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Review

Reviewed Work(s): Tax Evasion and the Rule of Law in Latin America: The Political Culture of Cheating and Compliance in Argentina and Chile by Marcelo Bergman

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in line for bread without any money, and buying the bread on credit, bin Laden paid off everyone's debts, to the joy of the children and parents alike.

The book provides a wonderful contrast to the role generally presented of women in different Islamic organizations. When Rabiah attends the Jemaat Islamiyya pesantren in Solo, Abdullah Sungkar and Abu Bakir Ba'asyir spend hours discussing the Sunna and Hadith with her as she offers critiques and suggestions. In contrast, when she meets with Zawahiri, she must do so behind a thick black curtain.

The book ends with Rabiah back in Sydney under house arrest and 24-hour surveillance. Designated "a threat to national security" and prevented from travelling abroad because she might "destabilize foreign governments," according to the Australian Security Intelligence Organization, Rabiah insists that she is just a regular grandmother. Although this book is the biography of one woman, it is incredibly informative for students of radicalization, those interested in Indonesia, and anyone interested in the study of gender and women's roles in jihad.

As a journalistic account, the book suffers from a few problems. Occasionally, the level of detail is overwhelming, and the accounts of Robyn's early childhood development growing up with an angry, drunken father imply that her conversion to Islam was prompted by family issues. The book tries a bit too hard to connect the dots between Robyn's broken home and her radicalization, unconvincing for students of the process. Moreover, the story is uncritical of Hutchison. There is scant analysis by Neighbour. Nevertheless, the copious amount of material that will benefit future researchers far outweighs any shortcomings. Chapters of this book will be useful for classes on Islam, terrorism, the role of women, and Indonesia.

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**Tax Evasion and the Rule of Law in Latin America: The Political Culture of Cheating and Compliance in Argentina and Chile** by Marcelo Bergman. *University Park, Pennsylvania State University Press, 2010. 264 pp. Cloth, \$65.00; paper, \$28.95.*

This is a great study that provides a crucial criticism of the literature on the new institutionalism in political science. The author persuasively shows that the nature of the tax agency, or even the enforcement of rules sanctioning non-compliance, does not explain the behavior of taxpayers. The force of the law is not sufficient to modify the behavior of cheaters. Taxpayers that were audited or even punished for non-compliance are not more likely to obey the law after the punishment. Marcelo Bergman argues that instead, perceptions of the strategies of other taxpayers and the information they provide about the likelihood of audits and sanctions have a stronger impact on tax compliance.

Although Bergman's argument about tax compliance includes vertical enforcement, his main contribution rests on his analysis of horizontal (peer) enforcement. The sharing of information between taxpayers promotes rational imitation and socialization, leading to an individual understanding of the collective level of compliance. Individuals want to avoid being "suckers" who pay in a context of non-compliance even though they would pay if they were in a context of generalized compliance. The argument emphasizes the role of culture and the rule of law more generally in each of the two studied countries.

The richness of the study is enhanced by the author's use of multiple empirical strategies to test his theory. His many different empirical indicators include real and experimental behavior as well as attitudes. First, his measures of real taxpayers' behavior in both Argentina and Chile allow him to perform natural experiments about the impact of auditing and punishment on subsequent behavior by taxpayers. He also relies on experiments with students of two universities where he is able to manipulate the probability of audits and the impact of levels of punishment and collective compliance on his subjects. Finally, he uses surveys on attitudes of taxpayers and the population more generally to further assess the cultural aspects of his theory.

Bergman's empirical and theoretical analysis is both rich and persuasive and opens a line of inquiry on compliance beyond our current understanding of enforcement for explaining variation in the rule of law. Indeed, his conclusion could have been bolder, given his empirical findings on the weak explanatory power of legal enforcement, and could reshape our understanding of the impact of formal institutions on the behavior of citizens, an implicit assumption of the new institutionalist literature. By contrast, the study opens the door for further investigation of its claims. Bergman's claim about the stability of each of the non-compliance and compliance equilibria would require going beyond his initial discussion of how countries in the middle of the distribution tend to move to one of them whereas those on the extremes stay stable. The historical analysis of two countries emphasizes the origin of tax institutions, but does not delve into how each equilibrium was built in each country. Additionally, the very insightful argument about the role of culture that provides incentives for individual behavior could be tested using network surveys rather than attitudinal surveys that could be biased by the same norms that are being studied—it is more likely that Chileans rather than Argentinians would overstate their compliance if that is the general norm in their culture.

In short, this is an excellent piece that provides enough material to change our understanding of the impact of institutions on behavior, not just in Latin America, but more generally. Others should follow in Bergman's steps, extending this study to other policy areas and to other countries, but without losing the richness of his empirical analysis.

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