



Anne G. Hanley. *The Public Good and the Brazilian State: Municipal Finance and Public Services in São Paulo, 1822–1930.* Chicago: University of Chicago Press, 2018. 288 pp. \$60.00, cloth, ISBN 978-0-226-53507-4.

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Anne Hanley's book, *The Public Good and the Brazilian State: Municipal Finance and Public Services in São Paulo, 1822-1930*, is a skilled and compelling example of how to use quotidian local records to make arguments about broad economic and political change. Hanley examines municipal financial operations in the province of São Paulo, Brazil, during the imperial and federal periods. Specifically, the author's research probes the historical correlation between local fiscal mismanagement and Brazil's unequal modern development. Hanley traces how seven municipalities in this important southern province "captured" funds and then subsequently used those funds to support the public good. Despite São Paulo being a center of coffee production and eventual center of European immigration to Brazil, Hanley asserts that neither coffee nor increased population did much to help municipalities obtain sufficient income to fulfill the basic infrastructural, hygienic, and educational needs of their denizens. In fact, Hanley argues that although Brazilians increasingly expected municipalities to take care of essential public services, the only consistently viable way for local economies to meet these needs was to incur debt. Where many scholars of this period focus on how slavery (most obviously) or political patronage stunted municipal development, Han-

ley proposes that even well-intentioned local representatives lacked the funds to sufficiently support local fiscal growth. Hanley's assiduous examination of municipal economic records calls into question the deeply entrenched historiographic position that modern Brazil was underdeveloped because of local officials' corruption.

Chapters 1 through 3 of Hanley's book outline the rise of the fiscal state in Brazil as well as explicate the fiscal responsibilities tasked to national, provincial, and municipal governments within the structure of this nascent fiscal state. Hanley makes a point in these opening chapters that anchors her book overall: the expectation that local government should pay for citizens' public services is a relatively new historical phenomenon. Whereas before the mid-nineteenth century, public goods and services would be taken care of by the "common hand"—citizens chipping in their own time and money—the emergence of the fiscal state signaled that now "public goods were paid for through taxes, fees, and fines" collected by municipal officials (p. 13). Problematically though, as municipalities' fiscal expectations increased, their opportunities for revenue streams did not. São Paulo's municipalities could only earn income through these aforementioned "indirect" sources—no administrative entity in Brazil levied "direct"

taxes, such as property taxes. (Why the Brazilian government refused to levy direct taxes is characterized by Hanley as an enigma that had devastating effects on municipal coffers [pp. 73-74]). As Hanley shows, even when the new federalist constitution of 1889 granted more theoretical autonomy to localities, provinces always maintained the right to regulate and veto municipal revenue streams that impinged upon provincial income.

Chapters 4 through 7 then evaluate municipalities' capacities to meet their various fiscal responsibilities. It is in these chapters that Hanley really breathes life into the tax rolls and expenditure reports that she examines. As Hanley demonstrates, municipalities' obligations were wide-ranging and costly. Simply paying for day-to-day life—covering the salaries of the town secretary, gravedigger, and tax collectors (p. 104), or maintaining and repairing basic infrastructure such as piped water, roads, and bridges (chapter 5)—often proved to be impossible given municipalities' budgetary constraints. As urbanization and immigration caused municipalities to become more attuned to public health concerns around the turn-of-the-century, money that municipalities may have otherwise spent on long-term infrastructural projects and government salaries now had to be used to contain outbreaks of yellow fever and small pox (p. 185). And still there was not enough money to cover these costs, forcing municipalities to borrow more.

In the conclusion, Hanley deftly brings together comparative data from the seven municipalities in order to debate whether people in São Paulo followed “the Tiebout model,” which posits that people move to places where municipalities invest more in public goods and services (p. 213). The author's research indeed correlates with a “very modest” (p. 221) substantiation of Charles Tiebout's theory. But Hanley's more historiographically important argument is that the lack of investment in public goods and services, caused by

perennially underfunded municipal budgets, exacerbated socioeconomic inequality. “Uneven” (p. 224) investment in things like education and public health, coupled with the fact that most “municipal revenue derived from taxes, licenses, and fees on the transactions of daily life,” hurt non-elites the most (pp. 222-23).

Several of Hanley's insights undercut long-held assertions that local officials in Brazil strove to line their pockets and bolster their reputations rather than uplift their localities. Hanley presents a poignant example in chapter 7 when she discusses how municipalities took an active role in building schools and funding teachers, especially in rural places such as coffee plantations, where special efforts were made to educate new immigrants (in Portuguese, of course). While not denying that political patronage existed, Hanley shows that municipalities made efforts to educate their populaces even though they were strapped for cash and education was supposedly a provincial, rather than a municipal, mandate.

Hanley's arguments are well supported by her impressive engagement with fiscal records, government reports, and correspondence in local and provincial archives in São Paulo. This work was no doubt arduous, and Hanley does a commendable job of supplementing incomplete (by their nature) local accounting records with published economic information and secondary sources. The author offers up as much quantitative data as possible to corroborate her narrative analysis, including thirty-two charts, a data appendix, and further revenue and expenditure data available online. While Hanley does an expert job of summarizing and extrapolating from complex, piecemeal financial records, it is difficult to gauge from the fiscal data alone the sincerity of local administrators' frustration. Hanley's arguments, particularly in the latter chapters, would have been strengthened by hearing more directly from the voices of municipal officials who earnestly tried to improve their localities but failed.

Nevertheless, *The Public Good and the Brazilian State* is a vital contribution to the histories of urban development and economics in Brazil and Latin America. Although the book is squarely in the realm of economic history, political historians will find Hanley's arguments acutely instructive, especially in the way that Hanley pushes against the deep canon on political bossism in Brazilian history and Latin American history writ large. Hanley's prose is clear, as are the explanations of the many charts she provides. Yet while the book's

research and narrative are approachable, the majority of the readership interested in Hanley's research will likely be graduate students and professional scholars in history and economics simply because of the nature of and depth with which the author investigates municipal finance records. Overall, *The Public Good and the Brazilian State* is a bridge between the economic and political and a triumphant use of local-level research and analysis to shed new light on national history.

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