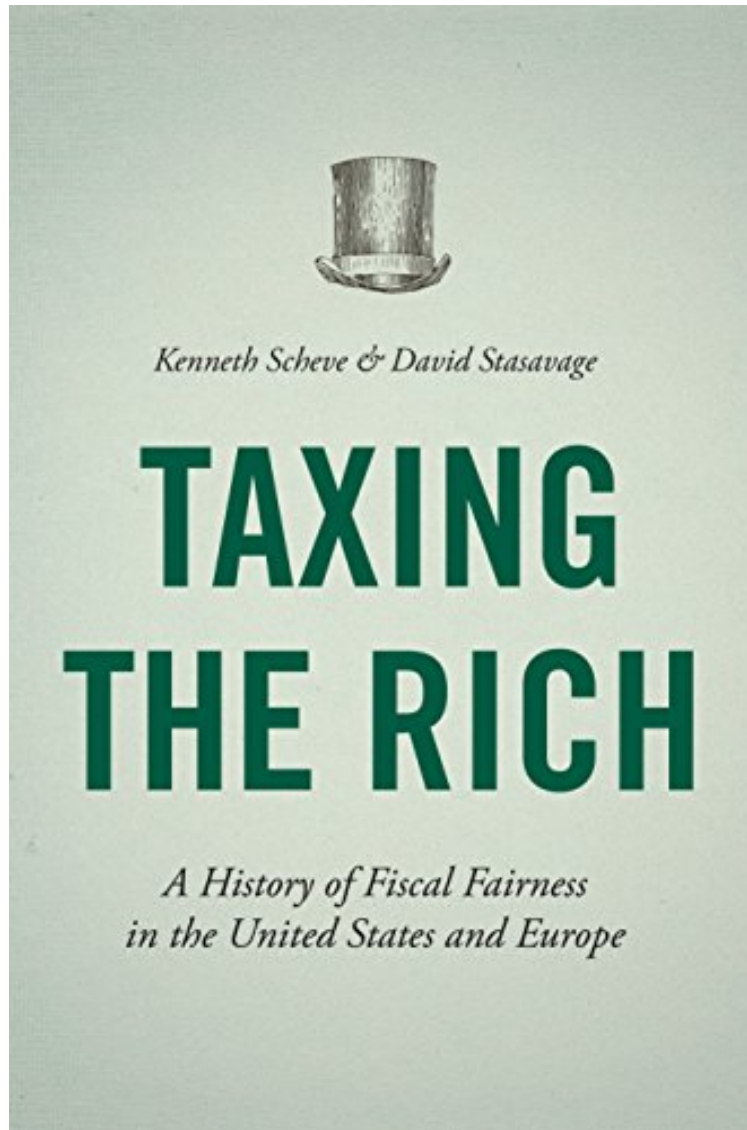


[Ebook pdf] Taxing the Rich: A History of Fiscal Fairness in the United States and Europe

Taxing the Rich: A History of Fiscal Fairness in the United States and Europe

Kenneth Scheve, David Stasavage
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Kenneth Scheve, David Stasavage : Taxing the Rich: A History of Fiscal Fairness in the United States and Europe before purchasing it in order to gauge whether or not it would be worth my time, and all praised Taxing the Rich: A History of Fiscal Fairness in the United States and Europe:

4 of 5 people found the following review helpful. Very interesting case study analysis on what has driven tax policy over the last 150 years By A. Menon Taxing the Rich embarks on an interesting analysis of tax policy. Its often the baseline assumption that democracy should naturally lead to higher taxation in unequal societies as individuals vote

for policies that are in their material self interest. Taxing the rich looks at periods in which voter representation changed as well as when tax policy changed and did comprehensive event study analysis on when taxes were changed and or raised and looked at what drove those policy changes. In particular the authors examine the periods in which tax policy went through marked shifts to understand what catalyzed the changes in methodology. In rational self interest models more unequal democratic societies would have greater graduation of taxes. This is often not the case, which could represent a number of things including democracy being an inaccurate term for the subject country, but nonetheless a study of how tax policy is formed and when and under what conditions was change enacted is timely. The authors first frame out how people often think about tax policy and fairness. The book starts out by framing questions of political economy and how people think about fairness as almost all policy questions on tax policy are based on the various beliefs about what each group thinks is fair. The reader gets a broad overview of how the ethics of taxation is often framed. The author then goes into when taxes have been raised and does a cross country analysis of when the large changes in the tax code were enacted. The author first points out that the broadening of the vote was not the catalyst for increased taxes and it took the 1st and 2nd World Wars to take the world from very low taxes to where they are today, with a peak in the during war periods. The evidence also shows that countries not in the war had less increases in the tax rates during and after the wars. As a consequence the author draw the conclusion that country level conflict were behind the march higher in tax rates. The authors then take the cases and explore the why's. All of the results are intuitive with the exception perhaps that democracy in and of itself in unequal societies didn't vote for higher rates. With respect to the why, the author goes into the writing and legislation of the times which showed that as labor was conscripted it could be considered only fair that owners of capital donated their share as well. Thus as large portions of the population made the ultimate sacrifice those who had more were asked to pay their share in the form of far greater taxes to support the war effort. In both legislation and political speeches this labor/capital conscription held the day and rates marched higher and stayed higher. The author also discusses how after the war effort during reconstruction the same arguments as during the war efforts remained in place and the voter proportions of countries were vastly in favor of the high rates on capital of the time. Over time as the war moved further in the past and war went from boots on the ground to professional army based the narrative of capital/labor equality in conflict faded and perspectives started to change. There are various messages one can take from this book but importantly one gets a sense of what historically has really driven tax policy rather than what we've been told should drive tax policy. In particular inequality has driven tax policy far less than expected from a cross sectional analysis and fiscal obligations due to war efforts have when those war efforts encompassed the broad population. Whether this will hold for tomorrow is a different question but its hard not to take this evidence seriously when it comes to how people think about fairness across the broad population. Ability to pay arguments lose out to the fairness of those payments and whether they are viewed as being extracted or the governments way of righting some monopoly rents that are accrued. One could maybe say that populations want lower taxes but a minimization of loopholes that create preferences rather than ex post large graduated taxes with lots of exemptions. All pretty intuitive but the historical record helps cement it. 0 of 0 people found the following review helpful. Great DepthBy CustomerIn more depth than I anticipated, but that is fine, as the knowledge helps understand whwere we are today. 0 of 0 people found the following review helpful. Five StarsBy dennyVery important book in its way, especially the discussion of the evolution of military firepower and its accuracy.

In today's social climate of acknowledged and growing inequality, why are there not greater efforts to tax the rich? In this wide-ranging and provocative book, Kenneth Scheve and David Stasavage ask when and why countries tax their wealthiest citizens—and their answers may surprise you. Taxing the Rich draws on unparalleled evidence from twenty countries over the last two centuries to provide the broadest and most in-depth history of progressive taxation available. Scheve and Stasavage explore the intellectual and political debates surrounding the taxation of the wealthy while also providing the most detailed examination to date of when taxes have been levied against the rich and when they haven't. Fairness in debates about taxing the rich has depended on different views of what it means to treat people as equals and whether taxing the rich advances or undermines this norm. Scheve and Stasavage argue that governments don't tax the rich just because inequality is high or rising—they do it when people believe that such taxes compensate for the state unfairly privileging the wealthy. Progressive taxation saw its heyday in the twentieth century, when compensatory arguments for taxing the rich focused on unequal sacrifice in mass warfare. Today, as technology gives rise to wars of more limited mobilization, such arguments are no longer persuasive. Taxing the Rich shows how the future of tax reform will depend on whether political and economic conditions allow for new compensatory arguments to be made.

One of Bloomberg's Best Books of 2016 "These findings run counter to a popular narrative. Recall that in 2012, Mitt Romney said that in a democracy, a candidate who offers tax breaks to the less well-off at the expense of the rich will win mass support 'no matter what.' That claim does not appear to be supported by the historical record." -- Robert J. Shiller, New York Times "In its big picture argument the book is convincing: on both the correlation and

nature of causality between wars that required the mass of working people to sacrifice not just their labour but also their lives; and on the imposition of higher tax rates on the rich in the 20th century."--Torsten Bell, Prospect"A sweeping look at the history of levies on the wealthy."--Hugo Greenhalgh, Financial Times"[Scheve and Stasavage] flesh out their big picture with a mass of compelling evidence. Overall, an outstanding book."--Bryan Caplan, EconLog"What is surprising about this book is how robustly the authors discount other widely held explanations for the gradual reduction in tax paid by the richest 1% since 1980. The influence of political lobbying, liberalised capital flows and the breakdown of the postwar consensus are, in their view, inadequate answers. What has changed is the focus of 'equality of sacrifice,' which has returned to a debate about fairness."--Zac Tate, Capx"Apart from anything else, the historical data on top tax rates is fascinating."--Diane Coyle, Enlightened Economist"[A] fine and stimulating book."--Financial Post"More than any other book I've read in the past few years, their arguments have prompted me to review what they wrote and look for other research that supports or counters their points."--David Cay Johnston, Tax Notes"The authors make the force of the compensatory view clear. Judging by the apparent success of the rhetoric during the 2016 U.S. presidential primaries that speaks of a system rigged to favor the rich, the compensatory theory has not gone unnoticed by political strategists."--Michael Keen, Finance Development Magazine"[A] fine model of social science research."--Richard Cooper, Foreign Affairs"Taxing the Rich explains why the problems of America's poor and angry are unlikely to be solved by redistributive taxation."--Angus Deaton, BloombergFrom the Back Cover"This book pulls together a vast array of evidence and develops a collection of compelling arguments that enhance our understanding of the prospects for redistributive taxation in modern economies. Drawing from a wealth of different country experiences, Taxing the Rich will appeal to a wide range of readers in economics and political science and inform current policy debates."--Timothy Besley, London School of Economics"This is a fascinating book. In a comprehensive and accessible manner, Scheve and Stasavage trace the rise and fall of sharply progressive taxation of income and inheritance in America, Europe, and Japan over the past century. They stress the key role played by mass mobilization and compensatory claims and provide critical insights into the conditions that could lead to the return of high tax rates on the rich. A must-read."--Thomas Piketty, author of Capital in the Twenty-First Century"Scheve and Stasavage provide a thoughtful historical and comparative perspective on the key question of why countries choose to impose high taxes on the rich. In this important and timely book, they elegantly challenge several common theories that seek to explain why countries increase taxes on the wealthy. Their findings nicely explain past tax treatment and provide a sobering prediction of future tax burdens for those at the top of the income and wealth distribution."--Eric M. Zolt, UCLA School of Law"Why have the rich been spared greater taxation despite the massive rise in inequality that has occurred in advanced democracies in recent decades? This fascinating book provides a clear answer: governments tax the rich not to undo inequality, but to compensate for sacrifices being asked of the non-rich. Taxing the Rich is a model of social science research, firmly grounded in systematic data analysis as well as historical case studies."--Dani Rodrik, author of Economics Rules: The Rights and Wrongs of the Dismal Science"This thought-provoking book combines historical erudition and statistical analysis to reinterpret the rise and fall of progressive taxation. It persuasively argues that mass wars gave rise to the 'conscription of wealth,' and it suggests that today's asymmetric crises are unlikely to generate broad support for more taxation of the rich."--Bernard Salanieacute;, author of The Economics of Taxation"Scheve and Stasavage provide an engaging analytical history of taxation of the rich in the United States, Canada, and Western Europe from 1800 to the present. There is no doubt in my mind that this terrific book will be widely read, cited, and discussed."--Jonas Pontusson, author of Inequality and Prosperity: Social Europe vs. Liberal America"Taxing the Rich makes a provocative argument about an important topic."--Nolan McCarty, coauthor of Political Bubbles: Financial Crises and the Failure of American DemocracyAbout the AuthorKenneth Scheve is professor of political science and senior fellow at the Freeman Spogli Institute for International Studies at Stanford University. He is the coauthor of Globalization and the Perceptions of American Workers. David Stasavage is Julius Silver Professor in the Wilf Family Department of Politics at New York University. He is the author of States of Credit: Size, Power, and the Development of European Polities (Princeton).