
An Ecology of Payments: Taxes, *Cuotas*, and Fees in Highland Bolivia

MIRANDA SHEILD JOHANSSON

In this chapter, I address one of the three questions that we pose in the introduction to this volume – ‘what do taxes do?’ Setting aside the larger issues of monetary policy, I examine the specific local effects of tax payments in the mid-sized city of Cochabamba, Bolivia. What are the consequences to the lives of my interlocutors of paying, or not paying, their taxes, and what impacts do they themselves list as notable? While the catalogue of impacts communicated to me was not brief, and certainly varied between neighbourhoods and individuals, one item that stood out as both locally important and analytically interesting was the impact of tax on other types of payments.

Over the following pages, I explore how taxes shape the meaning of other payments and money flows, and how this in turn produces the qualities attached to taxes, asking how we might theorise these relationships and effects. For instance, I describe how receipts for commercial licence taxes and property taxes paid provided my interlocutors with the right to make other kinds of payments, such as fees to local neighbourhood associations and unions. Taxes paid thus afforded new and increased political and economic choices. The relationship between the taxes and these other fees fundamentally affected the character of each – the taxes

I wish to thank my interlocutors, colleagues, and friends in Bolivia who all make my ongoing research there possible and a joy. The shape of this chapter owes much to the Q&A session following a seminar I gave in the Social Anthropology department at the University of Manchester; thank you to Soumhya Venkatesan for inviting me and to everyone there who asked questions and offered feedback. Similarly, the chapter benefited from the feedback received when presented at the Anthropology department’s seminar series at the University of Aberdeen; thank you to Maggie Bolton for the invitation. I am also thankful to all my colleagues who participated in the research forum at UCL Anthropology and provided useful feedback on a half-baked draft of this chapter, and to Amy Penfield for her astute comments on a much later draft. This work was supported by a UKRI Future Leaders Fellowship (grant number MR/V022261/1) and a Leverhulme Early Career Fellowship ECF-2017-091.

gained particular meaning as enablers of other payments, and the fees gained particular legitimacy due to their link to taxes. I propose the concept 'ecology of payments', to emphasise the multiple links and dependencies between payments and the way they transform each other.

Ecology has been used in anthropology to describe social phenomena that, strictly speaking, do not meet the scientific definition of ecology. A notable example of this is Gregory Bateson's (1972) formidable work on 'ecology of the mind' in which he explores how ideas interact, evolve, survive, and become extinct. Another one is Nicholas D'Avella's (2014) term 'ecologies of investment', which describes the investment practices of Argentinian savers who try to cobble together sound investments in the context of perpetual economic crisis. D'Avella justifies his use of ecology as this allows him to focus on the constitutive relationality between diverse things and people, as he puts it, 'When Mariela moves her investments from bank deposits to cash, she is not only changing the stuff of her investments but also the way she relates to and is entangled with her world' (2014: 175). Like Bateson and D'Avella, I am here guilty of a loose employment of ecology as a metaphor, but humbly use the term as I believe it conveys the enmeshed nature of different payments and how they relate to their local, political, and economic 'habitat' of state institutions, local organisations, and so-called informal markets. It also draws attention to the way that actors and actions are co-constitutive, and the vitality and transformation that happens within these sets of relationships.

The aim of this chapter is twofold. (1) I want to explore how payments relate to each other and gain their meanings within local flows of money, and specifically how the definition and meaning of taxes are relationally and locally produced. I do this by interrogating taxes as part of an ecology of payments. (2) To examine how the categories of 'formal' and 'informal', and the earmarking of money flows attached to them, create energies, stoppages, and possibilities in economic behaviour. For the study of taxes, this is crucial, as while the distinction of 'formal' and informal' economic action does not tally with lived economic life, the abstract idea of formality matters to the status that taxes hold, and therefore their ability to 'do' things.

The term 'ecology of payments' is also analytically useful as it entails a focus on what taxes do within a horizontal web of local economic interactions. This enables us to explore taxes, not just in direct relation to the state, or through abstract notions of long-term relations of reciprocity, but also in terms of their local and more immediate effects. These

more direct and everyday effects were particularly important to my research participants, who were generally unconvinced by the idea that taxes funded the public goods around them, or that municipal tax-collecting agencies productively and fairly employed their fiscal revenue as opposed to lining their own pockets. I have previously argued (Sheild Johansson 2020) that reading tax through a lens of reciprocity, as is often done in the social sciences, draws attention to social relationships that are mutually beneficial, where there is an agreed upon moral vision for society, to equality, and the so-called social contract. This, in turn, obscures other fiscal relations, or layers of varying and contradictory exchanges, which are potentially characterised by extortion, lack of choice, negative reciprocity, and utilitarianism.

I have also argued that amongst my research participants in Bolivia, 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 at a level of the nation-state, as might be imagined in the classic welfare state. Instead, they were regularly used to create distance from the state (Sheild Johansson 2020). A key reason my research participants pay taxes, I suggest, is to ensure the state leaves them alone, echoing historical experiences of tribute systems where taxes on land were paid to the state to protect that land from the same state (Harris 1995; Platt 1982; Sheild Johansson 2018). Thinking about tax beyond state–society reciprocity can productively be done through lenses such as redistribution (Polanyi 1944, 1957), the models and ethics of sharing (Ferguson 2015; Peterson 1993; Widlok 2017; see also Mugler, this volume), mutual taking and immediate return systems (Bird-David 1990; Woodburn 1982), and as I will do here, through payments (see also Maurer 2012, 2015).

Arguably, many of these approaches could be subsumed within the broader categories of exchange and reciprocity. However, each one challenges exchange as a catch-all for theorising tax by demonstrating that it is not the most accurate or only way of understanding what it is that taxes do in different locales. An ecology of payments provides an alternative framework through which to think about taxes, helping us cut through assumptions about taxes being primarily about state–citizen relationships, reciprocity, or the social contract, and instead attend to the data specific to the given locale, in this case, the importance of taxes in relationship to other kinds of payments.

The focus on these inter-payment relationships speaks directly to Anna-Riikka Kauppinen's (2020) work on tithing in Ghana. Kauppinen

argues that we need to interrogate the multiple ways that money is redistributed in society, and view taxes as part of a ‘universe of transfers’ (2020: 41), a space where taxes gain their meaning, and their efficacy is assessed in relation to other payments, such as tithes. In other words, not only do we need to recognise these non-tax transfers as tax-like, but we should also pay attention to how these other payments inform local understandings of what taxes are and should be, how state-levied taxes may, as in Kauppinen’s case, gain important meaning in relation to the exchange of sacrifices for divine miracles between a God and believers. But while Kauppinen shows how the efficacy and value of a fiscal exchange with the state is always considered in light of these other payments and their ability to build ethical relationships and physical (as well as spiritual) worlds to live within, the present endeavour is slightly different. I look specifically at how some payments transform the ‘purchase power’ of other payments, and the role of taxes in this. In this way, I shift the analytical focus from the exchange relationships that taxes imply, to explore other ways that tax payments produce particular economic landscapes.

Primero de Mayo and Bolivian Tax Policy

My ethnographic research was carried out during eight months of fieldwork in 2018, and three months of fieldwork in 2023, in Primero de Mayo, a suburb on the outskirts of the mid-sized Andean city of Cochabamba. Primero de Mayo belongs to District 9, the fastest growing part of the city. Twenty years ago, the area was mainly designated for agricultural use, but by 2018, the urban zone of District 9 had expanded to make up almost half of the city. Primero de Mayo, which stretches up the dusty southern slopes of the otherwise green valley of Cochabamba, was busy with people and construction projects, with new self-built brick and cement houses popping up weekly. At the time of fieldwork, only the streets by the marketplace, secondary school, and hospital were paved; the sewage system was minimal; and no households were connected to the city’s gas supply. Electricity was available, though much of the grid was an informal one, with neighbours using each other’s supply. Most of the houses lacked plumbed toilets and only some had outhouses. While public services and amenities were lacking, and the area is located at a fair distance from the city centre, Primero de Mayo was a popular area in which to buy real estate due to the comparatively low prices of plots and availability of shops and proximity to social networks.

Many of the inhabitants of District 9 were recent migrants from surrounding rural areas. Newcomers often buy their plots in urban zones close to family and friends who originate from the same rural area, ensuring the extension of existing kin and ritual kin networks. In Primero de Mayo, people are members of multiple local organisations, such as unions and neighbourhood associations, and a majority consistently vote for the governing party, MAS-IPSP (*Movimiento al Socialismo – Instrumento Político por la Soberanía de los Pueblos* (Movement toward Socialism – Instrument for the Sovereignty of the Peoples), from here on referred to as MAS). People engage with a wide range of jobs, and often have several income streams. Men will take seasonal work on construction sites, paid positions within local organisations, run small shops, and drive taxis or public transport. Many women earn money in the marketplaces selling a variety of goods and take up paid jobs as domestic workers. The market work involves wider hustles of buying and selling and engagement in long supply chains that weave in and out of formality and illegality. This might include second-hand clothes brought in as contraband, or fruit bought in bulk from the tropics to be sold in the cities on the high Andean plains, such as Oruro. Many also rely on produce from the fields in their home villages. Overall, the everyday implicates several and varying incomes and payments; in these cash economies where pockets are emptied and filled with speed and often irregularly (Sheild Johansson 2022), the relationship between different transactions matters.

The current Bolivian president, Luis Arce, came into power in 2020 following a tumultuous political time which saw the former president, Evo Morales, flee the country and the controversial appointment of the conservative Jeanine Añez Chávez as interim president. Luis Arce belongs to the same political party as Morales, MAS, who were first elected to power in 2005 following prolonged protests against resource exploitation, privatisation, and exportation under the previous president, Gonzalo Sánchez de Lozada. MAS set out to remake Bolivia, promising to finally provide representation for the large part of the population who identify as Indigenous. Self-identifying as Indigenous Aymara himself, Morales' era in power was meant to bring about an end to centuries of racism, to secure Indigenous autonomies, protect the country's natural resources, and expand national industry and public services to provide security and jobs for all. From the mid-2000s to mid-2010s, Bolivia saw annual economic growth rates up to 6.8 per cent (although the average was between 4 and 5 per cent), outpacing both regional and global

averages (source: ECLA).¹ While this level of growth has now tapered off, it did allow the government to invest in public infrastructure and the country experienced significant improvements across multiple indices of the human development index, including life expectancy, education, and per capita income.² Based on these figures, it is hard to deny that MAS have delivered on part of their promises for change. However, alongside these ‘wins’ exists growing criticism towards MAS from many parts of society, including their more traditional critics – the landowning elite – but also middle-class small business owners who list corruption and heavy-handed state intervention in markets as serious governmental failings, and groups who were initially allies of Morales and MAS’s political project, such as left wing and Indigenous activists and scholars (e.g. Rivera Cusicanqui 2012). This last group warns that MAS have not protected the environment or Indigenous rights, and that instead, corruption and popular authoritarianism characterise their time in government.

An ongoing aim of MAS has been to grow and diversify their fiscal revenue stream to ensure the country’s long-term economic stability is not overly reliant on the hydrocarbon industry. While Bolivia’s tax-to-gross domestic product (GDP) ratio of 22.4 per cent (in 2020) fares well in the region (Organisation for Economic Co-operation and Development (OECD) et al. 2022) and is certainly an improvement on the 1986 figure of 3 per cent, it is significantly lower than the OECD average of 33.8 per cent (OECD et al. 2021: 31). To collect more taxes, the Bolivian tax authorities have run campaigns aimed at including populations such as the inhabitants of Primero de Mayo, those who identify as Quechua- or Aymara-speaking, who work in ‘informal markets’, and who are already a fairly loyal electorate (so to some extent low-hanging fruit), into the tax net. Alongside campaigns which promise to build a new Bolivia with taxpayer money, one that will chime with Indigenous ethics of living well ‘*vivir bien*’, the tax office also enforces compliance through regular spot checks on businesses and sanctions, including the immediate closures of premises that do not have their tax paperwork in order, and significant fines for late or unpaid taxes.

However, neither the campaign messages nor the threat of sanctions impacted people in Primero de Mayo much. While many of the residents

¹ United Nations Economic Commission for Latin America (ECLA) – the Spanish acronym is CEPAL.

² In 2005, Bolivia’s United Nations Human Development Index (HDI) was 0.632, and in 2020, it was 0.718.

in the zone voted for MAS in national and municipal elections, they were cynical about both central and local government, and had little faith that their tax payments constituted an exchange relationship which benefited them. They attributed the improvements they saw in the wider country, in areas such as education and health provision, to increased incomes from the hydrocarbon industry, not the payment of their taxes.³ And though the tax collectors do visit businesses in the centre of town to check on their paperwork and issue fines, they rarely venture out to Primero de Mayo. This is mainly due to their limited institutional resources, so it makes little sense to spend time or personnel on clamping down on suburban market sellers with comparatively meagre profits. But while the campaigns and threats from local and central governments aimed at encouraging tax payment were resoundingly unsuccessful in Primero de Mayo, my interlocutors did pay some taxes, as to do so was seen as productive within a local ecology of payments and so key to the functioning of their day-to-day economic and political life.

Alto San Roque – Property Tax and Neighbourhood Cuotas

Alto San Roque is a newly established *junta vecinal* (neighbourhood association) near the top of the hillside upon which Primero de Mayo is built. It is a collection of around thirty plots, all of which were bought from a *hacienda* owner and had now been divided between a group of family and friends mostly originating from the same rural area. The experience of the people of Alto San Roque in working to legally divide the land into individual plots and re-designate their land as urban, and thus join the urban zone of District 9, is useful for exploring the interrelationship between different kinds of payments and the role that taxes played in this economic landscape. In this case, receipts of taxes paid were leveraged to ensure access to resources and political power and invest in non-state collective worlds, such as unions and neighbourhoods.

The inhabitants of Alto San Roque had bought their plots circa 2013 – five years before my first arrival. They had divided the land amongst themselves and sold the remaining plots to any interested party. At the time of research, the plots still held the designation rural. To change this, the neighbours were busy preparing an urban development plan (*plan sectoral*) for submission to the municipal office (*alcaldia*). An urban

³ MAS sharply increased the taxes on natural gas profits from 18 to 54 per cent, imposing the *Impuestos Directos a los Hidrocarburos* (IDH) (Postero 2017: 97).

development plan should include the individual plots, as well as markings for roads, public facilities, and green areas, all of which need to be negotiated and settled between neighbours. Once approved, the individual plots in the plan can be entered into the land registry, and the people of Alto San Roque can start paying individual taxes on land designated urban. While the push for private ownership is something that many rural-based Indigenous groups argue against in the name of preserving communal organisation and access to land, including many of my interlocutors with regard to their fields in their home villages, they also emphasised what they perceived as the economic and social benefits of individually owning their own land in the urban context. And, significantly for the current argument, once Alto San Roque had been designated urban, it could join Primero de Mayo's neighbourhood association, *Organización Territorial de Base* (OTB, grassroots territorial organisation), which, as will be outlined below, brings material and political advantages.

All members of a neighbourhood association, like Alto San Roque, pay regular contributions, *cuotas*, to their own neighbourhood association, *junta vecinal*, and often another larger OTB. OTBs are grassroots organisations, based around, for instance, a village or a neighbourhood association that gains legal personhood through the submission of terms of references, lists of members, collections of minutes from meetings held, and any payrolls of leaders, to the municipal council. OTBs were established by decree as part of the Law of Popular Participation (LPP), passed in 1994. These organisations dominate local politics and carry considerable weight in national arenas as well; for instance, they have the legal right and responsibility to form surveillance committees, *Comités de Vigilancia*, to oversee municipal budgets. OTBs also provide basic infrastructure and services in areas where the state fails to do so, such as paving roads or repairing community spaces. In other instances, they co-produce public services with the state; in these cases, the local municipality may cover some costs of the construction of, for example, a new school and the OTB provide labour and management. The making of the city of El Alto is a prime example of the role that *junta vecinales* and OTBs play in the Bolivian context – as Sian Lazar (2008) has described, while the state ignored the existence of El Alto, these neighbourhood associations built what is now the second largest city in the country. For OTBs to function the *cuotas* are key, as are labour contributions from all members, including commitments to join marches and blockades to further the union demands, when called upon by OTB leaders. Those

who do not pay or do not contribute their labour can face fines and social sanctions. Overall, my interlocutors were happy to pay their *cuotas*, and contribute with their labour, and frowned on those who did not – they saw a direct value in the work of the OTBs.

On the one hand, OTBs are legally recognised as political players and could be regarded as having been captured by the state, especially as many OTBs would politically be aligned with the MAS party. On the other hand, their structure and processes are rooted in rural *ayllu* organisations (highland, Indigenous kin-territorial communities), with its rotating authority structure; in kinship networks; and in existing community power relations, which can be both inclusive and hierarchical. In addition, much of the activity of OTBs, such as supporting informal electrification, does not align with state plans. Arguably, the power of the OTBs lies in their in-between nature, as they offer a collective world which has access to the state but is rooted in local concerns and loyalties.

In the neighbourhood meetings of Alto San Roque, paying the correct taxes on their now-built-on-land was an urgent matter of conversation. This was not because paying taxes was seen as a moral duty to the state (at least this was not what I heard; in fact, it was believed that corruption would make most of their taxes paid disappear). As mentioned, the improvements they had seen in the MAS years were generally attributed to increased revenues from the hydrocarbon industry, or to the efforts of unions or neighbourhood associations. Nor were they incentivised to pay taxes due to fear of penalties placed on evasions. As it was, all members were already communally paying a nominal amount of tax in line with the current pastureland designation, so they were not evading tax, and even if they were, as mentioned, the local municipality of District 9 simply did not have the resources or oversight to police property tax evasion. Instead, this urgency was rooted in a desire to gain a level of formality which would enable them to join the larger Primero de Mayo OTB, pay their *cuotas* there, and thus access both the resources the organisation could deliver and its political clout. Paying tax was therefore about creating the conditions for being able to make another kind of payment – the *cuota*. The *cuota*, in turn, gained a level of formality and exclusivity by being payable only by those who were taxpayers. This shifted the tax payment into being an enabler and charger of money flows, as opposed to a payment that resulted in a direct exchange with the state.

So, the members of Alto San Roque pushed on with trying to change the designation of their land and enter it into the cadaster as urban land

so they could pay the corresponding taxes on it. It is worth emphasising here that this process was not straightforward. And the paperwork was constantly stuck '*en tramite*' (in bureaucratic process). Meanwhile, many of the members had already built their houses and moved in, but were frustrated that they could not enjoy the full benefits of an urban home.

Commercial Licence Tax and Union Fees

The second example I want to discuss in this chapter is that of *Doña Hilda* and the commercial licence tax, *patente*. *Doña Hilda* lived in Primero de Mayo and made a living by selling fruit. As opposed to having a stall or set spot in one of the city's markets, she was an ambulatory vendor, using a wheelbarrow to store and transport her goods. Ambulatory vendors, or *ambulantes*, as they are referred to in Bolivia, who make up a large part of the traders in Cochabamba, do not have a commercial licence issued by the municipality to sell their goods in public. While *ambulantes* will return to specific selling spots on the outskirts of the bigger markets, around bus stations, or simply on the corners of busy streets, they do not have guaranteed spaces to sell. Municipal law enforcement, *guardia municipal*, can ask them to move on or let them remain in a location temporarily in exchange for a daily unofficial fee, *sentaje*. In addition, *ambulantes* face constant pressure and at times aggression from sellers with official stalls who do not appreciate the competition that they present (Sheild Johansson 2022). Key for the present argument, an *ambulante* is also not able to join the market sellers' union, *La Federación de Comerciantes Minoristas*, because to join the union you need to have paid your commercial licence tax, *patente*, which acted like a trading licence. According to the sellers in the covered market in Primero de Mayo who had *patentes*, the union should be exclusively for 'official' sellers because managing the competition faced by them from *ambulantes* was a crucial aspect of the union's work to protect its members' interests. *Doña Hilda* had spent considerable time attempting to obtain a *patente* from the municipal *Intendencia* so that she could move on from ambulatory vending to selling from a secure spot and join the union. Her problem was that there was a limited number of *patentes* available in the city and acquiring one was not easy because many were traded on an illegal market rather than returned to the official queue system (Goldstein 2016). The yearly *patente* tax was around 250 Bolivianos (Bs) (£30) in 2018. While not an inconsequential amount, it was one that *Doña Hilda* said she would gladly pay.

The market sellers' union, the *Federación*, had significant political influence, including with the *alcalde* (mayor), and ability to protect its members. The *Federación* also provided infrastructure and services in and around marketplaces, such as rubbish removal, electricity, and security. It was a larger collective which people did aspire to be part of and were willing to pay into. As Daniel Goldstein (2016) details in his work on market sellers in Cochabamba, the role of the union vis-à-vis the state became very clear in the wake of a large fire which devastated parts of the huge central market *la cancha*. The land that *la cancha* is built on is owned by the municipality, and people pay their *patente* to the municipality. Yet when disaster struck, no state institutions extended resources for clean-up or re-building, nor did they provide any support to the small businesses which had been devastated. Instead, it was the *Federación* and the smaller unions (*sindicatos*) and guilds (*gremiales*) of which it is made up that organised the re-construction of the market after the fire and provided some compensation for goods lost. The power and success of the unions and the market guilds that make up the *Federación* is considerable, with systems of credit and access to supply lines fuelling the growth of substantial wealth amongst many of its members, as described by Nico Tassi (2017).

At the time of the 2018 fieldwork, *Doña* Hilda informed me that *Federación* membership was a hefty fee of 1,500 Bs (approximately £175), a month's wages for most of its affiliates. In addition, there are regular charges of 50–100 Bs (£7–£12) towards specific purposes. Despite this, affiliation was attractive to *Doña* Hilda. 'They fight for you, defend you, and help you. They go on marches,' was *Doña* Hilda's reasoning for wanting to join the *Federación*; it was deemed to offer better long-term protection for its members' interests than the government, as well as an opportunity for business collaboration and expansion. *Doña* Hilda did not believe that the tax payments she made in exchange for her commercial licence would go towards providing public infrastructure, services, or political representation. That money, she said many times, would disappear into the pockets, *bolsillos*, of local civil servants and politicians. But what this tax payment did do, in addition to giving her an official spot to sell from, meaning she no longer had to walk the city with her goods in a wheelbarrow, was allow her to pay the fee to the union, granting her membership. The union membership brought collective security, representation, and access to new commercial relationships. Just as with Alto San Roque, *Doña* Hilda needed to pay tax to make other payments which people in Primero de Mayo said offered important benefits. 'Paying the

tax on this plot of land,' Don Prudencio, one of the neighbours in Alto San Roque, said, 'is just something I have to do, then with that tax receipts I can get on with life, it makes things easier here in Mayu [Primero de Mayo].' In this way, taxes gain meaning in relation to the other payments they enable, as opposed to just their exchange power with the state.

An Ecology of Payments

The Armenian folk tale, 'The Tailless Fox' (famously retold as 'One Fine Day' by Nonny Hogrogian in 1971), recounts the story of a fox on a desperate mission to retrieve his severed tail. The tail is held by an old lady who cut it off after finding him stealing her milk, and she will only sew the tail back on if he replaces her milk. So, the fox goes to a cow to ask for milk, but the cow will only give him milk if he brings the cow some grass, but the field will only give him grass if he brings it some water, and so on the fox goes from place to place with an ever-expanding chain of demands. Finally, he meets a farmer who out of kindness gives him some grain to feed the hen who will lay him an egg to give the peddler, and so on, and in this manner, the fox slowly swaps his way back to the milk, which he gives to the old lady in return for his tail. The story not only pushes the message that hard work and determination pay off and that acts of kindness matter, but also demonstrates the chain of deals that are implicated in the exchange of goods. In addition, it illuminates an 'ecology of payments' concept as it illustrates, albeit in a simplified way, how a payment is charged with where it has come from and what else it allows. When the fox received the egg in exchange for the grain, the egg was not just an egg – it held the promise of his tail, and therefore was different from other eggs. Similarly, for my interlocutors in Primero de Mayo, their tax receipts did not primarily symbolise an exchange with the state, or the compliance with a demand for payment, but instead carried the potential of the *cuotas* and *patentes*, OTB and *Federación* membership. Conversely, the *cuotas* and fees gained part of their meaning from the fact that only those with tax receipts were in the position to pay them.

Both the ethnographic examples I give of taxes and other payments in Primero de Mayo and the tale of the Armenian fox are linear in how one 'payment' affects the next one. In the Bolivian case, this is because they were clear examples which presented themselves to me during fieldwork, but I suggest that further ethnographic data would most likely shine a

light on far more complex webs of payments. What the examples presented do illustrate though is the importance of potential and how these payments do not just hold value in relation to what they can be swapped with immediately, but instead their value is linked to their multiple and rippling future effects.

An ecology of payments in Primero de Mayo – how tax payments have potency as they enable other, important payments to happen – also echoes Viviana Zelizer's (1994) argument that the provenance of money, and the act of earmarking it, matters. The money gifted from an uncle intended for a child's savings account is not the same as the money that comes from one's wages and goes on the weekly shopping. Or as D'Avella sets out in the Argentinian context regarding investments where an unstable monetary situation made it brutally clear that not all money is the same – 'Argentines are careful about treating different investments as equivalent forms of abstract value in which one is like any other. Mariela is acutely aware that even the dollars she keeps in her safe deposit box are not equivalent to the dollars she used to have in her bank account. Dollars are only equivalent to dollars under certain infrastructural conditions' (2014: 176).

The importance of potential and the charge of things resonates with core anthropological debates about economic relationships such as money (Zelizer 1994; Furness 1910 cited in Kùchler 2021: 119) or gift-giving (e.g. the Hau of the gift, Mauss [1925] 1954). As Kùchler notes about Yap stone money, 'rather than serving as quasi commodities in barter-like exchange, they served to make manifest the potential for future transactions of the household, not its past executions' (2021: 119). However, the analyses of taxes have, until very recently, remained outside these more rhizomatic approaches to the economy. I suggest that an 'ecology of payments' perspective is one useful way to shift the study of taxes away from neoclassical economic thinking, and towards ethnographically grounded understandings of what it is that taxes do in a given locale and the horizontal effects of tax payments.

Formality and Informality

Since Keith Hart (1973) first started using the term 'informal economy' in our discipline, anthropology has generally moved to the position that it is misleading to call economic activities that might be 'beyond the state', or even anti-state, 'informal' because even as they act to circumvent the state on some level, they are in fact fundamentally linked to state

structures and can be essential to the very composition of state power (Roitman 2004: 192). Likewise, notions of the economy or people as divided into formal and informal do not account for the socio-economic complexity of lived realities, the heterogeneity of which also challenges these categories that are constructed around the centrality of waged labour, and therefore not useful tools to understanding social spaces where waged labour is not the norm (Fernández-Álvarez 2020: 61). Building on Timothy Mitchell's (1999) work on the production of the 'state effect', Olly Owen argues that upon accepting that the division between formal and informal is a constructed imaginary and a technique of governance, we must focus our research on the social and political meaning of the distinction between formal and informal in the contexts where it is used, and further, who uses it to what effect (Owen 2018: 2)? As development scholar Kate Meagher demonstrates in her work on fiscal relations in Nigeria, bracketing off some economic actors and sections of the economy as informal produces the narrative that people within it are excluded from the tax net and do not contribute to public goods, when in fact, she argues, they tend to be significant net contributors to wider society (2018: 3). Following Owen's line of thinking, the data from this chapter demand consideration of what the category of formal, in this case tax receipts, does within an ecology of payments. What is the particular charge that taxes bring in these circumstances? As Don Prudencio noted, with tax receipts things are easier in Mayo, but why do these receipts open doors that are not guarded by state officials, and why does a union or neighbourhood association value tax receipts, in other words, recognise the state as awarder of legitimacy?

In Primero de Mayo, the state did not have the resources to punish the informal in any predictable or sustained way and so formality was not a necessary protection against state sanctions, instead the formality, and in this case taxes, had power because people for multiple reasons agreed that they did. In OTB Primero de Mayo, there was consensus that all neighbourhoods needed to be 'official' to join up. Likewise, for the *Federación*, the *patente* was key to defining the professional standing and eligibility of the members. This attachment to formality demands attention. According to members of the Primero de Mayo OTB, the state-recognised formality of their membership body provided the organisation legitimacy in their engagements with local and national state institutions, enabling the OTB to make certain claims on the local government with regards to resources, and the central government with regard to political representation. And to the neighbours of Alto San

Roque, tax receipts provided a level of certainty with regards to their land ownership in unstable market conditions. In a property market where property disputes are rife, receipts of taxes paid have surfaced as the most stable arbiter. While the present data are not sufficient for fully answering the question of why the state retained the ability to award legitimacy in a context where people did not experience it as producer of public goods and instead viewed it as permeated with corruption, it is clear that the state was a power with which to be reckoned. The categories the state created around formal and informal, and the weight it awarded tax payments, could not be ignored. The state has historically been able to take away land from Indigenous communities and is still in a position to do this through mechanisms such as the government's right to exploit subsoil resources. In addition, demonstrating allegiance to the MAS government can be advantageous to local OTB leaders, both in terms of their own political ambitions and in terms of their ability to attract resources to their neighbourhoods and have their concerns heard.

In this way, 'informality', in the form of the communally-funded work of the *Federación* and OTBs, was sustained through ideas about formality. In other words, these collectives, who in many senses wish to remain at arm's length from the state, and who, due to their in-between status are also excellent examples of why clear distinctions between formal and informal are impossible, still employ and reinforce the state's categorisation of vendors and properties as official or not, and rely on state-defined formality, in this case taxes, to function and build legitimacy.

Conclusion

In the introduction to this volume, we argue that defining taxes is not a simple thing and decentring the state in our definitions allows for a more nuanced discussion of what taxes are. In this chapter, I have focused on taxes as defined by states and the status this awards them as particular kinds of payments. The very idea of formality allows for taxes to be differentiated from other payments, a distinction which is mobilised by governments and communities to manage economic and political life. Conversely, taxation itself is also a key instrument for inscribing the formal–informal frontier (Owen 2018: 2). What taxes do within given contexts is shaped by how they are locally defined. In this case of taxes in Primero de Mayo, they acted as payments which allowed for other payments, the *cuota* to the OTB or the fee to the *Federación*, to take place. They were able to do this because they were recognised as

payments charged with a formality which would subsequently legitimate the unions and the neighbourhood associations. To my interlocutors, the ability of tax payments to allow for and re-signify other payments was of far greater consequence to their everyday lives than was the power of tax to create a reciprocal relationship with the state.

References

- Bateson, G. (1972). *Steps to an Ecology of Mind: Collected Essays in Anthropology, Psychiatry, Evolution, and Epistemology*. Chicago, IL: University of Chicago Press.
- Bird-David, N. (1990). The giving environment: Another perspective on the economic system of gatherer-hunters. *Current Anthropology*, 31(2), 189–196.
- Bloch, M., & Parry, J. (1989). *Money and the Morality of Exchange*. Cambridge: Cambridge University Press.
- D'Avella, N. (2014). Ecologies of investment: Crisis histories and brick futures in Argentina. *Cultural Anthropology*, 29(1), 173–199.
- Ferguson, J. (2015). *Give a Man a Fish: Reflections on the New Politics of Redistribution*. Durham, NC: Duke University Press.
- Fernández-Álvarez, M. I. (2020). Building from heterogeneity: The decomposition and recomposition of the working class viewed from the 'popular economy' in Argentina. *Dialectical Anthropology*, 44, 57–68.
- Goldstein, Daniel. (2016). *Owners of the Sidewalk: Security and Survival in the Informal City*. Durham, NC: Duke University Press.
- Harris, O. (1995). Ethnic identities and market relations: Indian and Mestizos in the Andes. In O. Harris & B. Larson, eds., *Ethnicity, Markets and Migration in the Andes*. Durham, NC & London: Duke University Press, pp. 351–390.
- Hart, K. (1973). Informal income opportunities and urban employment in Ghana. *Journal of Modern African Studies*, 11, 61–89.
- Hogrogian, N. (1971). *One Fine Day*. New York, NY: The Macmillan Company.
- Kauppinen, A.-R. (2020). God's delivery state: Taxes, tithes, and a rightful return in urban Ghana. *Social Analysis*, 64(2), 38–58.
- Küchler, S. (2021). Rethinking objectification: From substitution to sequence. In T. Carroll, S. Walton, & T. Walford, eds., *Lineages and Advancements in Material Culture Studies Perspectives from UCL Anthropology*. London: Routledge, pp. 115–128.
- Lazar, S. (2008). *El Alto, Rebel City: Self and Citizenship in Andean Bolivia*. Durham: Duke University Press.
- Maurer, B. (2008). Re-regulating offshore finance? *Geography Compass*, 2(1), 155–175.

- (2012). Payment: Forms and functions of value transfer in contemporary society. *The Cambridge Journal of Anthropology*, 30(2), 15–35.
- (2015). *How Would You Like to Pay?: How Technology Is Changing the Future of Money*. Durham, NC: Duke University Press.
- Mauss, M. ([1925] 1954). *The Gift*. London: Routledge.
- Meagher, K. (2018). *Taxing times: Taxation, divided societies and the informal economy in Northern Nigeria*. *Journal of Development Studies*, 54(1), 1–17.
- Mitchell, T. (1999). Society, economy and the state effect. In A. Sharma & A. Gupta, eds., *The Anthropology of the State*. Oxford: Blackwell, pp 169–186.
- OECD Centre for Tax Policy and Administration, the OECD Development Centre, the Inter-American Center of Tax Administrations (CIAT), the Economic Commission for Latin America and the Caribbean (ECLAC), & the Inter-American Development Bank (IDB). (2021). *Revenue Statistics in Latin America and the Caribbean 2021*. Paris: OECD Publishing.
- (2022). *Revenue Statistics in Latin America and the Caribbean 2022*. Paris: OECD Publishing.
- Owen, O. (2018). Tax and fiscal practice: Interrogating the meaning and use of formality. *Politique africaine*, 151, 5–15.
- Peterson, N. (1993). Demand sharing: Reciprocity and the pressure for generosity among foragers. *American Anthropologist*, 95, 860–874.
- Platt, T. (1982). *Estado Boliviano y Ayllu Andino. Tierra y Tributo en el Norte de Potosí* (Bolivian State and Andean Ayllu: Land and Tribute in the North of Potosí). Lima: Instituto de Estudios Peruanos.
- Polanyi, K. (1944). *The Great Transformation: The Political and Economic Origins of Our Time*. Boston, MA: Beacon Press.
- (1957). The economy as instituted process. In C. M. Arensberg, H. W. Pearson, & K. Polanyi, eds., *Trade and Market in the Early Empires: Economies in History and Theory*. New York, NY: The Free Press, pp. 243–270.
- Postero, N. (2017). *The Indigenous State: Race, Politics, and Performance in Plurinational Bolivia*. Berkeley, CA: University of California Press.
- Rivera Cusicanqui, S. (2012). Del MNR a Evo Morales: disyunciones del estado colonial (From the MNR to Evo Morales: Disjunctions of the colonial state). *Bolpress*, January 31. www.soldependo.com/silvia-rivera/. Last accessed 28 February 2024.
- Roitman, J. (2004). Productivity in the margins: The reconstitution of state power in the Chad Basin. In V. Das & D. Poole, eds., *Anthropology in the Margins of the State*. Oxford: James Currey, pp. 191–224.
- Sheild Johansson, M. (2018). Taxing the Indigenous: A history of barriers to fiscal inclusion in the Bolivian Highlands. *History and Anthropology*, 29(1), 83–100.
- (2020). Taxes for independence: Rejecting a fiscal model of reciprocity in peri-urban Bolivia. *Social Analysis*, 64(2), 18–37.
- (2022). From ‘beasts of burden’ to ‘backbone of society’: The fiscal forging of a new Bolivian middle class. *Critique of Anthropology*, 42(4), 381–399.

- Tassi, N. (2017). *The Native World-System: An Ethnography of Bolivian Aymara Traders in the Global Economy*. Oxford: Oxford University Press.
- Widlok, T. (2017). *Anthropology and the Economy of Sharing*. New York, NY: Routledge.
- Woodburn, J. (1982). Egalitarian societies. *Man*, 17(3), 431–451.
- Zelizer, V. (1994). *The Social Meaning of Money*. New York, NY: Basic Books.