How politically sustainable is the modern era of globalization? My research expands the study of international cooperation buttressing the current economic order by focusing on an under-examined aspect: taxation. Fiscal autonomy is central to sovereign statehood and a key component of theories of democratization and accountability; however, fiscal autonomy in an era of economic interdependence is also the driver of tax competition, tax havens, and revenue externalities. How do states navigate this quandary of self-defeating control over tax policy? My research addresses this dilemma by exploring new forms of international tax cooperation that attempt to stabilize the existing international order.

I study the international political economy of taxation in two broad research agendas. In the first, I examine state-level commitments to cooperate on new international tax rules and how that cooperation both is affected by and affects domestic institutions. In the second, I study the micro-foundations of support for tax cooperation, particularly examining how individuals perceive the taxation of multinational corporations. Across my work, I am driven by the research puzzle at hand and use an array of relevant methods, including web scraping to collect new data, text analysis of open-ended survey responses, and quantitative causal inference methods for both experimental and observational data.

Domestic Politics and International Tax Cooperation

International political economy studies of taxation frequently focus on systemic causes of tax policy, such as competition for foreign direct investment, whereas comparative political studies emphasize tax bargains between rulers and their constituents as foundational to political development. While these issues have historically been separated, they have become intertwined as a consequence of mobile capital and global supply chains, which allow taxable income to be separated from real economic activity. The internationalizing of income necessitates study of the international tax regime and domestic tax bargaining in concert. My dissertation advances this research by examining both the domestic political causes of new forms of international tax cooperation and the domestic effects of changing rules at the level of the international tax regime.

In one paper of my dissertation, currently under review, I examine why countries cooperate to redress the question of tax evasion, a problem which is enabled by international finance. I specifically study the spread of Automatic Exchange of Financial Information (AEOI), a potentially revolutionary form of international cooperation through which national tax administrations collect financial information of non-residents and share it with partner countries, allowing them to properly assess income. AEOI has the potential to limit the downsides of financial sovereignty while sustaining open capital flows; however, commitments to AEOI remain scattered. Furthermore, the countries that have committed include puzzling members like Russia and Saudi Arabia. Why would democracies and autocracies alike collaborate to address international tax evasion?

I argue that countries are driven to cooperate by their domestic political institutions and by their desire for international investment. More horizontally accountable countries, meaning countries where power is distributed amongst several government offices, will be more likely to join tax transparency initiatives. These governments will both interested in stifling corruption and have the capacity to investigate economic elites' abuses of offshore finance. They will thus benefit materially from international tax cooperation. However, there is a second group of countries that join: investment-needy states helmed by personalist, unconstrained leaders. These countries commit to AEOI to signal to financial markets that they are good investment locales. International investors care about storing their money in places where there are legal constraints, as leaders are less likely to expropriate the investment. Personalist leaders that are definitionally unconstrained but need international finance to sustain power must continue to attract investments despite being less credible investment environments. By committing to international

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tax transparency, these countries send costly signals that they are good places to invest. Thus, there are dueling membership mechanisms, which set the stage for potential incoherence in AEOI.

I demonstrate support for these two membership mechanisms using quantitative analysis of newly-collected, web-scraped data on country commitments to the Global Forum on Tax Transparency and Exchange of Information, the Convention on Mutual Administrative Assistance in Tax Matters, and the Common Reporting Standard. I address common limitations of observational panel data with conditional frailty survival models, which account for unobserved heterogeneity across units and directly estimate the effect of time. I provide further evidence using mechanism tests of country policies after committing to AEOI and illustrating the cases of Kenya and Rwanda.

In another paper in my dissertation, I examine how countries use the data they receive from tax cooperation. Unlike forms of international cooperation studied classically in international relations, AEOI provides clear and tangible benefits: information on the income of a country's wealthiest residents. Extant studies by economists and accounting scholars have largely focused on the effect AEOI has upon financial flows into tax havens, but the increase in tax capacity clearly has major implications for domestic tax policies as well, contingent on how governments intend to use their newfound information.

I show that the driving membership mechanisms carry over into how states use AEOI. Relatively constrained democracies committed to AEOI for its legitimate function, and as such they use it for legitimate tax purposes, increasing revenues and selectively raising rates. Unconstrained states, however, had little interest in the tax rationale of the regime, as the ruling elite retain the privilege of financial mobility to hide ill-gotten gains. I provide evidence for these divergent ways states wield AEOI data with quantitative analysis of tax rates and financial flows worldwide, using recent advances in causal inference with panel data to construct counterfactual estimators, akin to a traditional differences-in-differences design.

Micro-foundations of International Taxation

In a second set of projects, I turn to examine the micro-foundations of international tax cooperation. Modern tax institutions like AEOI have been developed to entrench the economic gains of globalization while ameliorating the political backlash. Similar to other issue areas within globalization, however, sustained tax cooperation will depend upon mass support for new international tax rules, particularly in the United States. Given that the international tax regime is highly technical and opaque, I argue that individuals are most likely to express their beliefs through ideological and psychological lenses. Evaluating the drivers of individual preferences over international taxation will allow scholars to evaluate how stable these new forms of cooperation are likely to be and enable practitioners to develop new messages to promote tax institutions.

In a paper with Cameron Ballard-Rosa, we study how people want to tax multinational corporations (MNCs). As opposed to materialistic or ideological motivations, we propose that individuals will want taxes raised on MNCs when the corporations engage in unfair behavior by violating certain standards of conduct. We especially expect that the psychological drivers of the globalization backlash—populism, nationalism, and authoritarianism—will connect to fairness norms that are violated by regular MNC behavior, such as outsourcing (opposed by nationalists), avoiding tax payments (opposed by populists), and promoting employee diversity (opposed by authoritarians). To test this expectation, we fielded survey experiments in the United States using measures of the three backlash profiles—the first time that we are aware of in which all three are measured together—interacted with treatments of MNC outsourcing, tax avoidance, and diversity training. We find that tax avoidance is especially triggering for populists and diversity training is somewhat triggering for authoritarians, leading to an increased desire to tax MNCs. Nationalists are not moved by outsourcing, however, as they are more likely to strategically consider benefits to American companies. These results are especially strong for ideologically conservative respondents, demonstrating new evidence of the American right's economic nationalist turn against corporations.

In a second paper with Cameron Ballard-Rosa, we examine American preferences on international cooperation to institute a global minimum tax on MNCs. Our survey implicitly references a novel tax treaty on MNC income that is being led by the OECD and negotiated by the Biden administration. This treaty would constitute a major overhaul of the international tax system by redefining taxable corporate income and setting a minimum threshold tax rate for MNCs. Do individuals' increased appetite for MNC taxation result in a greater willingness to endorse a treaty with a minimum tax threshold? We find that it does for populists and authoritarians, but not for nationalists, who remain opposed to international cooperation. Despite our new evidence that American conservatives are willing to raise taxes on MNCs, the nationalist core of the right is strongly averse to cooperating with other countries to do so. This finding casts a pall over the past decade's more optimistic developments in tax cooperation and emphasizes the need for a greater awareness of the divide between populism and nationalism within conservative movements.

I explore this work further with Eric Parajon, in a study in which we evaluate preferences about corporate taxation against the desire for environmentally-friendly investment. The Inflation Reduction Act of 2022 famously issued much of the United States's environmental spending through tax credits, much to the ire of American trading partners. Traditionally we might think that individuals on the left are in favor of green spending but oppose corporate tax cuts, whereas preferences on the right will be inverted. We expect, however, that right-leaning Americans will favor green energy spending in the form of tax cuts when they are primed to think about tax competition and the zero-sum benefits it provides to American companies. We will field a nationally-representative survey to evaluate these expectations sometime in fall 2023. The findings will demonstrate how sustainable climate investment through tax credits is within the United States.

Summary and Future Work

In summary, my research addresses a fundamental topic in international political economy: why governments collaborate on economic issues. By focusing on international tax cooperation, my work offers a new lens through which we can evaluate efforts to sustain capital and trade flows. At the state level, I demonstrate that there are already signs of incoherence between regime types; at the individual level, my work shows that there are shifting grounds for right-wing parties to move away from neoliberalism, but they must address incoherence within their own constituencies. Both of these research lines, then, suggest the likelihood of change to international tax policy but a struggle to implement the new rules. Since political and economic actors are highly responsive to changes in tax policy, my analysis of international tax cooperation will help to generate new puzzles for trade and finance scholars to probe.

Moving forward, I plan to expand my study of the fiscal dilemmas of economic globalization into new realms. I next will research the political consequences of MNC tax payments to developing economies. MNC tax avoidance costs developing countries relatively more revenue than it does developed countries, and the OECD tax treaty is partially intended to ameliorate that fiscal erosion. However, since MNCs are generally headquartered in advanced economies, they may make demands of developing governments that run counter to citizens' interests, thus acting more like aid windfalls and resource revenues. I will study the impact of MNC taxation using publicly available data from transfer pricing court cases.