

Hector Bahamonde
Rutgers University

89 George St.
New Brunswick, NJ 08901
(732) 318-9650
Hector.Bahamonde@Rutgers.edu
www.HectorBahamonde.com

September 9, 2016
Download last version [here](#)

Research Statement

Within comparative politics, my research explores the intersection between inequality and political development, from a political economy perspective. I use cutting-edge quantitative methods to analyze the role of inequality on state capacities, comparative historical analysis to trace the origins of institutional investments, and experimental methods to study individual preferences on vote-buying. I conduct research primarily in the context of Latin America, but also have projects on vote-selling and voting behavior in the U.S. Below, I summarize my job market paper on the origins of fiscal capacities, my book manuscript on the puzzle of state capacities in Latin America, and a series of working papers on vote-selling and vote-buying, both using observational and experimental data for the Americas.

Job Market Paper “*Structural Transformations and The Political Roots of Fiscal Capacities in Latin America*”. According to many political economists, fiscal sociologists, development economist and economic historians, fiscal capacities are a prerequisite for “strong” states. Yet, the *origins* of fiscal capacities are still unclear. There are widely accepted theories for the European case but there is not a consensus for the Latin American case. *Why do some countries have “better” fiscal capacities than others? What have been the factors that led post-colonial Latin American countries to self-impose a system to directly tax individuals?* These questions are key to understand the development of the modern state in Latin America. In my job market paper, I inquire what were the *conditions* that promoted the implementation of fiscal capacities in Latin America and trace back their origins.

My job market paper argues that the modernization of the fiscal apparatus was the product of an inter-elite bargaining process between the agricultural and industrial classes. This paper is embedded into a larger book manuscript where I analyze how these structural transformations helped states to make institutional investments that lead to the formation of states with higher capacities. I utilize fine-grained historical case study comparisons, sectoral outputs from 1900 to the present, time-series econometric techniques, hazard models, and a novel earthquake dataset that covers sub-national death tolls from 1900 to the present to measure state capacities. The manuscript builds on the fiscal sociology literature and the dual-sector economy model. My findings strongly suggest that national industrialization processes challenged the traditional sector, creating

the incentives to self-impose state institutions such as skilled bureaucracies and semi-competitive congresses (oligarchic republics). This structural transformation and the subsequent institutional investments gave way to the modernization of the state and their respective societies in a way that differs entirely from modernization theory.

To test this argument, I leverage sectoral outputs dating back to 1900 until 1980 of a sample of seven Latin American countries. Using panel data methods, I model the conditional hazard ratio that a country which has not yet adopted the income tax adopts in a given year as a function of the relative size of the agricultural and industrial sectors. Within the multiple failure-time framework, I use a slightly different data structure and estimate the *joint* occurrence of income taxation *and* democratization. I find that as the size of the industrial sector grows, the likelihood of income taxation *and* democratization grows exponentially. Using Chile as a case study, I observe what were the main dynamics between the two Chilean elites, confirming that the process of institutional investments comes from the dispute between them.

Book Manuscript “*Structural Transformations in Latin America: State Building and Elite Competition 1850-2010*”. My job market paper is part of my book manuscript project. By exploiting original data from a variety of perspectives, the book examines in a more profound manner how inter-elite disputes map into actual state capacities.

The book manuscript is divided into four parts. The first part develops a theory for the origins of fiscal capacities, which is the topic of the job market paper. The second part argues that though sectoral conflicts produced political outcomes, such as investments in institutions of state building, the *origins* of these conflicts were deeply rooted in the economic structure. Low-productive agricultural economies during the 1900s, by definition, could not retain labor, freeing cheap labor which the modern sector could rely on. On the contrary, by the law of comparative advantages, productive economies were able to retain labor, restricting the development of the modern sector. Structurally, this means that industrialization consisted of a shift of resources from agriculture to manufacturing. In practice, it meant that productive agricultural sectors not only reinforced the agricultural sector’s political monopoly, but also that the labor transference associated to the industrialization process endangered the political leverage the agricultural sector inherited from the colonial period. I test this theory using time series econometric methods (vector error correction equations) and Granger causality tests to argue that the channel by which the industrial sector was expanded had to do with an initial consolidation of the agriculture sector followed by an even faster decay of it.

The third part links these two structural transformations with actual state capacities. One of the biggest gaps in the literature is that there is not a consensus regarding how to measure state capacities. Another novel implication of my book manuscript is that it proposes measuring this concept using original earthquake data. The rationale behind this measurement is very intuitive, and yet has been systematically ignored in the literature. *Why does a 7.0 earthquake flatten Haiti leaving at least 100,000 deaths while a 8.8 earthquake in Chile in the same year leaves just 525 deaths?* The answer is that in Chile, there are strong and heavily enforced regulations. Every building before being erected has to go through a very exhaustive approval process. Haiti lacks state capacities to implement and enforce such regulations. Good-quality building codes and zoning laws are a *reflection* of other *state institutions*. My project has received two grants that have allowed me to gather the data. By exploiting this historical data from 1900 to 2010 on earthquake death tolls, magnitudes and local population (to properly weight the number of deaths) for all southern cone Pacific coast Latin American countries, I provide evidence within states over time by estimating

state-of-the-art spatial regression analyses to understand to which degree inter-elite conflicts (measured with sectoral output data) cause state capacities (proxied by death tolls associated to similar earthquakes).

The fourth section of my book explores the micro-mechanisms of inter-elite disputes and state capacities within a small-N design. Here, I compare similar subnational contiguous units, for example towns in northern Chile and southern Peru, and observe in more detail the mechanics between inter-elite disputes and state-capacities when both units are affected by similar exogenous shocks (i.e. earthquakes). Keeping everything else constant, the difference in death tolls should be attributed to the degree in which the agriculture sector was challenged by the modern sector. To test this theory, I rely on process tracing, comparative historical analysis and archival analyses.

Overall, the dissertation urges a reevaluation of the origins of state capacities. This project is novel because it departs from the classical view that looks at external conflicts. Particularly, the project proposes that endogenous structural economic transformations shaped the incentives to build state institutions that helped to create states of high capacities. My research design is also novel as it exploits time variance within a large-N sample, going beyond the standard small-N historical-only comparison. Furthermore, it also develops a novel proxy for state capacities, which potentially can be expanded to other regions of the world.

Projects and Working Papers As a scholar interested in Latin America, most of my academic work is centered around the issue of inequality. One manifestation of inequality that I am particularly invested in is the relationship between poverty, political (under)development and vote-buying, and clientelism and vote-selling.

In addition to that I have a working paper on vote-buying in Brazil ready to submit for publication. The paper starts by recognizing that there is not an agreement on whether parties target groups or individuals. In fact, most of the times, scholars assume that group-targeting and individual-targeting are interchangeable. What seems to be a major problem, however, is that scholars seem to base their decision on their research designs; ethnographers typically study how parties target *individuals* while experimentalist scholars typically look at how parties target districts/municipalities/states (i.e. *groups*). I developed and tested a theory where parties make use of simultaneous segmented targeting techniques. Groups are preferable by brokers when party machines need to secure higher levels of electoral support, relying on the economies of scale and spillover effects that these groups provide. However, individuals are better targets when they are more identifiable, that is when poor individuals are nested in non-poor contexts or when non-poor individuals are nested in poor groups. Interestingly, I find that non-poor individuals are also targeted. The paper uses observational data, a matched design and a short case study (Brazil) to confirm the assumptions made in the models.

Vote-Selling. With the support of a generous grant I received from the Graduate School and the Department of Political Science, I utilized an experimental design to carry out two experiments in the U.S. out of a series of experiments to be fielded in Latin America for further comparison. I look at price elasticities on vote-selling relative to individual democratic values. Employing a *list experiment* to capture non-biased answers on socially-condemnable/illegal behaviors (like vote-buying), my identification strategy allowed me to observe the “tipping point” where individuals prefer the cash over being a democratic citizen. In a separate study that was already fielded in the U.S., I designed a *conjoint experiment* to identify which of Dahl’s democratic dimensions should fail to predict individual propensities of vote-selling. Conjoint experiments allow researchers to directly isolate complex multi-dimensional concepts (such as *support for democracy*) and observe

which dimension(s) is/are associated to the outcome of interest (vote-selling). Preliminary results show that when the *liberal* component, particularly the *right to associate* fails, individuals are more likely to sell. In this sense, this project is very innovative as it departs from the common strategy of correlating the standard support for democracy question with vote-buying. My identification strategy is more comprehensive as it *decomposes* “support for democracy” in several dimensions which are theoretically and substantively relevant (i.e., Dahl’s democracy dimensions).

Summary and Future Research In sum, my book manuscript, job market paper and working papers on vote-buying and experiments on vote-selling, work toward exploring the effects of inequality on political development from a comparative perspective. I use a widely broad methodological perspective, historical comparisons, time series analyses, and experimental and quasi-experimental methodologies. My goal is to use this toolkit to keep asking “big” questions that are fundamental for our discipline. My future research will seek to study the connection between elite competition and democratic regimes, exploring the connection between state building and democratic institutions and its relationship with vertical accountability and the role of the middle class on bureaucracy formation.

encl: Curriculum vitae, teaching statement, cover letter, writing samples.