reciprocal exchange, and the outcome of paying taxes to the realization of *vivir bien*, the government is working to imbue taxation with a particular kind of morality, that is, an ostensibly indigenous morality. Within this narrative, they also depict indigenous groups as intrinsically suited to paying taxes, since they are accustomed to the notion of positive reciprocity through their 'ethnic economy' (Harris 1995), which is organized around the exchange of goods and labor and mutual aid (*ayni*), and are 'intuitively' more committed to *vivir bien* than their non-indigenous countrymen (Gudynas 2011). While the phrase *vivir bien* is a recent creation of Aymara indigenous intellectuals, rather than part of indigenous everyday culture (Spedding 2010), it does belong to the language of the indigenous rights movement. Its adoption by Impuestos thus works to create a national project inclusive of indigenous social movements.

On the whole, the population of recent rural-to-urban migrants discussed here welcomed the political inclusion that they were experiencing under Morales's government. However, they worked to retain control over what this inclusion should entail, especially with regard to taxes. Their historical experience of paying tax is a crucial aspect of their current approach to fiscal demands. The taxation of the indigenous poor had previously been built on a relationship of exploitation rather than equal inclusion. From the mid-sixteenth century to the mid-nineteenth century, the rural poor carried the heaviest tax burden in the country (Platt 1982b). Although the revival of silver mining during the second half of the nineteenth century and a boom in the tin industry allowed the state to tax the lucrative mining industry, the rural sector remained a crucial, albeit secondary, source of fiscal revenue. Colonial and republican governments (established post-independence from Spain in 1825) collected tax through both cash (*tasa*) and labor (*mit'a*). The *mit'a* was particularly onerous, requiring one-third of the indigenous male population to work in the mines in return for meager compensation. During colonial and later republican days, this slave labor was offered to private mining companies as a form of state subsidy, which meant that much of the labor extracted through *mit'a* was not even used to fill the public coffers (Sieder 2002). Importantly, these tribute payments were not exchanged for citizenship; instead, complying with them ensured protection from state violence and the confiscation of land (Langer 2009: 539). In fact, these payments were characterized more by relations of extortion than reciprocity. Olivia Harris (1995) has emphasized that many *ayllu* communities not only paid taxes

because they had to, but also, given the broader context of colonial oppression, desired to pay some taxes because they imagined that this was the only way to secure their rights to the land, specifically through the creation of official documents (many of which rural communities treasure to this day).

Alongside exploitation and the protection of land, another topic of taxation in the regional literature has been that of the relationship between the communal efforts to pay taxes and the survival of the Andean *ayllu*. Both Ricardo Godoy (1986) and Harris (1995) have argued that the communal tax burden during colonial and post-colonial times was crucial to the continued existence of the *ayllu* community, as it cemented an organization of interdependency. When the state levied taxes on an ethnic group, internal resources were mobilized so that all members of the community, including the sick, disabled, old, and landless, were protected from eviction for non-compliance (Godoy 1986: 730). Tristan Platt (1982a) has also suggested that the rural population favored early colonial fiscal systems that taxed communities as a whole over individual land taxes. As such, tribute payments protected land and allowed for the consolidation and maintenance of non-state structures, such as the *ayllu*. While rural taxes have not been paid since the agrarian reform of 1953, I propose that the centuries of exploitation, previous tribute models, and fiscal strategies of the *ayllu* are key to understanding contemporary responses to a fiscal model of reciprocity and the linking of tax payment with independence.

Based on their ethnographic work on fiscal cultures in Africa, Jane Guyer (1992), Janet Roitman (2005, 2007), and Kate Meagher (2018) have made similar arguments about the importance of recognizing multiple and at times diverging trajectories of the historical emergence of tax use and ideas of representation and democracy. Meagher argues that in many African nations “direct taxation has a historical association with oppression rather than political accountability” (ibid.: 3). This also resonates with the work of Mohawk sociologist Kyle Willmott (2020), who details the resistance of indigenous people in Canada to the assimilationist project of tax-based citizenship by the settler state, and the cruel predicament of having to pay for one’s own subjugation. As in Bolivia, these examples demonstrate that paying tax does not always confer citizenship and representation or mark positive inclusion. Taken together, these case studies directly contest the existence of a universal fiscal logic of reciprocity and instead evidence a parallel theme—the association of fiscal systems with exclusion and oppression.

Anthropology and Reciprocity

Theories of exchange within anthropological literature mainly address the divergence or commensurability of market and non-market exchanges, as well

as the underlying faulty assumptions of this division (Bloch and Parry 1989; Mauss [1950] 1990; Parry 1986; Sahlins 1972). However, few ethnographically grounded discussions exist on the exchanges that take place between the state and its citizens—and specifically fiscal stories—despite the fact that taxes are often construed in political philosophy as *the* “founding economic transfer” (Roitman 2005: 27). The work that does exist tends to draw on reciprocity and, by extension, on the idea of a secular and rational Hobbesian social contract.³ In fact, I would argue that this notion of tax as a relationship of reciprocity is very much rooted in a liberal version of the social contract, whereby individuals consider their relationship with the state from the perspective of a ‘fair deal’. Twentieth-century contractarians, such as John Rawls (1971), have moved decidedly away from the idea of a historical social contract (a more Lockean approach) toward hypothetical consent (more in line with the Kantian ‘possible consent’), admitting that state-society relations are on the whole not contractual, but rather rooted in usurpation, conquest, and gradual shifts where opt-out is limited if not impossible. In spite of this, the social contract continues to be premised on assumptions about ideal state-society relationships, including an ethics of reciprocity. As Nicholas Thomas (1991: 56) has argued in his criticism of anthropologists’ relationships with ‘the other’, the discipline’s focus on reciprocity in theories of exchange marginalizes questions of power. Yet apart from a few interjections, such as David Graeber’s (2001: 217) characterization of the concept as the bluntest instrument of all (see also Narotzky and Moreno 2002), ‘reciprocity’ remains a common way for anthropologists to theorize research participants’ understanding of their relationships with the state and each other.

Unsurprisingly, reciprocity has been a recurring theme in the small field of the anthropology of tax. Mireille Abelin in Argentina, Emanuela Guano in Italy, and Lotta Björklund Larsen in Sweden are three anthropologists who have written important works about fiscal relationships from taxpayer perspectives. Each of them demonstrates that in the fiscal systems they researched there existed a deeply embedded principle of reciprocity. This was true both on a structural level and in the thinking of actors, whether they perceived it to be succeeding or failing. Abelin (2012: 337) describes how her wealthy Buenos Aires interlocutors justified not paying tax, claiming that “nothing is given in return”; instead, their money disappeared in webs of corruption and poor institutional management. Guano (2010) outlines how her Italian research participants’ rationalized their tax evasion as a correction of a lopsided exchange created by a poorly managed state. Similarly, Björklund Larsen (2018: 127) writes how middle-class Swedes were keeping imagined accounts with the state and other people in the community, buying or providing services ‘cash-in-hand’ to stabilize a perceived deficit back in favor of the taxpayer. The theme of reciprocity runs through the logic used by research participants in all these

examples, and it is also expressed in the wider analyses of the authors. While recognizing the integrity of the ethnography presented by these anthropologists, the present data from Bolivia offer a divergent perspective, which in turn demands that anthropological analyses of fiscal systems take care not to make assumptions regarding the role of reciprocity in any given tax system, or indeed the presence of social contract thinking more broadly.

Discussions of taxation are also inextricably intertwined with theories about citizenship. ‘Economic citizenship’—defined by Janet Roitman (2007: 189) as economic relationships instituted between individuals or communities and the state that people imagine and enact—understands citizenship not solely as conferred by the state, but as a position within a web of complex economic relationships. Building on, among others, T. H. Marshall’s (1950) proposition that full or partial citizenship is often an effect of an individual’s economic position within a society, and that different classes have historically had access to varying levels of citizenship, economic citizenship is exactly about exploring the heterogeneous economic positionalities that exist in a given society. Using economic citizenship, I want to draw particular attention to the varying types of fiscal exchanges that are available to different citizens, not just in terms of how their economic activity exposes them to some but not other taxes, but also how varying exchange logics, including reciprocity, are invoked and operate depending on the positionality of the perceiver.

Fiscal compliance, and even obligation, has historically been a common requisite for, and constitutive of, citizenship (Roitman 2005: 27). However, as mentioned earlier, although tribute obligations in Bolivia were crucial to how the colonial government grouped and labeled people, many fiscal categories denied, rather than conferred, citizenship. Harris (1995: 354) has argued that for much of the colonial period in Bolivia, the term ‘Indian’ denoted a fiscal status rather than an ethnic identity, with the extraction of tribute trumping perceived ethnicity as an organizing principle of society. Yet just as in many colonial contexts, these ‘Indians’ were far from citizens: paying tax protected land and allowed for the continuation of life beyond the state. The ethnographic data of this chapter will demonstrate a level of continuity with these earlier fiscal experiences. My research participants did not pay taxes in exchange for deeper citizenship; instead, their goal was to further a different type of economic citizenship, one that offered distance and independence from the state.

Paying Tax in Primero de Mayo

The neighborhood of Primero de Mayo is located on the outskirts of the mid-sized city of Cochabamba. It belongs to District 9, a rapidly urbanizing and expanding zone. Most of the inhabitants of District 9 are recent migrants from

surrounding rural areas, many of whom still have land back in their home villages (*ayllu* communities) and migrate seasonally to plow, sow, and harvest their fields. They are all members of their local unions and neighborhood associations, and a majority have consistently voted for Evo Morales's party, Movement for Socialism (Movimiento al Socialismo). In addition to relying on produce from the fields in their home villages, they make their living as day laborers on construction sites (men), as domestic servants (women), and by trading in the large marketplaces in the city (both genders, but primarily women). Income is irregular and insecure, and people constantly worry about their future and that of their children.

Consisting of a variety of self-built brick and cement houses, Primero de Mayo climbs up the dry hillside of the otherwise green valley in which Cochabamba sits. Only the streets by the marketplace, school, and health center are paved. Few houses have running water, and the sewage system is minimal. Overall, it is a place of basic amenities, yet it is rapidly expanding and a popular place to buy real estate due to the still low property prices. In order to tell the story of the economic citizenship of its inhabitants in reference to taxes, and their response to a model of reciprocity, I will explore two fiscal exchanges that people entered into: commercial license tax and property tax.

Doña Hilda's Commercial License

It was a hot afternoon, and *Doña* Hilda shifted the parasol attached to her wheelbarrow of watermelons to create a bit more shade for the two of us. She had parked her wheelbarrow on a corner of a residential yet busy street in the wealthy north district of the city. At the bottom of the road, we could see that a couple of members of the *guardia municipal* (municipal law enforcement) seemed to be hassling two female street vendors. After some time, the women packed up their wheelbarrows of goods and walked up half a block, only a few minutes later to return to their original spots and continue trading. *Doña* Hilda explained that although these two vendors lacked official permits, they paid a daily unofficial fee (*sentaje*) to the local *guardia municipal*. In return, they received a *boleta rosada* (pink ticket), which meant that they were able to sell, but occasionally had to participate in the 'theatre' of being moved along.

Ambulatory vendors—or *ambulantes*, as they are generally referred to in Bolivia—make up a majority of traders in the city. They have their regular haunts, which they can visit if they pay their *sentaje* to the local *guardia municipal*, and also spend a lot of time moving around the city with their merchandise. *Doña* Hilda was an *ambulante*, but she had spent much of the previous year attempting to regularize her status through securing and paying for a commercial trading license (*patente*) which would enable continued, secure selling on her own little corner.

The Intendencia is the section of the municipal/mayoral office (*alcaldía*) that manages commercial spaces, including awarding *patentes*. It is also responsible for health and safety inspections and food and alcohol licenses. During my time in the field, the Intendencia was run by the infamous Luz Clarita (Luz Rojas), whose predilection for closing down businesses over minor offenses, alongside her rumored relationships with a famous gangster, El Tan-cara, and the mayor himself, had earned her a certain reputation. In the form of the *guardia municipal*, the Intendencia is a constant presence on the city streets. The *guardia municipal* patrol the marketplaces, checking to ensure that the scales of vendors work correctly, that basic sanitation is maintained, and that selling takes place only in designated vending zones and by people who hold the *patentes* to sell in those spots or ‘pitches’.

As an *ambulante*, you are on the lowest rung of the market hierarchy, while those with permanent pitches (*puestos fijos*) within the closed markets are at the top. The pitches within the always busy and famous marketplace La Cancha are prime real estate: spots in the electronics section (Miamicito) fetched as much as \$92,000 in 2018. Individuals and families that were in possession of the *patentes* for these spots did not willingly follow the regulations and return them to the Intendencia so they could re-enter the official queue, but instead rented them out or sold them on the black market. That there existed an illegal trade in *patentes* was well known in the city (Goldstein 2016), and with the added stories of corruption in the Intendencia and municipal government, *ambulantes* like Doña Hilda felt that their chances of getting a permanent pitch were very slim. The second tier in the market hierarchy included those who had secured a sublet of a *puesto fijo*, or who had first-hand leases on designated pavement and street sections. The bottom tier, the *ambulantes*, were constantly negotiating these already claimed spaces in hopes of gaining temporary access to good selling spots. Their relationship with other vendors, who felt they were encroaching on their selling zones, was on the whole far more acrimonious than their relationship with the *guardia municipal*.

In order to secure a first-hand lease on a vending spot, you had to sign up for one with the Intendencia and then pay a ‘down payment’ and yearly *patente*. While these fees were not insignificant, neither were they exorbitant, and were generally thought to be worth the extra outlay as it protected one’s selling spot, allowing one to build long-term relationships with customers and protecting one from the negative and tiring experience of being moved on by other vendors or the *guardia municipal*, or occasionally having goods confiscated by unpredictable *guardias*. It also allowed vendors to join the market sellers’ union (Federación de Comerciantes), which had significant political influence, including with the *alcalde* (mayor), and the ability to protect its members. This was a larger collective of which people aspired to be a part and were willing to pay into. At the time of fieldwork, membership for the Federación was a hefty

one-off fee of 1,500 Bolivianos (Bs) (approximately \$217), a month's wages for most of its affiliates. In addition, there were regular charges of 50–100 Bs (\$7–\$14) toward specific purposes. In spite of this, affiliation with the union was attractive to *Doña* Hilda: "They fight for you, defend you, and help you. They go on marches." The Federación was deemed to offer better long-term protection for its members' interests than the government.

For years, *Doña* Hilda had visited the Intendencia with the hope of securing a license for a *puesto*, but with no luck—until one day when she got a message from a friend of a friend who worked in the Intendencia. Apparently, a female trader had died, leaving her spot without a leaseholder. The *puesto* had been temporarily closed as there were years of unpaid fees associated with it. *Doña* Hilda rushed to the Intendencia and managed to claim the *patente*. She had to pay 4,500 Bs (\$652) to reopen the spot and then 3,500 Bs (\$507) to put her name on the license. After this, her yearly *patente* would be another 250 Bs (\$35). Despite the significant upfront payments, she was in no doubt that it would be worth it. The problem was that the process was slow and delicate: she had already spent six months waiting for the paperwork to clear and expected to wait at least six months more before the *puesto* would be fully transferred to her name. In the meantime, it was crucial that the process was kept secret so that none of the other *ambulantes* or vendors with *puestos* in the area would find out about her shift from 'informality' to 'formality'. *Denuncias* (complaints or objections) to the Intendencia from other vendors could significantly delay, or even completely halt, the process. While *denuncias* could of course be rooted in genuine concern for trading or hygiene standards, they were often wielded by vendors in battles over selling spots and against competitors. *Doña* Hilda was understandably worried that if news leaked out about her luck in getting a *patente*, jealous vendors might try to stop the process in order to acquire the site themselves.

Doña Hilda's situation was very common. Most *ambulantes* wished to enter into an exchange of *patente* payments for the right to sell, and, echoing the logic of tribute payments, the right to space, livelihood, and being left alone. However, the current situation meant that there was in effect a limit to the number of vendors who could have this particular fiscal relationship with the state. The informal *sentaje* payments to the local *guardia municipal* acted as a proxy tax, but as other vendors did not recognize the rights that these awarded, their benefit was very limited. In previous years, the *sentaje* had in fact been an official exchange, offering a daily license to *ambulantes*, but this was changed by Luz Clarita when she came into office in 2015. In an interview with Luz Clarita, she explained that she had put an end to the *sentaje* as these payments legitimized a practice that she considered illegal and undesirable (pers. comm., April 2018).

Both Roitman (2007) and Guano (2010) have shown that in their field sites in Chad and Italy, respectively, not paying a commercial license as a trader

was an act of resistance to a state that the traders perceived to be violating its obligations to its citizens. While this may have been an option for holders of permanent pitches (*puestos fijos*) in the large markets, who indeed felt ignored by the state, a majority of traders desired official recognition and the power and benefits that came with it. In fact, one of the reasons to be legitimate and enter into a formal exchange of obligations was that it provided the option of enacting resistance through *not* paying.

For *Doña Hilda*, paying her commercial license tax enabled her to carve out a legitimate and protected space in the city where she could earn a living. It also conferred the right to become a member of a larger collective, the Federación de Comerciantes, one that could reproduce a political structure within which she felt represented. *Doña Hilda* did not believe that the payments she made in exchange for her *patente* would go toward paving the roads in Primero de Mayo; that money, she said many times, would go toward parties that Luz Clarita hosted. Instead, she told me, the roads would be built by her neighborhood association and, if they were lucky, with some money from IDH. This stream of funding from the tax on hydrocarbons was what most people generally believed covered the cost of any public works in the country, as well as their recently established benefits (the second is indeed true, and widely advertised as so).

Don Aurelio and Doña Roxana's Property Tax

While *Don Aurelio* and *Doña Roxana* had only recently moved into their house, they had spent over six years working toward securing the correct paperwork for their plot of land and hoped to be able to register it soon in the *catastro* (land registry). Once their plot was fully registered, they could pay the first tax on their property, something they were eager to do as this was widely looked on as the ultimate proof of ownership.⁴

In Primero de Mayo, taxes on property were not paid in exchange for services, but instead in exchange for rights—in particular, the right to one's land. This included the right to live securely in one's home, to have a space in the city, to derive profits from one's property, to be recognized as part of the urban zone, and to have recourse to the law. While land in Primero de Mayo was relatively cheap and finding a plot for sale very easy, property ownership, in contrast, was marked by constant insecurity. The state, powerful actors within the property market, neighbors, and even relatives—all were viewed as potential threats to a person's property. Having yearly receipts from Recaudaciones—the branch of the municipal office (*alcaldía*) that collected tax on real estate (and where the queues were long)—that proved you had paid tax on a property was, according to both research participants from District 9 and officials working for the *alcaldía*, the most important evidence in any claim to a property. “Él que

paga los impuestos, él es el dueño” (he who pays the taxes is the owner) was a common local refrain.

Most inexpensive plots on the outskirts of the city were acquired through an intermediary—the *loteador* (divider of plots). A *loteador* would buy a large stretch of otherwise unusable land cheaply from a landowner and divide it into smaller plots, which would then be sold. The actions of the *loteadores* were often at the root of subsequent problems that property owners faced when attempting to regularize their land and homes. These actions included selling the same land twice; drawing up private documents that did not include all the necessary details (such as a notary’s signature) to elevate them to a public document fit for tax registration purposes; or selling 100 percent of the land as individual plots when in fact 44 percent of a given urban zone must be preserved for roads, green space, and public amenities. Many recent arrivals from rural areas bought plots of land from *loteadores* only to discover later that they were not the sole claimants to the land. This could lead to years of disputes, locking people into a bureaucratic labyrinth that often ended with one or several parties losing their homes or considerable sums of money. In 2018, a dispute in the town of Sacaba, part of the wider metropolitan area of Cochabamba, resulted in houses being found ‘illegal’ and bulldozed down, to the dismay of their inhabitants. The insecurity that comes from not having one’s property registered in the *catastro* or being able to provide tax receipts is real.

Don Aurelio and Doña Roxana had not bought their land from *loteadores*, but living in a wider context of property disputes, they felt strongly about having the paperwork to prove that they were the legitimate owners. They had secured their land through a small cooperative made up of a group of people who all originated from the same rural province. The cooperative had bought a section of land from a large estate, divided it among its members, and then sold the remaining plots to any interested party. The land still held the designation of ‘rural’, meaning that it was relatively cheap but also lacked the superior services and infrastructure that urban zones got, or should get. Like many before them, the cooperative’s members set out to change the use of their land. To do this, they had to submit an urban development plan (*plan sectoral*) to the *sub-alcaldía* office of District 9 demonstrating the proposed layout of the area, including the locations of suggested roads and green spaces. Not until their small cooperative received urban status could they move on to officially dividing the land into individual plots and create corresponding deeds. Once these individual titles were created, the *sub-alcaldía* could determine the value of the property and enter it into *catastro*, after which the owners could begin paying the associated tax. Paying this tax would guarantee their property rights, carve out a space for them in the urban landscape, protect them from disputes and loss, and allow them to profit from their property and land through letting

arrangements or sales. In addition, once this level of ‘formality’ had been achieved, the cooperative could become an official neighborhood association (*junta vecinal*) and, as such, affiliate with the area’s neighborhood council (OTB, Organizaciones Territoriales de Base). OTBs manage community relations as well as many significant external relations involving local and national government and influential unions.

Paying property tax was, however, not a straightforward matter. Ximena, an architect employed by the *sub-alcaldía* who was charged with the infrastructural expansion and maintenance of District 9, spent most of her working time assisting people with the registration of their properties in *catastro*. She explained to me that the barriers people faced when attempting to register their property were often too significant to overcome (pers. comm., May 2018). In the spring of 2018, only 20 percent of property in District 9 was registered for tax purposes; among the remaining 80 percent there was certainly a portion who had little desire to enter into any fiscal relationship with local or central government (Sheild Johansson 2018). However, alongside this group there existed a growing number of people who wished to enter their plots into *catastro* and thus regularize their property-owning status. Ximena herself acknowledged that entering any property into the *catastro* was a bureaucratic feat demanding time, money, good levels of literacy, and, most importantly, perseverance. More often than not, she lamented, people simply gave up. Ximena further admitted that due to the ever-growing population of District 9 and the desire by its residents to pay property tax, the office often stalled new registrations: papers remained *en trámite* (in bureaucratic processing) for long periods. This was because the small office was completely overburdened and understaffed, and therefore reluctant to create more taxpayers in District 9—all of whom could subsequently make claims on the local government.

Doña Roxana and *Don* Aurelio were thus keen to pay property tax, but obstructed from doing so by the local property market, bureaucratic barriers, and the under-resourced *alcaldía* office. Similar to the tribute payments made historically by the rural community from which they both originated, paying property tax and keeping the papers produced through payment were acts that protected land. Like *Doña* Hilda, they did not believe that any tax payments they made would return to them in the form of services or improvements to local infrastructure. That money, they said, would be devoured by corruption.

This contrasted with other payments that people in Primero de Mayo made in order to finance their communal worlds, such as paying dues to their unions (as *Doña* Hilda was about to do to the Federación de Comerciantes) or neighborhood associations (as *Doña* Roxana and *Don* Aurelio did to their almost established *junta vecinal* and hoped to soon do to their local OTB). These payments resulted in the material transformation of the local area and enabled political representation in various powerful arenas.

Taxes for Independence

Anthropologists working elsewhere have noted similar logics among taxpayers, that is, the idea that fulfilling obligations of citizenship allows one the right to make a life beyond the state. For instance, Roitman (2007: 204) finds that in Cameroon rights have been construed not necessarily in reference to the welfare state: “The right to accumulation and the right to access wealth are the primary allusions to the constitution and enactment of citizenship.” This chimes with Andrew Gordon and Trevor Stack’s (2007: 121) argument that “rather than thinking of citizenship simply as a ground for making claims on States ... citizenship can be conceived ... in the sense of room for manoeuvre [including] the economic freedom to pursue livelihoods” (cited in Roitman 2007: 204). Tom Goodfellow and Oliver Owen (2018) describe a somewhat similar situation in Lagos, Nigeria, where paying property tax is also a way to secure property rights in the context of fragile legal claims by the lower socio-economic segments of society. It is clear that people in Bolivia are not unique in their approach to fiscal relations as perhaps something other than a social contract of reciprocity that will bring about a collective on a national level. All these examples demonstrate the desire to pay tax in order to secure a level of independence and security, a theme that is particularly salient in post-colonial societies.

That being said, the rejection of reciprocity does not preclude the experience that the fiscal system was one of exchanges. In particular, both property tax and commercial license tax in Cochabamba garnered desired returns in the form of rights to space in the crowded urban environment. However, my interlocutors did not view these returns as part of a reciprocal relationship with the state; rather, they imagined them as an extension of historical tribute payments that they made to protect land and livelihood and to remain at arm’s length from the state. Crucial to this population’s rejection of the state’s offer of a fiscal model of reciprocity was that the fact that they did not conceive of paying taxes as an act that would bring about a collective society. In other words, taxes were not imagined as an instance of what Maurice Bloch and Jonathan Parry (1989) describe as long-term cycles of exchange that are concerned with the reproduction of the social and cosmic order. This might appear surprising, as fiscal systems generally claim to be all about the production and reproduction of particular social orders, the Bolivian one being no exception. Of course, historical tribute payments did reproduce a particular political and social order, and more contemporary fiscal activities certainly do so as well. However, this order did not conform to the collective world that the Morales government wished to create, nor was it at the heart of the social, political, or cosmic order that people lived within. Instead, for the highland indigenous population of Bolivia, paying tax was—and still is—an act that allows for non-state and alternative social and cosmic orders to be protected and thus produced and reproduced.

As much as the population of Primero de Mayo actively sought to pay some taxes, they avoided others whose logic was based solely on a reciprocal relationship with the state, the main one being income tax. Income tax is collected by Impuestos, where the lines are typically short and those in line belong to the middle classes. From the perspective of my research participants, paying income tax offered no obvious benefit or relevant moral purpose, only the promise of a reciprocal relationship through which a new national collective might emerge. While paying toward a greater good or an imagined collective was, as discussed, a familiar concept to most people—which they did regularly to their unions and neighborhood associations—a reciprocal relationship with the state did not make sense or hold much appeal. In order to pay any tax to Impuestos, a person or business needs a tax identification number (NIT, Número de Identificación Tributaria). People were wary of registering for an NIT as it would bind them into a long-term relationship with Impuestos, absorbing them into a dreaded online system and, by extension, a fiscal relationship with potential future governments that might, unlike Evo Morales, not be on their side. In rejecting Impuestos, the inhabitants of Primero de Mayo rejected the model of reciprocity—couched in the language of *vivir bien* and indigenous exchange logics—that the government had offered them. In doing so, they rejected as well a long-term fiscal relationship with the state. Instead, they paid taxes to maintain independence *from* the state and the ability to make a living *despite* the state, in this way bringing a level of security and predictability into their lives.

Conclusion

With these two examples—commercial license tax and property tax—I want to offer insight into the complexity and often surprising content of fiscal relationships in contemporary Bolivia. My research participants did not talk about taxes, such as income tax, property tax, VAT, and council tax, as a bundled revenue stream paid to the state in return for public services and infrastructure. In other words, what might be conceived of as one large exchange between the state and its citizens was in fact experienced by the local population as radically differing exchanges, some of which they were keen to enter into and others that they avoided, each individual tax being scrutinized for its particular exchange power. In Primero de Mayo, the population made efforts to register and pay for commercial license taxes and property taxes as they found that fiscal complicity in these areas offered the security and freedom they needed to make a life beyond the state. On the other hand, the said population worked to evade income tax and VAT as these hinged on a rationale of reciprocity—an exchange logic that they thoroughly rejected.

I argue that the analytical act of disaggregating the Bolivian fiscal system makes visible the perspectives and motivations of taxpayers and their rejection of a fiscal model of reciprocity, while offering insight into their economic citizenship. Various cultural, political, and socio-economic factors countered the logic of the fiscal model of reciprocity that the central state promoted to its citizens. First, public services were thought to be funded through taxes on resource extraction such as IDH, not through taxpayer contributions. Second, historical experiences of tribute models greatly influenced the population's approach to taxes as a payment that resulted in the right to be left alone, rather than economic and legal inclusion. Third, both local and central governments were deemed by most to be marred by endemic corruption, meaning that there existed little trust in how public funds were handled. Finally, the fear of an unstable future was a persistent concern of these recent rural-to-urban migrants. Although the then central government was believed to be on the side of the people in Primero de Mayo, most of my interlocutors felt this might be transitory and that they could suddenly find themselves out of favor, making them cautious about entering into any long-term, binding relationship with the state.

More generally, my argument is that the relationships created and imagined through taxes may not fit neatly into models based on reciprocity, and that in examining any fiscal system we should be cautious in assuming the underlying logics and motivations of its participants. An anthropology of tax must work to disaggregate fiscal systems, pay attention to the socio-economic relationships and positionalities that are produced by fiscal structures, and examine the multiple logics that inhabit tax exchanges. These underlying logics can only be understood through an appreciation of a wider context of what Anna-Riikka Kauppinen (this volume) calls “the broader universe of transfers”—that is, the many financial flows and social transfers that matter to our research participants, such as payments to unions and neighborhood associations, or to churches, as Kauppinen discusses. In closing, it is essential that anthropological investigations into tax recognize the genealogy of tax cultures in a given field site and be particularly sensitive to how historical experiences of tribute collection, colonialism, and power inequalities shape contemporary fiscal subjectivities.

Acknowledgments

This research was generously funded by the Leverhulme Trust and a UKRI Future Leaders Fellowship (MR/V022261/1). An early iteration of this chapter was given at the LSE Anthropology Friday Seminar in February 2019, and I am grateful for the productive comments I received then. I wish to thank Nicolette Makovicky and Robin Smith for their wonderful work on this book, and also Julia Sauma for her ever-insightful feedback on my work. As always, I owe my biggest debt to friends and colleagues in Bolivia.

Miranda Sheild Johansson is a UKRI Future Leaders Fellow at UCL Anthropology. Her current work explores the dynamics of fiscal systems and the sociality of tax in Bolivia, Sweden, and the UK. She is the co-editor of *Anthropology and Tax: Ethnographies of Fiscal Relations* (Cambridge University Press, forthcoming) and has also published on themes of agricultural labor, the social contract, the value of transformation, and animate landscapes in Bolivia. She received her PhD in Anthropology from the London School of Economics in 2014.

Notes

1. The focus of this research project was fiscal relations, and its aim was to foreground the perspective of recent migrants as they encountered urban tax systems. Methods included participant observation and multiple structured and semi-structured interviews with the inhabitants of Primero de Mayo, Cochabamba. In addition, employees (including key figures) of several tax agencies were shadowed and interviewed. Names of individuals have been changed, and all translations are my own, unless otherwise indicated.
2. Bono Juancito Pinto is an in-school grant of 200 Bolivianos (Bs) per year (circa \$28). *Renta Dignidad* is a benefit of 200–250 Bs per month (circa \$28–\$35) for over-sixties on low incomes. Bono Juana Azurduy is a maternity and infant grant that totals 1,820 Bs (circa \$263). These are non-contributory benefits instituted between 2006 and 2008.
3. Cf. Sahlins's (1972) critique of Mauss.
4. Previous to the individual plots being entered into the land registry, the cooperative paid a communal tax on the larger area of land, then still designated as rural. While this offered a degree of legal protection to the members of the cooperative, should there be a challenge to their ownership of the land, it provided limited security for the individual households.

References

- Abelin, Mireille. 2012. "Entrenched in the BMW": Argentine Elites and the Terror of Fiscal Obligation." *Public Culture* 24 (2): 329–356.
- Bebbington, Anthony. 2009. "The New Extraction: Rewriting the Political Ecology of the Andes?" *NACLA Report on the Americas* 42 (5): 12–20.
- Björklund Larsen, Lotta. 2018. *A Fair Share of Tax: A Fiscal Anthropology of Contemporary Sweden*. Basingstoke: Palgrave Macmillan.
- Bloch, Maurice, and Jonathan Parry. 1989. "Introduction: Money and the Morality of Exchange." In *Money and the Morality of Exchange*, ed. Jonathan Parry and Maurice Bloch, 1–32. Cambridge: Cambridge University Press.
- Godoy, Ricardo A. 1986. "The Fiscal Role of the Andean Ayllu." *Man* (n.s.) 21 (4): 723–741.
- Goldstein, Daniel M. 2016. *Owners of the Sidewalk: Security and Survival in the Informal City*. Durham, NC: Duke University Press.
- Goodfellow, Tom, and Oliver Owen. 2018. "Taxation, Property Rights and the Social Contract in Lagos." ICTD Working Paper No. 73. Institute of Development Studies, Brighton.
- Gordon, Andrew, and Trevor Stack. 2007. "Citizenship Beyond the State: Thinking with Early Modern Citizenship in the Contemporary World." *Citizenship Studies* 11 (2): 117–133.
- Graeber, David. 2001. *Toward an Anthropological Theory of Value: The False Coin of Our Own Dreams*. New York: Palgrave Macmillan.
- Guano, Emanuela. 2010. "Taxpayers, Thieves, and the State: Fiscal Citizenship in Contemporary Italy." *Ethnos* 75 (4): 471–495.
- Gudynas, Eduardo. 2011. "Buen Vivir: Today's Tomorrow." *Development* 54 (4): 441–447.
- Guyer, Jane I. 1992. "Representation without Taxation: An Essay on Democracy in Rural Nigeria, 1952–1990." *African Studies Review* 35 (1): 41–79.
- Harris, Olivia. 1995. "Ethnic Identity and Market Relations: Indians and Mestizos in the Andes." In *Ethnicity, Markets, and Migration in the Andes: At the Crossroads of History and Anthropology*, ed. Brooke Larson and Olivia Harris with Enrique Tandeter, 351–390. Durham, NC: Duke University Press.
- Langer, Erick D. 2009. "Bringing the Economic Back In: Andean Indians and the Construction of the Nation-State in Nineteenth-Century Bolivia." *Journal of Latin American Studies* 41 (3): 527–551.
- Marshall, T. H. 1950. *Citizenship and Social Class: And Other Essays*. Cambridge: Cambridge University Press.
- Mauss, Marcel. (1950) 1990. *The Gift: The Form and Reason for Exchange in Archaic Societies*. Trans. W. D. Hall. London: Routledge.
- Meagher, Kate. 2018. "Taxing Times: Taxation, Divided Societies and the Informal Economy in Northern Nigeria." *Journal of Development Studies* 54 (1): 1–17.
- Narotzky, Susana, and Paz Moreno. 2002. "Reciprocity's Dark Side: Negative Reciprocity, Morality and Social Reproduction." *Anthropological Theory* 2 (3): 281–305.

- Parry, Jonathan. 1986. "The Gift, the Indian Gift and the 'Indian Gift.'" *Man* (n.s.) 21 (3): 453–473.
- Platt, Tristan. 1982a. *Estado Boliviano y Ayllu Andino: Tierra y Tributo en el Norte de Potosí*. Lima: Instituto de Estudios Peruanos.
- Platt, Tristan. 1982b. "The Role of the Andean Ayllu in the Reproduction of the Petty Commodity Regime in North Potosí (Bolivia)." In *Ecology and Exchange in the Andes*, ed. David Lehmann, 27–69. Cambridge: Cambridge University Press.
- Rawls, John. 1971. *A Theory of Justice*. Cambridge, MA: Belknap Press of Harvard University Press.
- Rivera Cusicanqui, Silvia. 2012. "Del MNR a Evo Morales: Disyunciones del Estado colonial" [From the MNR to Evo Morales: Disjunctions of the colonial state]. *Bolpress*, 31 January. <http://www.soldeparando.com/silvia-rivera/> (accessed 26 May 2020).
- Roitman, Janet. 2005. *Fiscal Disobedience: An Anthropology of Economic Regulation in Central Africa*. Princeton, NJ: Princeton University Press.
- Roitman, Janet. 2007. "The Right to Tax: Economic Citizenship in the Chad Basin." *Citizenship Studies* 11 (2): 187–209.
- Sahlins, Marshall. 1972. *Stone Age Economics*. Chicago: Aldine-Atherton.
- Sheild Johansson, Miranda. 2018. "Taxing the Indigenous: A History of Barriers to Fiscal Inclusion in the Bolivian Highlands." *History and Anthropology* 29 (1): 83–100.
- Sieder, Rachel, ed. 2002. *Multiculturalism in Latin America: Indigenous Rights, Diversity and Democracy*. New York: Palgrave Macmillan.
- Spedding, Alison. 2010. "'Suma qamaña': Kamsañ muni? (Qué quiere decir 'vivir bien?')" [What does 'living well' mean?]. *Fé y Pueblo* 17: 4–39.
- Thomas, Nicholas. 1991. *Entangled Objects: Exchange, Material Culture, and Colonialism in the Pacific*. Cambridge, MA: Harvard University Press.
- Willmott, Kyle. 2020. "From Self-Government to Government of the Self: Fiscal Subjectivity, Indigenous Governance and the Politics of Transparency." *Critical Social Policy* 40 (3): 471–491.