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1188-1789**

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ABSTRACT

The Rise and Decline of European Parliaments, 1188-1789*

Starting in Spain in the twelfth century, parliaments gradually spread over the Latin West. The paper quantifies the activity of medieval and early-modern parliaments, which also makes it possible to analyse the influence of this institutional innovation. In the early-modern period parliaments declined in influence in southern and central Europe and gained in importance in the Netherlands and Britain. From the sixteenth century onwards active parliaments, which function as constraints on the executive, had a positive effect on city growth and appear to have been instrumental in stabilizing the currency. Active pre-1800 parliaments also enhanced the quality of democratic institutions in the nineteenth and early twentieth century.

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Introduction

Parliament is one of the institutional innovations of the Middle Ages, and one that is still going strong. In the Latin West this body, which represented the various segments of the population – usually the Church, the nobility and the cities - was arguably the most important institution during the medieval period to constrain the actions of the sovereign. By convening a parliament, a King also demonstrated that he was committed to being constrained. Although the way in which Parliaments were elected changed radically after the French Revolution, having such an institution that monitors the executive and is central to the lawmaking process has become standard for almost all nations from the mid nineteenth century onwards. The spread of Parliaments during the nineteenth and twentieth century came after a long period in which the institution had been on the defensive in large parts of Europe, after its initial and relatively successful rise during the late Middle Ages (1200-1500). During the period between 1500 and 1800 Kings often refused to convene Parliament, and found various ways to limit its powers. Moreover, the power and privileges of Kings versus Parliaments was the main issue in the great social-political conflicts of the period, such as the Dutch Revolt of the 1570s, the English Revolution of the 1640s and the French Revolution of 1789, and this issue played a role in many of the other socio-political conflicts of the period as well.²

Economists often assume that constraints on the executive – such as a fully functioning Parliament – contribute to the efficiency of economies via the protection of property rights.³ In their paper on the consequences of the Glorious Revolution in England, North and Weingast argued that the institutional changes following the *coup d'état* by William and Mary, created the basis for the following period of rapid economic change in England.⁴ This led in their view to the acceleration of economic development in Great Britain in the eighteenth century, resulting in

the late eighteenth-century Industrial Revolution. This interpretation of the institutional origins of the Industrial Revolution has been subject to a large debate among economic historians, which mainly focuses on the supposed effects of the political changes after 1688.⁵

In this paper we try to broaden the scope of this debate by analyzing the growth and development of European parliaments in the centuries before the French Revolution and by placing the development of the English Parliament within a European context. Parliaments – or Estates, Cortes, Corts, Diet, Sejm, Riksdag, Bundestag, Generallandtag – were European-wide institutions, which emerged in the late Middle Ages but developed in quite different directions in the centuries between 1500 and 1800. There was, as we will demonstrate, within Europe a ‘Little Divergence’ in parliamentary development; in southern and central Europe the importance of this institution declined, whereas in north-western Europe, in the Netherlands, England and Sweden (and in Switzerland) in particular, there was a strong increase in its power. This institutional ‘Little Divergence’ to some extent mirrored the divergence that occurred in the economic development of the different parts of Europe, where we also see a continuous growth of the economies in the countries bordering the North Sea, and stagnation or even decline in the south and the east.⁶

The central question to be addressed is therefore if there is a link between institutional and economic developments within Europe in the period before the Industrial Revolution. Assuming that we agree with North that such constraints to the executive improved the institutional set up of these societies, the issue is whether powerful Parliaments affected long term economic growth – can we demonstrate that they really mattered?⁷ Or do we have to assume that, as Acemoglu et al have argued, the improvements in the protection of property rights were caused by economic developments – the rise of cities linked to the Atlantic economy and the emergence of a

merchants class prepared to defend their property rights?⁸ Or were both processes - a third interpretation – caused by a third one, by growing human capital formation, for example .⁹

To test those ideas, we will first sketch the long-term development of European Parliaments in the centuries before 1800. Next, we analyze some of the possible effects of Parliaments in pre 1800 Europe: did the presence of an active Parliament in a region enhance city growth (as North would expect)? Did it contribute to the stability of the currency? Was a Parliament a real ‘constraint on the executive’? In short, we want to know what explains the rise and decline of the European Parliaments, in order to more fully understand the preconditions and some of the long-term consequences of the early development of this rather rudimentary form of ‘democracy’. Our theoretical starting point is derived from New Institutional Economics ‘a la North’: we will test a number of propositions of the reasons why Kings, under certain circumstances, were willing to credibly commit themselves to being constrained by such an independent body, and why, in certain parts of Europe, this willingness disappeared after about 1500, leading to the decline of Parliaments and the Revolutions that were so typical for the period.

The development of European Parliaments

First, however, we have to deal with the question: What is a Parliament? Since times immemorial sovereigns - both in Europe and outside it - had councils that met to give advice and deliberate about the main issues of politics. The senate had played such a role in the Roman Empire (although its role and influence had shown considerable ups and even more downs). Much

broader political assemblies – often meetings of all adult male members of a political community – were characteristic of the new political entities that emerged in Western Europe in the sixth and seventh centuries. This was, according to Wickham, linked to the fact that all free men had military obligations towards their sovereign, and were therefore entitled to participation in the assemblies where decisions about war and peace were made.¹⁰ This changed in the eighth to tenth centuries, however, as a result of the (renewed) professionalization of warfare – the emergence of a separate class of knights. Still, the feudal ‘mutation’ of this period did not lead to the total disappearance of the assembly, but initially to a narrowing of its focus. The continued relative importance of such councils in medieval Europe was linked to the feudal socio-political structure, which implied that a sovereign could not just tax his subjects whenever he needed extra money. He could only tax those living on his royal domains but most of his subjects had quite different lords, as his feudal vassals held a large part of the royal realm in fief. When a sovereign needed extra money for instance to finance a costly military or political adventure he had to contact his lay and clerical vassals who held a fief and ask them for a one-off subsidy. His vassals controlled the people living on their fiefs and only they could levy taxes there. Often such a request for a subsidy was met in an assembly to which the sovereign summoned his noble and clerical vassals in order to discuss, negotiate and agree on the requested sum. Such meetings of the two estates (clergy and nobles) with the sovereign might be called a *curia regis*, though other names including parliaments were also in use. These meetings therefore reflected the fact – prevalent in European thinking about law and power – that ‘political power was, to some extent, broken up and divided by the king and great dignitaries’, because ‘as subjects were bound to their lord, so the lord is bound to his subjects’.¹¹ These assemblies were a real pan-European phenomenon: they can be found in England – before and after William the Conquerer – in Germany (where the

Emperor organized more or less regular Hoftage), in France, Spain and Italy (in particular in Sicily).¹²

The literature on the development European Parliaments does make a clear distinction between these councils and ‘modern’ Parliaments. The latter is, in line with Marongiu, the author of a seminal overview of the rise of Medieval Parliaments, an independent body, representing the subjects of the realm, containing members of three estates (the clergy, the nobility and the cities – in a few cases also the peasantry was represented as well), whose main functions are the granting of taxes and the participation in realm-binding legislation, while sometimes its functions might include the high court of justice, foreign relations (decisions on war and peace) or the appointment or abdication of a sovereign. What distinguishes the Parliament from a council or an ad hoc assembly is that it forms an independent body, a legal and political entity, with certain rights and obligations, which guarantees the continuity of its activities.¹³ The second major difference with previous councils is the presence of representatives of the cities in Parliament – if only the Church and the nobility are present, we do not consider the institution to be a fully developed Parliament.

According to this definition, the first Parliament was convened in 1188, in – surprisingly perhaps – Leon, in Spain. King Alfonso IX (1188-1230), who had just succeeded his father, called for a meeting of the bishops, the magnates and ‘the elected citizens of each city’ (O’Callaghan makes the point that ‘for the first time is an unequivocal attestation of the presence of townsmen in a meeting of the royal council’), obviously to stabilize his regime.¹⁴ According to the decrees that resulted from this meeting of the first Cortes, Alfonso IX ‘acknowledged the existence of a body of law binding himself as well as his subjects’ – in short, he considered himself (also) to be subject to the rule of law.¹⁵ He promised ‘to administer justice impartially and not to act arbitrarily... The security of persons and of property and the inviolability of the

household also were guaranteed.’ He declared, finally, that he would not make ‘war or peace or treaty except with the counsel of the bishops, nobles, and good men (*boni homines*) by whose counsel I ought to be guided’.¹⁶ Clearly, what was at stake were the ‘property rights’ of the inhabitants of the kingdom of Leon and Castile. Moreover, from other sources it can be reconstructed that among the first ‘deals’ that were made between the cities and the King was the buying off of the latter’s privilege to debase the coin. The cities were opposed to such debasements, which were understood as forms of hidden taxation, and were willing to pay a certain sum to the King on his promise that he would not change the value of the currency in the next seven years. A renewal of this deal was necessary every seven years; therefore, the meeting of 1188 was followed by more or less regular meetings, where the main issue is negotiations about the subsidies the King asked from the cities.¹⁷ Taxation and coinage, therefore, were from the beginning central to the agenda of the first European Parliament. Another interesting aspect of this first Parliament is that not only representative of the cities were present, but that the sources state that they were ‘the elected citizens of each city’ (*cum electis civibus ex singulis civitatibus*) (Ibidem, 1514). This implies that the first Parliament was also linked to the emergence of communes in the cities of Leon and Castile in the same period.

The reason why, it has been argued, parliaments with urban representatives started on the Iberian Peninsula at the end of the twelfth century is linked to the special circumstances of the *Reconquista* of these years. The kings of Leon and Castile were able to conquer a number of large cities from the Almoravids and Almohads. In order not to alienate the new citizens, these captured cities were turned into independent towns – communes - with royal consent, instead of given in fief to some lord who had helped with the military campaign.¹⁸ Alfonso I in 1126 also granted a general charter of liberties to attract immigrants ‘out of the power of the Saracens’: ‘because you left your homes and your estates for the name of Christ and out of love for me and

came with me to populate my lands, I grant you good customs throughout your realm'.¹⁹ In short, because the Castilian kings had to compete with the more advanced Muslim kingdoms in the south for the favours of the merchants and farmers, they were prepared to respect their property rights and grant them privileges.

From these early beginnings in the twelfth century, the Parliament gradually spread to the rest of Western Europe. It is unclear, in most cases, if this was the result of the explicit copying of this institution, or of parallel evolution under similar circumstances. That there was a good deal of exchange within Europe at the time is quite certain. It is perhaps also no coincidence that the next Parliaments emerged in other parts of Spain: Barcelona (kingdom of Catalunya) had (probably) the next one in 1192, and the next century saw regular Parliaments meet in the different Spanish kingdoms (including, after 1254, Portugal). The Parliament of Sicily, another early starter, was explicitly modeled after Spanish examples, after the King of Aragon had taken over the control of the island.²⁰ In France, the first Parliaments were regional phenomena; Languedoc (1226) and the county of Toulouse (1249) were the first to get one, after these regions were incorporated by the French king. This points to a similarity with Spain, where they also were established after the incorporation of new territories.²¹ Only in 1302 were the first Estates General for the whole Kingdom convened.²²

It was only in the final decades of the thirteenth century, or even the fourteenth century that the new institution spread to the rest of Europe, and became a regular feature of political life there. In England, where the Magna Charta of 1215 is usually considered the foundation of 'Parliamentary democracy', there were indeed assemblies convened by the King after 1215, even called Parliaments.²³ British scholars have discussed the degree to which these were indeed precursors of the 'model Parliament' that came into existence in 1295. The first time that it is certain that representatives of the cities (boroughs) were present, was in 1275 (which we

therefore counted as the first English Parliament); the next instance is 1295.²⁴ England was exceptional, however, because after 1295 it began to meet very regularly - already in the fourteenth century Parliament was the first to meet in more than 50% of years. The Low Countries are a bit a special case, as we will see below; the first meeting of its Estates General took place in 1406. Poland had its first Sejm meeting (including representative of the cities) in 1399. The Danish Rigsdag first met in 1468; the first meeting of the Swedish Riksdag occurred in 1527, linked to the introduction of the Reformation there. Clearly, the institution moved from the south-west of the Continent to the north-east. It took more than four centuries before it reached Russia, which had a brief period of Parliamentary activity, starting in 1598, when the *Zemsky Sobor* elected the new tsar, and ending 55 years later when the Romanovs had consolidated their position and stopped convening it.²⁵

The activity index

Using this definition, we have tried to measure the rise and development of Parliaments in Europe by counting the number of calendar years per century in which for the various areas a Parliament (or Estates-General, Cortes, Cortes, Diet, Sejm, Riksdag, Bundestag, Generallandtag, or Reichstag) assembled for official sessions during shorter or longer periods in a year. This measure can vary from zero, when no Parliament was convened (or none existed), to 100, when in all years a meeting took place. We argue that this activity indicator reflects the potential impact of Parliament. When Kings needed them, they would be convened regularly, or they might have acquired the right themselves to meet without being called for by the King. Very active Parliaments, such as the English/British Parliament after the Glorious Revolution or the Estates

General of the Dutch Republic from 1572 onwards, met annually, to discuss all issues of importance. By contrast, the way in which French Kings managed to establish ‘absolutist’ rule and govern without Parliament, was by simply not convening it again, leading to the virtual impotence of the institution in the period between the 1570s and 1789. These extreme examples illustrate that the ‘activity index’ can be used as a proxy of the degree of influence of Parliaments, which is zero when they do not meet at all, and 100 when they meet every year. Such a measure is probably rather good in catching the extremes – zero and near-100 – and is perhaps more problematic when we try to measure situations in between, when, for example, Parliament meets once every three years (as in the Swedish case after 1527), or meets regularly during part of the century, and not at all during the rest. The ‘activity index’ is meant to be a rough proxy of their influence and importance, but it obviously does not measure its effective impact on decision making itself, which is much less easy to establish, of course.

This index gives the following picture. Broadly speaking, three different regions can be discerned. As we have seen, Southern Europe initially took the lead – in the different kingdoms of Spain and southern Italy, and with a small delay, in France, the number of gatherings of parliamentary institutions increased strongly in between the thirteenth and fifteenth centuries (Figure 1). But decline set in here early as well; from the sixteenth century onwards the number of meetings declines across the board in this region. Central and northwest Europe were slower in accepting the innovation (Figure 2). The real ‘take off’ in parts of Germany and the Low Countries occurred only in the late fourteenth or even the fifteenth century; England was the exception here, it had an early and very decisive start (see below). Poland too had a very high level of Parliamentary activity during the fifteenth century. In Central Europe (parts of the Holy Roman Empire, Poland and Hungary) decline followed after 1500 (Poland) or 1600 (almost all other states, with the exception of Hungary and the Palatinate) (Figure 3). Russia (not included in

the Figures) had a very brief spell of parliamentarism, as we noticed already, in the 1598-1653 period, and appears to be part of the central Europe group, but with a delay of a century or two. In northwest Europe, Parliaments continued to flourish after 1500. From 1572 onwards, the Estates of Holland and the Estates-General of the northern Low Countries assumed sovereignty and created a true Republic. The English Civil war was almost as daring in its achievements – the long struggle between King and Parliament ended with the Glorious Revolution of 1688, which gave Parliament strongly enhanced powers and limited the role of the Kings in a radical way. Belgium, which was unable to free itself from the Habsburgs, is arguably the exception here. Switzerland is a bit a special case here, as it from the sixteenth century onwards had the highest level of Parliamentary activity of all Europe – although geographically part of central Europe, in terms of its institutions it was much more like the North Sea area. Sweden joined the club in the sixteenth century; its first ‘modern’ Parliament convened in 1527 (although there were meetings of a kind of proto-Parliament from 1435 on). In Denmark, the Rigsdag played a much more limited role, and was abolished in 1660, which marked the high point of Danish absolutism.²⁶

The picture that emerges is one of a relatively successful rise of this institutional innovation in the Middle Ages, followed by divergence between the north western part on the one hand and the southern and central part of Europe on the other hand (Figure 4). On the basis of a sample of 30 countries and regions spread over the whole of Europe – from Portugal to Russia and from Sweden to Sicily – the following pattern emerges: the average of the activity index rises from 0.3 in the twelfth century to 36 in the sixteenth century, after which decline sets in (to 30 in the seventeenth century and 24 in the eighteenth century). There is a strong decline in the coefficient of variation between the thirteenth and the sixteenth century: from 2.2 to 0.8, indicating a process of institutional convergence within Europe. At the end of the sixteenth century all regions, including Russia, have their Parliament (parts of Italy are the exception here,

to which we return below). Then follows a clear divergence within Europe, the coefficient of variation rising to 1.4 in the eighteenth century.

It is possible to construct an even more detailed ‘meeting index’ for the English Parliament, because we know for (almost) each year since 1295 when it was in session and when it was not. We can therefore reconstruct an annual ‘meeting index’ of the number of days per year it was in session – which can vary from zero to 365 (Figure 5). The gradual growth of the activities of the institution is clear from the Figure. Already in the second half of the fifteenth century, during the Wars of the Roses (1453-1487), the practice was introduced of having Parliament in session throughout the year. Henry VIII’s Reformation was another reason for having a Parliament meeting all year (1529-1536). The struggle between absolutism and Parliament during the first half of the seventeenth century is shown by the alternation of long periods when it was not convened (the longest period was between 1630 and 1640) and periods in which it met all the time (most significantly of course the ‘Long Parliament’ that deposed Charles I and reigned from 1640 tot 1660). After 1688 it met permanently – the small ‘gaps’ in the series being explained by the periods between dissolution and election of a new Parliament.

The rise of Parliaments 1188-1500

Why did Kings establish an institution that limited their power? This is the key question of a large literature on ‘the rise of democracy’ that we summarize here.²⁷ There appears to be agreement that the initiative was usually taken by the sovereign – it was a ‘revolution from above’, quite frequently occurring when a new King wanted to stabilize his reign and/or was in need of additional revenues for fighting his enemies. In a famous case study of the Glorious

Revolution, North and Weingast have argued that the extension of the powers to Parliament by the new royal couple, William and Mary, is an example of ‘credible commitment’: the King wants to signal to the population that he will not renege on his promises (as previous Kings, more specifically Charles I and Charles II, did), but will be bound by a new division of power, in which Parliament can play a central role.²⁸ In that respect, there is no fundamental difference between 1688 and 1188, when Alfonso IX made similar promises. The stabilization of power after a succession crisis was one of the most important causes for convening Parliaments; once the king was safely on the throne, the need for this declined. Figure 6 shows the declining frequency of Parliamentary sessions organized by English kings between 1307 and 1508 during the years following their accession to the throne (it concerns the average of the seven kings Edward II, III, Richard II, Henry IV, V, VI and VII). During the first few years Parliament met during between 40 and 100 days per year on average, whereas after 15 years Parliament was much less active and met during less than 30 days on average. Another measure of this same phenomenon is the chance that Parliament was not convened during a certain year: this was zero during the first year of a King’s reign, 14% in years 4-7, and increased to about 50% in years 15-22. A related reason why the reasons for calling a meeting of Parliament changed during the reign of a king is that Parliament often granted a king the right to levy a certain tax during the rest of his reign. His successor therefore had to renegotiate these taxes after succeeding to the throne.²⁹

The North and Weingast argument points at other issues, however. The economic rationale for such an act of credible commitment is that the King constrains himself in order to enhance the protection of property rights in his realm, and expects in the long term to profit from it, as this is expected to increase investment and growth, and indirectly, taxes. In contrast, as North has argued, in a situation where property rights are not respected – where the King is not constrained by a Parliament – incentives for specialization and investments are limited. In the

long run, therefore, both Kings (via increased tax income) and citizens may profit from such an act of credible commitment. This is the domestic effect that can be expected from credible commitment by the sovereign. Within the highly competitive European state system, it will also have effects on the competitiveness of the country concerned. When states are small and/or when people and capital are highly mobile, Kings will have to compete for the resources mobilized by merchants and skilled workers. A sovereign of a small state cannot ignore the fact that his close neighbours offer highly favourable institutions to merchants. As the example of twelfth-century Castile demonstrated, attracting immigrants from neighbouring regions may be a reason for improving the property rights in a certain country.

The degree of competition between executives is linked to a number of factors:

- The *average size of states* (in terms of population and/or surface area); huge states such as the Roman, Chinese, Moghul or Ottoman empires can much more easily control their citizens than small city states, which clearly compete with each other (states that were once relatively democratic – such as Rome – may therefore as a result of their very success and growth become autocracies)
- The *mobility of capital and skills*: do merchants have strong international networks or are they bound by the borders of the state? In particular when merchants form intensive network over the borders of the state, and/or are dominated by cultural or religious groups – such as Jews, Chinese - whose networks are not linked to the state, the pressure for the state to compete for these resources will be greater
- The *composition of the wealth of the country*: landed wealth is, by definition, immobile, and can therefore be taxed and controlled relatively easily; merchant capital and skills are in principle mobile, can be transferred from one state to another, and are therefore much more difficult to tax and control.

This may mean that, in a situation of small states and/or highly mobile factors of production, once a state introduces a Parliament, neighbouring states may be forced to do the same, as they do not want to lose their resources to the innovative neighbour. The sketch of the gradual spread of the institution across Europe suggests the existence of a '*neighbourhood effect*', implying that the more neighbours have introduced a representative institution, the stronger will be the pressure to do this as well. This may lead to a gradual spread of the new institution, and perhaps even to a 'race to the top', states competing with each other in terms of the protection of property rights.

Can we measure these links? The assumption that Parliaments 'followed' the spread of long distance trade – of highly mobile forms of capital and skilled labour – can be made plausible by looking at the link between the issuing of gold coins and the rise of Parliaments. In the Latin West the first gold currencies after the Roman and late-classical coins were minted in the eleventh century in southern Europe (Spain and Sicily), copying earlier Muslim examples. A reason for using gold instead of the up to then universal usage of silver coinage in the Latin West is that for long-distance merchants trading large volumes of commodities, it was obviously a great deal more convenient to use coins with a greater intrinsic value.³⁰ When international exchange had reached a certain size, a demand for golden coins therefore emerged for reasons of convenience. When a medieval sovereign introduced gold currency at a moment of time when demand for it was lacking, the use of gold would not take off. A historical example of such a mismatch were the gold pennies introduced by Henry III around 1244. Of these gold pennies only seven are currently known to exist, as this coin was probably introduced too early.³¹ The next gold coin minted in England, a florin or double leopard, was introduced by Edward III more than a century later and had a better reception.

There appears to be a rather strong relationship (see Figure 7) between the first issue of gold coins in the various medieval and early modern realms in the Latin West and the first

meeting of a Parliament (as defined here). We have collected 23 dates of issue of ‘first’ gold coins from Friedberg et al in various realms or areas in the Latin West, and the dates of the first meeting of a parliament in the corresponding realms.³² In most countries the issue of a golden coin – and, we assume, the appearance of long-distance trade – preceded the first meeting of a Parliament by, on average, 32 years. In Leon, for example, the first golden coin was minted in 1173, 15 years before the first meeting of Parliament. In Aragon the difference was 113 years (1079 and 1192); England was, for once, very close to the European average: 31 years between 1244 and 1275. There were a few examples in which Parliaments preceded golden coins – such as in Scotland, Ireland, and Holland – which are probably due to the fact that trade may also have used the coins of neighbouring countries. But on the whole the relationship seems to be rather robust, with only Hungary as a clear outlier (it was the area with the largest gold mines in this period, which may help explain the time lag of more than four centuries between the first minting of golden coins around 1018 and the introduction of Parliament in 1441).³³ This correlation is rather impressionistic evidence that the institution followed the spread of large-scale long-distance trade.

Is there a role for ‘bottom up’ forces in this picture? Acemoglu and Robinson have argued that the rise of democracy in post-1800 Europe (and the world) is dominated by the fear that the elite may have for a social revolution – a clear ‘bottom up’ element in their story, although it is still the elite that decides to introduce the reforms.³⁴ For the pre-1800 story this element is perhaps less important, and also the risk that introducing a Parliament may imply the introduction of income-transfers to the lower classes, which plays a large role in their story, does not seem to be important within this context. What did matter was the degree to which other social groups than the Church and the nobility were organized – how strong, in other words, the civil society was.

The communal movement of the eleventh to thirteenth centuries meant that cities became to a large extent self-governing, and were able, as corporate bodies with rights and privileges, to put pressure on the sovereign to stick to the promises made. A strong Parliament is therefore rooted in a strong civil society, of which the cities formed the core (an idea already developed by Putnam.³⁵ It is therefore not a coincidence that the rise of Parliaments occurred after the communal revolution, which began in Italy in the eleventh century, and spread rapidly to other parts of Western Europe in the twelfth century (as is again illustrated by the case of Castile, where we saw that the members of Parliament were elected representatives of the cities).

Too much communal power, destroying the power of the king, was bad for the rise of Parliaments, however the map of Late Medieval Europe that we sketched so far, has a remarkable hole: Northern Italy. During the Middle Ages large parts of the peninsula did not have a sovereign that could call for a Parliament, but was governed by cities, which had become more or less independent from the Emperor in the eleventh and twelfth centuries (also, but this is an old discussion we do not intend to take up, northern Italy was probably less 'feudalised' than other parts of Western Europe). These communes developed into city-states, which gradually were taken over by noble families (such as the Medici), or in other cases were acquired by foreign royalty. During the crucial centuries of parliamentary development (between 1200 and 1500), the most advanced parts of Italy therefore 'missed' the development of this institutional innovation – it only took root in the south (Sicily, Southern Italy, the Papal State, and Sardegna) and in the extreme north (Friuli, Piedmont).

Somewhat similar is the development of the Low Countries, where cities also acquired a large degree of independence, in particular in Flanders. Here it was initially not the Count that called for meetings of a parliament, but cities that formed their own coalitions and had their own meetings. The three Flemish cities (Ghent, Ypres, Bruges - the freedom of Bruges joined this

club in 1384) had already set up regular consultation of each other in the thirteenth century, and together held up to 350 to 450 meetings per year during the first half of the fifteenth century.³⁶ But the Flemish Estates – an assembly of the three estates with the sovereign (or his representative) – was only established in 1400, making Flanders a latecomer within Europe. The same applies *grosso modo* to the other parts of the Low Countries, which usually did not acquire formalized estates before 1400, but had quite active meetings of their cities, sometimes together with the sovereign, perhaps also joined by members of the nobility and the church.³⁷ Once the estates of the various provinces were established, they also met very frequently; averages of 30-50 meetings per year are not rare, indicating the high demand for consultations (Kokken also notices that the Holland estates stepped up their activity even more after 1572, when they had on average 210 meetings per annum).³⁸ The Low Countries therefore fall in between the two other developments paths – between the 'bottom up' communal institutions of Northern Italy which destroyed the basis of parliamentary development, and the 'top down' Parliaments found elsewhere. Its most characteristic feature is that often meetings of the large cities of the county precede the emergence of 'full' Estates in the late fourteenth/early fifteenth century (initiated by the dukes of Burgundy); moreover, the new Estates, because of the long tradition of having 'similar' meetings organized by the cities, were very active from the start.

In the Low Countries, therefore, we see a direct link between the growing importance of cities and the growth of human and social capital that results and, finally, the flowering of 'representative' institutions in the fifteenth and sixteenth centuries (including the seventeenth and eighteenth centuries in the north). In northern Italy an equally vibrant urban and civic culture did not have the same long-term effects; in fact, the transition towards 'democracy' was much more problematic here. It may mean that social capital, as argued by Putnam, is not the only factor explaining 'why democracy works'.³⁹ Experience with the working of representative institutions

which was gradually build up in parts of Europe in the late medieval and early modern period, may have been important as well, as question to which we return below.

These factors may help to explain the rise of Parliaments. Between 1000 and 1300 a highly fragmented political system emerged in Western Europe, characterized by relatively small states competing with each other, whereas at the same time a dense urban network arose, with strong commercial links. Moreover, cities by becoming semi-independent communes, gained a strong political position in this new constellation, increasing pressure on the King to acknowledge their role. We argue that the rise of Parliaments is therefore explained by (1) the (small) size of states in this period; (2) the gradual urbanisation process in these states; (3) the communal movement and (4) the emergence of strong inter-city networks. These processes occurred in a socio-political structure in which bargaining and the sharing of power had become very usual, because sovereignty was fragmented.⁴⁰ Parliaments, more than all other institutions, embodied this.

The institutional ‘Little Divergence’ 1450-1800

Why did such a seemingly efficient institution decline in large parts of Western Europe between the mid fifteenth century and 1789? Most factors identified as being linked to the rise of these institutions in Medieval Europe – such as the flowering of commerce and the intensification of urban networks, the growth of human capital and a strong civil society, etc. – should have continued to contribute to the strengthening of these institutions, as Europe continued to develop in the Early Modern Period. In northwest Europe this is also what we see happening, but not elsewhere. Why?

An important factor behind the suppression of Parliaments in large parts of Europe was that the competition within the European state system led to the consolidation of increasingly large territorial units such as France, Spain and the Habsburg Empire. The city-states on the other hand were much less successful in this process of scale enlargement that happened between 1200 and 1800.⁴¹ This process of state formation had two interrelated aspects: the scale of political entities increased strongly, and the power of the central executive was enhanced by the growth of bureaucracies, the professionalisation of armies and navies, and improvements in systems of tax collection. Whereas the feudal monarch had been highly dependent on his vassals, the power of the king in the large territorial states of Western Europe was quite strong. Succession crises, for example, which had been major sources of instability, became less acute. The ‘fiscal revolution’ of the 15th and 16th centuries – the fact that the kings build up their independent bureaucracies and were therefore able to raise taxes independent of the consent by cities and other members of the estates – undermined the position of the parties represented in Parliament. The character of warfare also changed: the defence of the medieval state had been dependent on the mobilisation of the ‘great men’ – the feudal lords, bishops and representatives of the cities – of that society, who commanded and mobilized their own armies. In the early modern period, wars were increasingly fought by professional and permanent organizations effectively controlled by the state, employing their own personnel and leadership.⁴²

At the same time, and perhaps due to these changes, ideas about power were reformulated. Medieval Parliaments were based on feudal structures of the sharing of power between sovereign and his vassals, but such concepts became less appealing. The growing interest in Roman Law in combination with new concepts of absolutist rule – most famously expressed by Jean Bodin – resulted in new interpretations of the relationships between the

sovereign and his subjects according to which the king was the intermediary between God and his subjects and therefore the sole source of earthly power.⁴³

France is often seen as the classic case of these changes. Until the mid fifteenth century France more or less shared in the general increase of Parliamentary influence and activity, although most provincial estates were (much) more active than the Estates General, which were usually only called in cases of emergency, when new taxes had to be introduced. This changed however during the middle decades of the fifteenth century, when the King of France managed to introduce taxes which did not require the approval of Parliament, but were managed by his own officials (such as the *taille*, introduced in 1439/40). From then onwards, the role of the Estates General was much more limited – only in situations of extreme urgency were they convened (but in the periphery of the French state regional assemblies continued to play a more important role).⁴⁴

Spain is another interesting example of the decline of parliamentarism. Here, an important issue is the fact that after 1500 the Spanish crown gets a huge source of income which is not controlled by the various parliaments previous kings had to deal with: the enormous income from the exploitation of Spanish America, mainly consisting of silver and gold. The position of Spanish parliaments was severely weakened as a result, making it possible to slowly phase out their role. It is an example of the ‘resource curse’ now well known in the literature on developing countries: access to income from resources – often oil – can ‘spoil’ the political economy of these countries because governments no longer have to take into account the interests of their citizens. High oil prices, for example, are therefore bad for democracy and ‘good governance’ in these countries.⁴⁵ The Danish case may also be interpreted in this way: there the King had access to the growing income from the Sound toll, and therefore did not need the citizens of Copenhagen to raise revenue.

These changes in ideology also had a religious dimension. Absolutism was often associated with Catholicism – in particular post contra-Reformation Catholicism. The Reformation on the other hand often led to the strengthening of Parliaments. Where it was introduced ‘top down’, such as in England and Sweden, the king needed the support of Parliament to carry through the religious reforms. In Sweden this was the beginning of the ‘modern’ parliament, in England it led to an intensification of parliamentary life under the autocrat Henry VIII. More importantly perhaps, Protestantism – most certainly Calvinism and other more radical forms of the Reformation such as Puritanism - tended to be rather ‘democratic’, stressing individual belief, and the governance of the (local) churches from ‘bottom-up’.⁴⁶ For Protestants in the Low Countries and in England Parliament was the central institution used to successfully defend their rights against the predations of the sovereigns (Philip II and Charles I).

The link between Protestantism and Parliamentarism is clear from the civil wars in the Netherlands and England, where parties favouring Protestantism and of Parliamentarism largely overlapped. The correlation between Protestantism and the activity index of Parliaments is quite strong, especially when time progresses: in the sixteenth century the correlation was weak, in the seventeenth century it became stronger, and it was quite strong in the eighteenth century (for the sample of 30 countries the R is 0.30 for the sixteenth century, 0.51 for the seventeenth and 0.59 for the eighteenth century).⁴⁷ As the religious division within Europe did not change in this period – at least, not anymore after about 1600 – this is a striking result: the link between Protestantism and Parliamentarism became stronger over time. It suggests that Protestantism was the independent factor, and that parliaments survived – even became stronger – in protestant regions, and declined in the catholic world.

One of the factors that may have contributed to the increased correlation between Protestantism and Parliamentarism is the development of human capital in the different parts of Europe. Protestantism enhanced reading and writing skills, in particular for the reading of the Bible. As was demonstrated in another paper, there was a close link between Protestantism and literacy in the early modern period. It is therefore perhaps no surprise that human capital correlated positively with the activity index: for a slightly smaller group of 20 countries, the R moved up from insignificant in the sixteenth century ($R = 0.10$) to barely significant in the seventeenth century ($R = 0.35$) to quite significant in the eighteenth century ($R = 0.67$).

The economic effects of Parliaments: urban growth

One of the reasons for developing the activity index of parliaments is that we were unhappy with the quality of other measures of the degree to which executives in early modern Europe were being constrained by ‘vertical’ institutions. In order to proxy for the different institutions present in this period, DeLong and Shleifer used a simple dichotomy of Prince versus Free; they found that being Free (or a Republic) had a strong positive effect on urban growth between 1300 and 1800.⁴⁸ In practice this dichotomy is rather problematic, however, as many countries are in between the two extremes. Similarly, Acemoglu et al developed a measure of ‘constraints of the executive’ which is more nuanced, but based on a rather impressionistic reading of the available literature.⁴⁹

The issue we started with is how to explain the rapid process of urbanization in Western Europe in the 800-1800 period. Can better institutions have played a role, and when and where?

In a previous paper on this process we demonstrated that these proxies of ‘better institutions’ (by DeLong and Shleifer and by Acemoglu et al. did indeed have a positive effect on urban growth.

Do Parliaments as ‘constraints on the executive’ have a similar impact on urban growth?

We ran a number of regressions testing this idea following the strategy to explain the size of cities, developed in Bosker et al.⁵⁰ For eight benchmark years 1100, 1200 ... until 1800, we have estimates of the size of cities in Western Europe, which we try to explain on the basis of their characteristics (being a capital or not, having a university or not, etc.). The effect of Parliaments is included in two ways. Firstly we used a dummy variable, Parliament, to measure whether or not a country/region in a certain period had such an institution. Secondly, we used the Parliament activity index, as explained above. All regressions were carried out with city-specific and century-specific fixed effects. All specifications point to a certain, but limited positive impact of parliaments on urban growth, without strongly affecting the other coefficients (Table 1).

The next question we address is when this positive effect of parliaments on city size can be established (Table 2). It appears that only in the early modern period parliaments have a positive effect on city growth, which becomes stronger with time. It is probably not a surprise that this effect is absent in the period before 1500, when almost all regions have these institutions, with the exception of the most urbanized part of Europe, Northern Italy.

Do parliaments affect the growth of all cities, or only of politically privileged cities, such as the capital and cities that have a commune (an independent governing body). We found some evidence – by introducing interaction variables (of capital and parliament) – that capital cities profit more from these institutions than the other cities, and that the same applies to cities with a commune (results not shown here). The question then remains; did a parliament increase the urbanization ratio? Or did it only lead to a ‘redistribution’ of the urban population towards, for

example, the capital? A direct way of approaching this is to look at correlations between urbanization and the activity index of parliaments: is there a positive correlation between those variables? On the basis of the urbanisation ratios estimated by Bosker et al we found, for the thirteenth and fourteenth centuries, indeed a link between these variables.⁵¹ The correlation (R) between the urbanization ratio in 1200 and the activity index of the twelfth century is, for example, 0.35, and the same value is found for 1300 and the thirteenth century. This perhaps indicates that parliaments emerged in the more urbanized southern parts of Europe (Spain and Italy), and much less so in the less urbanized northern and eastern part of the continent. But as pointed out already, they emerged not in the most urban parts of these countries – not in northern Italy, nor in Muslim Spain, so the correlation is spurious. Moreover, it disappears in the centuries after 1300, when parliaments spread to every corner of Europe, but reappears again in the early modern period: it is 0.41 in the sixteenth century (comparing activity index of that century with the urbanization ratio in 1600), 0.31 in the seventeenth century and even 0.45 in the eighteenth century (N=16 in all cases). It is no surprise that it are now the northwestern countries that in a way dominate the correlation: high levels of activity index and of urbanization in Southern and Northern Netherlands in the sixteenth century, for example, and in the eighteenth century the English case joins this club (whereas Belgium falls out of the top of the league). But there are important exceptions as well: Switzerland and Sweden, both with relatively active parliaments, continue to have relatively low levels of urbanization (and Italy is the best example of low activity index and high urbanization ratio). In short, the institution arises in the south when it is the most urbanized part of Europe, and moves to the north to continue its development when, at the same time, the urban heart of the continent also goes north.

Can we explain urban growth also on the basis of the different institutional regimes?

Figure 8 shows the link between the activity index of the same group of 16 countries and the

increase in the urbanization ratio in the same period. The correlation is quite good, but there are a few exceptions: in Belgium, we have relatively strong parliament (at least, until the 1570s), but a strong decline in urbanization ratio as the urban centre of the Low Countries moved to Holland (after the conquest of the south by Spanish forces in the 1580s and 1590s). Switzerland is, as already mentioned, the other outlier: it has an almost perfect democracy – at least by pre 1800 standards – but almost no urban growth.

The economic effects of Parliaments: limiting currency depreciation

One of the most discussed issues in Parliament was linked to the royal privilege of the coinage, which was often used by sovereigns to debase the currency. Parliaments from 1188 onwards usually opposed this form of hidden taxation, and aimed at limiting the number and size of debasements (Blockmans 1998: 60).⁵² One of the ways to find out how effective Parliaments were, is to look at what happened with the value of the currency of the states involved – data which are not very difficult to collect.⁵³ To illustrate the idea, Figure 9 shows the silver value of the currencies of four countries in the 1500-1800 period. England saw an early and successful stabilisation from the middle of the sixteenth century onwards, when an experiment with devaluation in the 1540s known as ‘the great debasement’ had resulted in chaos.⁵⁴ The currency of Holland was also successfully stabilized after 1580 (the Revolt of 1572 had necessitated a devaluation). Spain felt no need to devalue during the sixteenth century, when large inflows of silver underpinned the value of its currency, but this changed during the seventeenth century when it entered a long period of monetary instability. France is an example of a similar process of somewhat more gradual monetary instability. After 300 years the currencies of the two countries

with a robust Parliament had declined only modestly, whereas the currencies of the two ‘absolutist’ countries had gone down by 60% or more, and had in general been much less stable (large debasements were often followed by revaluations of the currency).

Was this indicative of more general patterns? When we compare countries with and without parliaments, we do not get clear results, indicating that having a parliament or not is not what matters (see Table 3a). What does seem to make a difference is the distinction between countries with an active and independent parliament and those without. For this distinction we define parliament as one that has an active involvement in:

- decisions on taxation;⁵⁵ and
- decisions on war and peace; and
- legislation; and
- the summoning of its own meetings of parliament (if not meeting already with a yearly frequency).

The following parliaments comply with the above definition and are considered to qualify as active and independent: those of Aragon, Catalonia, Valencia and Navarre in the fourteenth and fifteenth centuries, that of Sicily in the fifteenth century. In the sixteenth century the parliaments of Holland, Belgium and Switzerland can be classified as active and independent, of which Holland and Switzerland remain so during the seventeenth and eighteenth century, to be joined in the eighteenth century by England, where the position of its parliament was strengthened after the glorious revolution in 1688. Defined in this way, we find large differences, as Table 3b demonstrates. The exception is the sixteenth century, when Spain distorts the picture: its parliaments are weak, but debasement is limited because the king profits from large inflows of silver and gold from Latin America. The ‘gap’ between ‘active’ and ‘other’ parliaments is clearly

evident in the fourteenth and fifteenth century, and quite significant in the seventeenth and eighteenth century (when the ‘little divergence’ in terms of parliamentary institutions is taking place).

The low levels of currency depreciation for the countries with active and independent parliaments in the post 1600 period, is probably also related to another significant divergence within Europe at the time, concerning the interest rates on government debt. As Hoffman and Norberg have pointed out, absolutist monarchies were charged much higher interest rates on their public debt than republics or monarchies with a strong parliament (such as England).⁵⁶ Part of the premium may be explained by the fact that inflation was expected to be higher in absolutist regimes, because the expected more substantial devaluation of the currency. But the fact that in general absolutist regimes were more unpredictable and more often went bankrupt also played a large role in explaining the interest premium they were forced to pay.⁵⁷

In all these respects, urban growth, depreciation of the currency and interest rates, we see that the effect of parliaments only emerges clearly in the seventeenth and eighteenth centuries.

Did pre-1800 Parliaments have long-run consequences?

In all these respects – urban growth, depreciation of the currency and interest rates, we see that the effect of parliaments only emerges clearly in the seventeenth and eighteenth centuries. A possible explanation, suggested by Gerring et al for the discussion about the current links between democracy and economic growth, is that it is not the level of democracy in a certain year that matters, but that it should be seen as a kind of stock variable, the result of a gradual accumulation of democratic values and practices.⁵⁸ In other words, democracies need time – the gradual accumulation of ‘political capital’ – to produce the favourable circumstances for economic growth. If this is correct, the evolution of parliamentary institutions before 1800 must also have been relevant for economic growth and the development of ‘truly’ democratic institutions in the nineteenth century. If democracy is a learning process, the experience that some European countries gained with this already in the late medieval and early modern period, may have facilitated the transition to ‘modern’ democracy in the nineteenth and twentieth century. Can we find evidence for such ‘path dependency’ in democratic practices and institutions?

We have used the Polity IV dataset to briefly explore this idea. This dataset is the product of the work of a group of experts who have assessed the quality of democratic institutions of a large set of countries since 1800, using a list of criteria for scaling them. Consolidated parliamentary democracy gets a 10, the opposite, complete autocratic rule is set at -10, and most historic societies are scaled somewhere in between (Stalin’s USSR and Hitler’s Germany in 1939 get a -9). The major drawback of this dataset is that it is not very transparent, and to some extent based on the subjective judgement of the specialists.⁵⁹ The list of criteria include ‘constraints on

the executive', 'openness of executive recruitment', 'competitiveness of political participation', which are all gives a number of point in determining the end-score.⁶⁰

If parliaments before 1800 matter, one expects a positive correlation between the Polity IV variable in the post 1800 period, and the pre-1800 activity index. We have tested this for three moments in time: 1820, after the Napoleonic wars when the new state system of Europe has been stabilized; 1910, to capture the effects of the gradual spread of democracy during the nineteenth century, and 1939, when democracy was under severe pressure, and limited to only a few countries. One can argue that the latter date represents a test of the strength of democratic traditions, whether they were able survived under the onslaught of communism and fascism.

We have compared the Polity IV variable for these dates (for the then existing European states) with the cumulative activity index of the whole 1100-1800 period (ranging from 25 for Denmark to 348 for Switzerland), and with the activity index for the eighteenth century only (ranging from 0 for Denmark, Russia and Poland to 100 for the Netherlands and Switzerland). The political entities that can be compared differ a bit from period to period; Poland is only included in the comparison with 1939 (as it did not exist as an independent entity in 1820 and 1910); the activity index of the UK is taken to be the average of the indices of the English, Scottish and Irish Parliaments – and similar assumptions have to be made for other countries as well. The overall picture is quite clear however: there are strong positive links between parliamentary activity before 1800 and the quality of democracy in the nineteenth and twentieth centuries. These links are strongest when we compare with the activity index for the whole 1100-1800 period, and by implication weaker when we compare with the eighteenth century only. For example: the correlation coefficient (R) between Polity IV for 1820 and activity index for eighteenth century is 0.56, which rises to 0.73 when the activity index of the whole period is taken (N=20). The correlation with the level of democracy in 1910 is slightly smaller – as may be

expected: 0.32 when linked to the eighteenth century estimates, and 0.57 when correlated with the overall activity index (N=15). This changes however when we move to 1939: correlation with the eighteenth century index gives 0.51, with the overall index 0.36 (N=16). There are therefore strong, statistically significant links between parliaments before and after 1800, links that do become a bit weaker over time, but continue to be rather strong.

That the correlation is not perfect, is mainly due to a few countries, as is illustrated by Figure 10. France is much more democratic than can be expected on the basis of the development of its parliamentary institutions before 1789, which seems to imply that the revolution of that year had a lasting impact on institutions and practices. The Netherlands, on the other hand, is during the nineteenth century a much less democratic country that could be expected on the basis of its republican past (although one can perhaps argue about the rather low grades that it gets during the nineteenth century). Other countries with a strong parliamentary tradition develop as expected: Switzerland and the UK both in 1820 and in 1910 top the democratic leagues; the poor democratic record of Russia/USSR is also consistent with such expectations.

Conclusions

Do parliamentary institutions matter for pre 1800 economic development? This contribution took its starting point in the seminal paper by North and Weingast who argued that the Glorious Revolution was a fundamental turning point not only in the parliamentary history of England, but also established the right institutions for eighteenth-century economic growth.⁶¹ This contribution has attempted to broaden this discussion by looking at the rise and development of these pre-1800 parliaments from a European perspective. One of the ideas underlying it is that it is possible to quantify the development of parliaments in Europe in the late medieval and early modern Europe by measuring the ‘activity index’ of these institutions. We think we have developed a tool for a quantitative reconstruction of the development of European Parliaments between 1100 and 1800, which makes it possible to analyse long-term patterns of change in this institution, and perhaps get an idea about the possible impact it had on economic performance.

The evidence shows that initially it was a southern European ‘innovation’, which developed within the context of the Reconquista of the twelfth/thirteenth centuries, when the Spanish sovereigns had to foster closer bonds with the conquered cities and their citizens, and were competing with the Muslim states in the south of the region for human and perhaps also physical capital. Parliaments did not develop at the centre of the urban system of the time, in Northern Italy or Flanders, but at the ‘periphery’. From its twelfth-century beginnings in Spain, the institution spread gradually over the rest of Europe, indicating that it could be applied successfully in other circumstances as well. Northern Italy, where strong communes had broken down the larger state-like structures, was the most significant region to remain outside the parliamentary movement. It also spread rather slowly in the north of Europe, probably due to the

absence of cities, and it only very briefly touched Russia (in the late sixteenth and early seventeenth centuries).

In the early modern period an institutional divergence occurred within Europe, however: parliaments declined in central and southern Europe, but gained in importance in the British Isles, the northern Netherlands, and Sweden (but, to illustrate the contingency of these developments, the Danish Rigsdag was abolished in 1660). We discuss a number of explanations for this divergence: the success of the sixteenth-century Reformation appears to have played a role, and the accumulation of human capital (which is again linked to Protestantism) was probably also quite important. It is perhaps no surprise that strong parliaments developed in protestant countries with high levels of human capital formation. Because the success of Protestantism may be taken as exogenous, as we cannot predict this success on the basis of the fifteenth-century data, a Weberian interpretation of the development of strong parliaments in this period can be suggested.

We found evidence that from the sixteenth century onwards, increasingly parliaments as ‘constraints on the executive’ had a positive effect on urban growth. They also appear to have been instrumental in slowing down the process of the erosion of the intrinsic value of the currency of their states. Stabilizing the currency was from the start in the late 12th century, one of the goals of the cities represented in Parliament; when Parliaments really became a strong countervailing power – such as in England after 1688 (or even earlier), or in the Netherlands after 1572 – the process of currency erosion almost ended, which may also point to their effectiveness in this respect.

Finally, we tried to establish if a strong Parliament before 1800 had consequences for the quality of democratic institutions in the nineteenth and twentieth centuries (in 1820, 1910 and 1939 respectively). We showed that these links were indeed strong, which demonstrates the path dependency of democratic institutions and practices, even beyond major shocks such as the

French revolution and the First World War. The rise of ‘modern democracy’ in the nineteenth and early twentieth centuries was – we tentatively conclude – also based on the long tradition of parliamentary practice that began in Europe in 1188.

Appendix A.1

Activity Index Parliaments							
	12th	13th	14th	15th	16th	17th	18th
Castile and Leon	2	30	59	52	66	48	7
Catalunya	3	29	41	61	16	14	4
Aragon	2	25	38	41	19	11	1
Valencia	0	7	28	29	12	4	0
Navarra	2	7	17	33	62	30	20
France*	0	4	8	19	12	2	1
Portugal	0	9	27	47	12	14	0
England	0	6	78	67	59	73	100
Scotland	0	0	10	61	96	59	93
Ireland	0	0	30	50	45	40	50
Germany, Reichstag	0	0	0	8	18	43	90
Wurtemberg	0	0	0	20	58	40	10
Hesse	0	0	2	5	45	45	45
Saxony	0	0	0	10	30	20	20
Palatinate	0	0	0	11	25	51	21
Bavaria	0	0	5	10	26	3	0
Brandenburg	0	0	0	5	5	4	0
Bohemia	0	0	9	9	13	4	0
Hungary	0	3	5	10	10	19	17
Austria	0	0	0	0	5	3	2
Belgium	0	0	0	20	80	10	10

Netherlands	0	0	0	20	80	100	100
Poland	0	0	20	90	5	0	0
Switzerland	0	0	0	50	100	100	98
Sweden	0	0	0	0	19	35	33
Denmark	0	0	0	5	10	10	0
Sicily	0	50	80	80	52	80	7
Sardegna	0	0	0	12	21	12	3
Southern Italy	0	0	0	10	40	21	0
Papal states	0	0	37	19	60	45	40
Piedmont	0	0	50	50	50	0	0
Russia	0	0	0	0	2	30	0
Stdeviation	0,8	12	23	25	28	28	34
Average	0,3	5	17	28	36	30	24
Coefficient of variation	2,74	2,19	1,38	0,89	0,78	0,94	1,43

* For France we did not look at the various regional parliaments.

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Table 1 Explanations of the log of citysize in 1100-1800, cities > 10,000 inhabitants only (with and without time trends) (regression coefficients with their p-values)

	(1)	(2)	(3)
Bishop	-0.046 [0.660]	-0.060 [0.572]	-0.061 [0.565]
archbishop	0.348** [0.020]	0.348** [0.021]	0.334** [0.027]
capitol	0.534*** [0.000]	0.535*** [0.000]	0.537*** [0.000]
university	0.209** [0.011]	0.204** [0.014]	0.206** [0.012]
muslim	0.432*** [0.001]	0.406*** [0.001]	0.455*** [0.001]
protestant	0.126 [0.301]	0.081 [0.485]	0.088 [0.449]
parliament (0/1)	0.134* [0.054]	- -	0.111 [0.109]
parliament (AI)	- -	0.002** [0.027]	0.002* [0.062]
R2	0.351	0.351	0.354
nr. Observations	1864	1864	1864

Notes: p-values based on clustered (at the city level) standard error between brackets. *, **, *** denotes significance at the 10%, 5%, 1% respectively.

Sources: Bosker et.al., 'From Baghdad to London', and Appendix 1.

Table 2 Explanations of the log of citysize in 1100-1800, cities > 10,000 inhabitants only (regression coefficients with their p-values)

parl. Variable	parliament (0/1)		parliament (AI)	
Bishop	-0.058		-0.058	
	[0.578]		[0.590]	
Archbishop	0.324**		0.350**	
	[0.027]		[0.020]	
Capitol	0.535***		0.544***	
	[0.000]		[0.000]	
University	0.206**		0.198**	
	[0.012]		[0.018]	
Muslim	0.417***		0.379***	
	[0.001]		[0.002]	
Protestant	0.172		0.065	
	[0.163]		[0.573]	
parl. Variable	coeff	p-value	coeff	p-value
1100	0.112	[0.396]	-	-
1200	0.052	[0.601]	-0.036	[0.723]
1300	0.028	[0.770]	0.000	[0.867]
1400	0.031	[0.749]	-0.001	[0.443]
1500	0.105	[0.259]	0.001	[0.276]
1600	0.179*	[0.078]	0.001	[0.290]
1700	0.284***	[0.004]	0.002*	[0.052]
1800	0.329***	[0.001]	0.004***	[0.008]

Notes: p-values based on clustered (at the city level) standard error between brackets. *, **, *** denotes significance at the 10%, 5%, 1% respectively.

Sources: Bosker et.al., 'From Baghdad to London', and Appendix 1.

Table 3a Currency depreciation in percent per year in Latin West with and without parliaments.⁶²

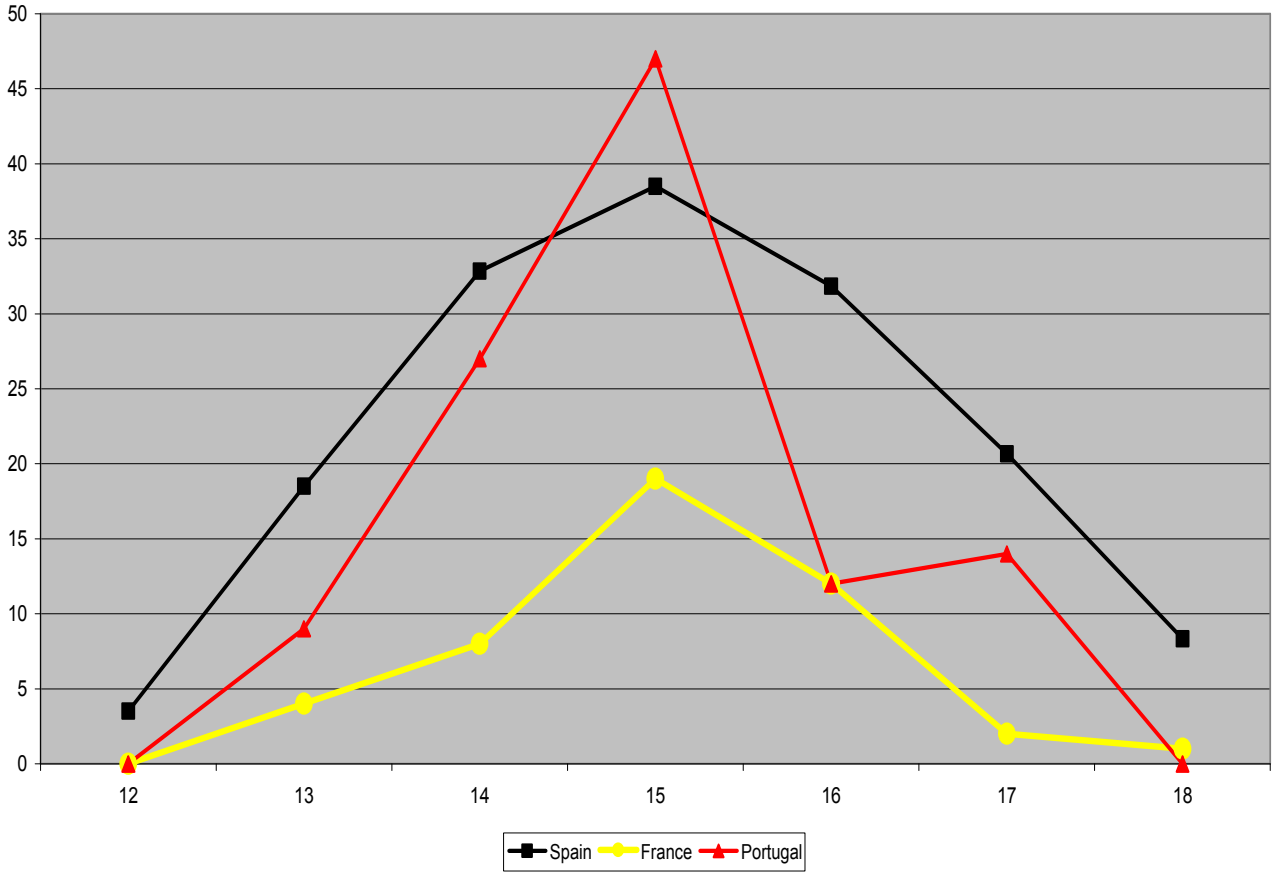
	With			Without		
	Average	Stdev	N	Average	Stdev	N
<i>13th</i>	-	-	0	0.67	0.57	6
<i>14th</i>	0.64	0.75	8	0.68	0.30	17
<i>15th</i>	0.65	0.37	12	0.64	0.28	15
<i>16th</i>	0.45	0.27	10	0.59	0.40	9
<i>17th</i>	0.53	0.51	8	0.65	0.48	11
<i>18th</i>	0.37	0.48	7	0.34	0.14	11

Table 3b Currency depreciation in percent per year in areas with active and independent parliaments and with other parliaments in Latin West.

	Active			Other		
	Average	Stdev	N	Average	Stdev	N
<i>14th</i>	0.15	0.07	2	0.80	0.82	6
<i>15th</i>	0.40	0.20	3	0.73	0.39	9
<i>16th</i>	0.50	0.10	3	0.42	0.32	7
<i>17th</i>	0.25	0.07	2	0.62	0.57	6
<i>18th</i>	0.10	0.10	3	0.58	0.57	4

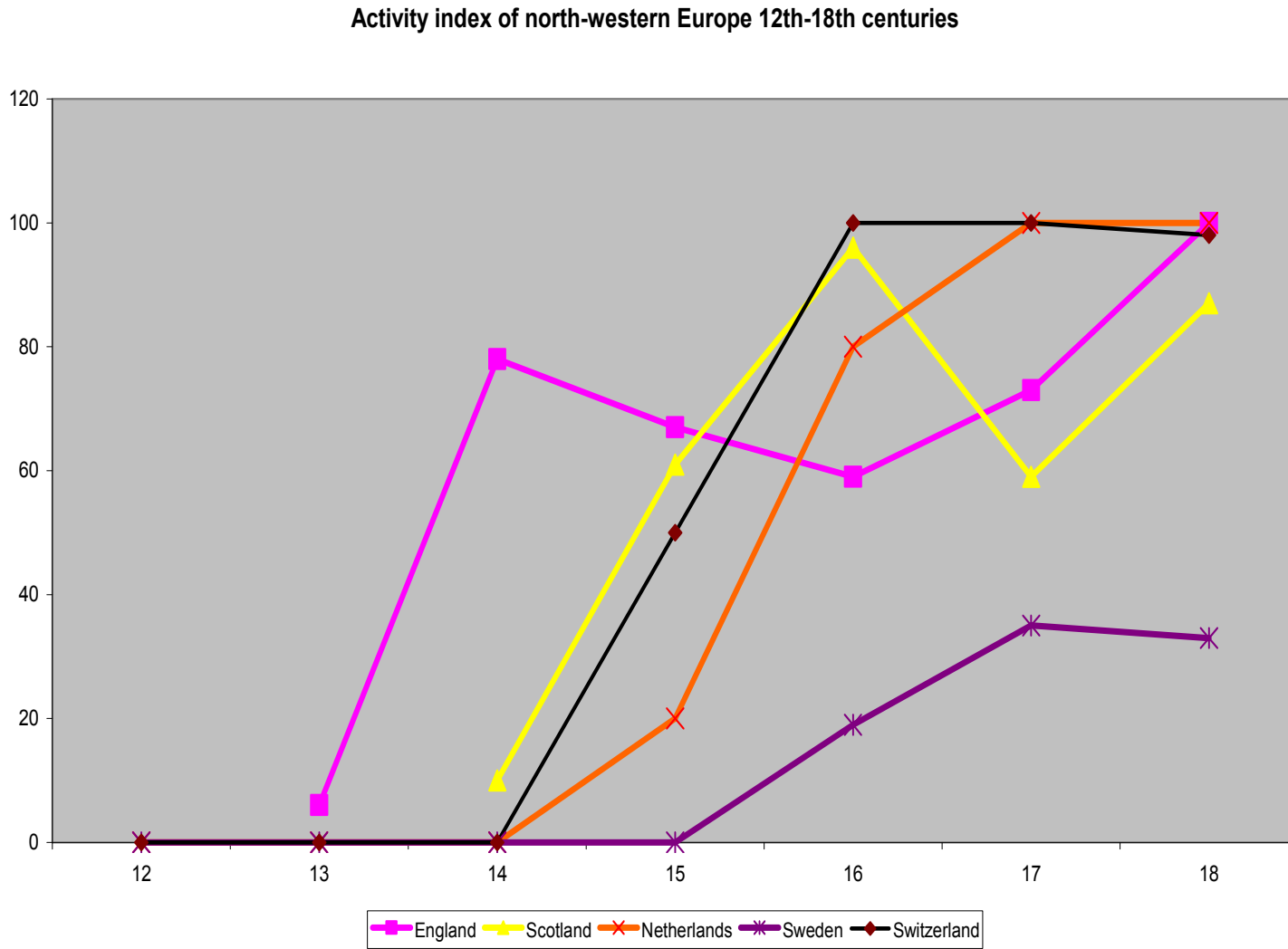
Figure 1

Activity Index of Parliaments in Spain (average), France and Portugal, 12th-18th centuries



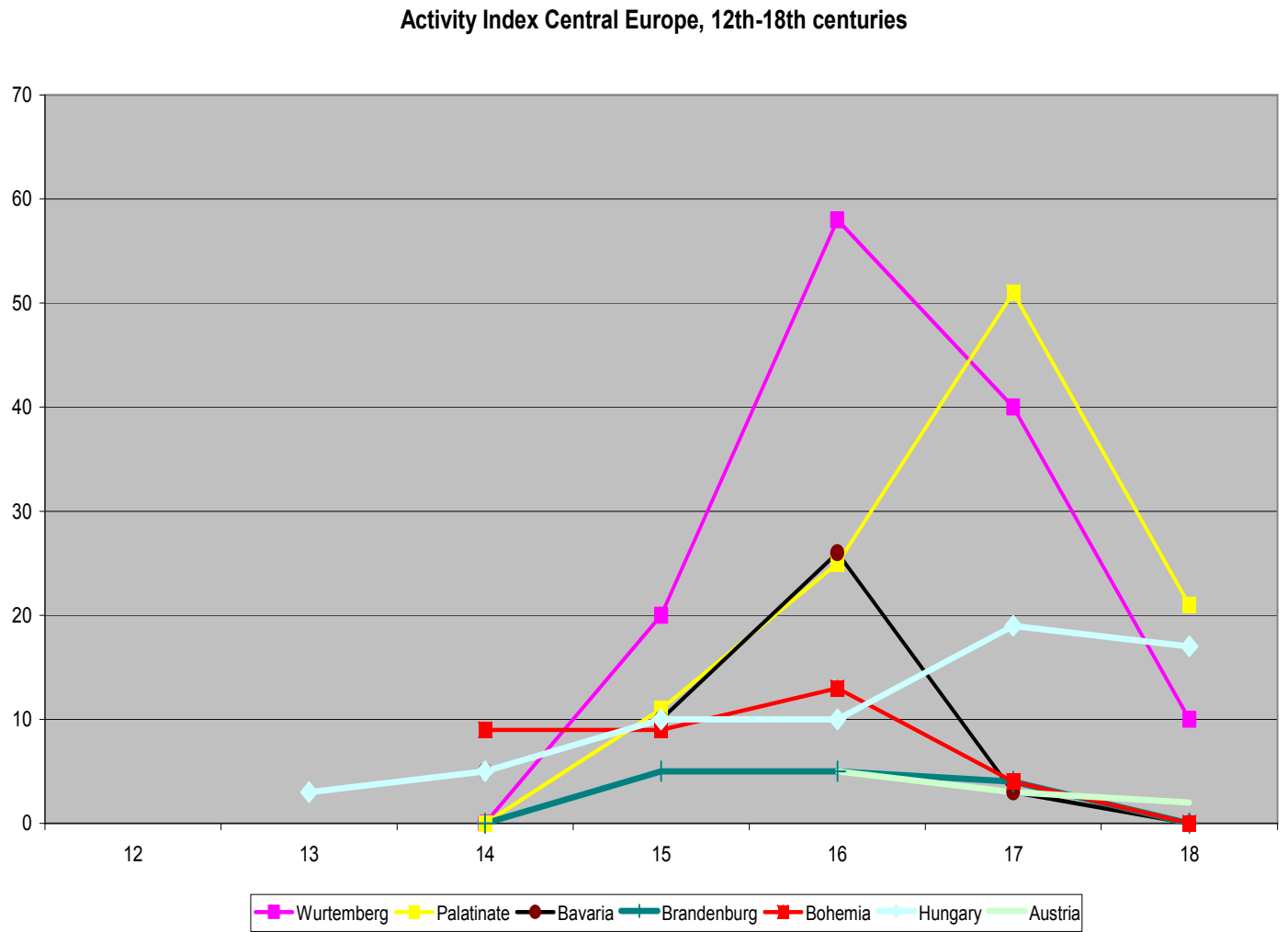
Spain is the average of Leon and Castile, Catalonia, Navarra, Aragon and Valencia
Sources: Appendix 1

Figure 2



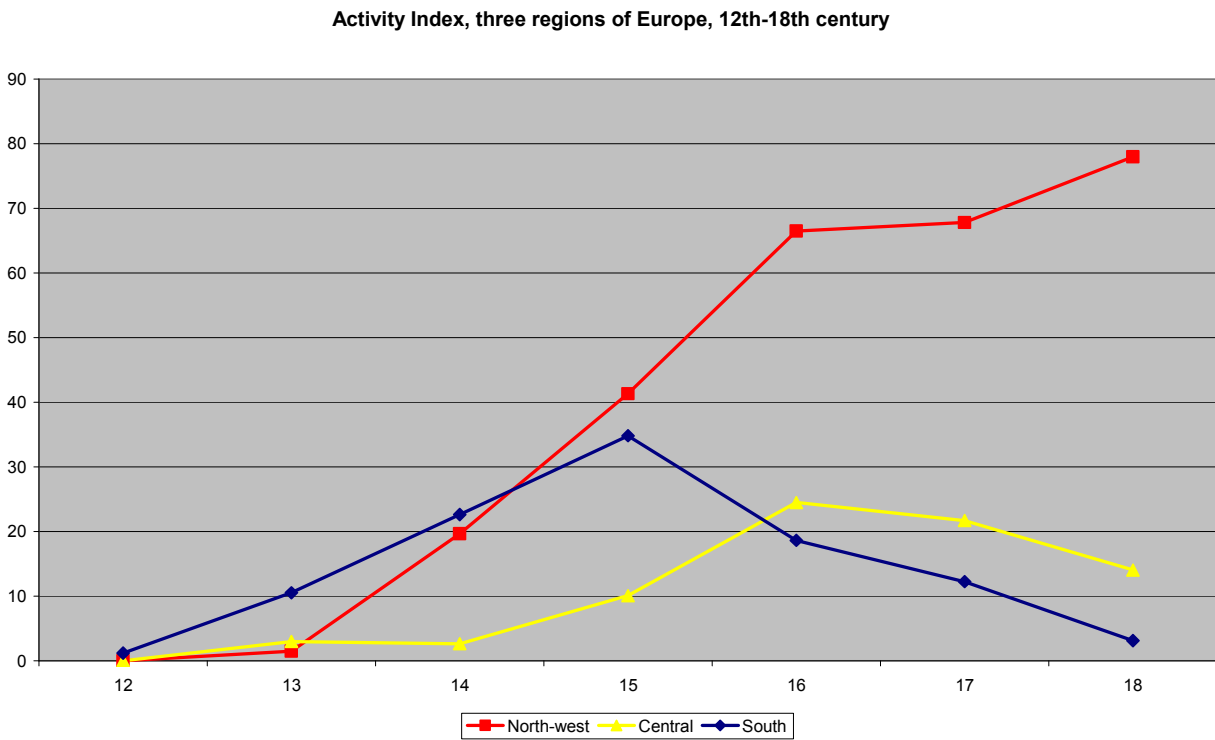
Sources: Appendix 1.

Figure 3



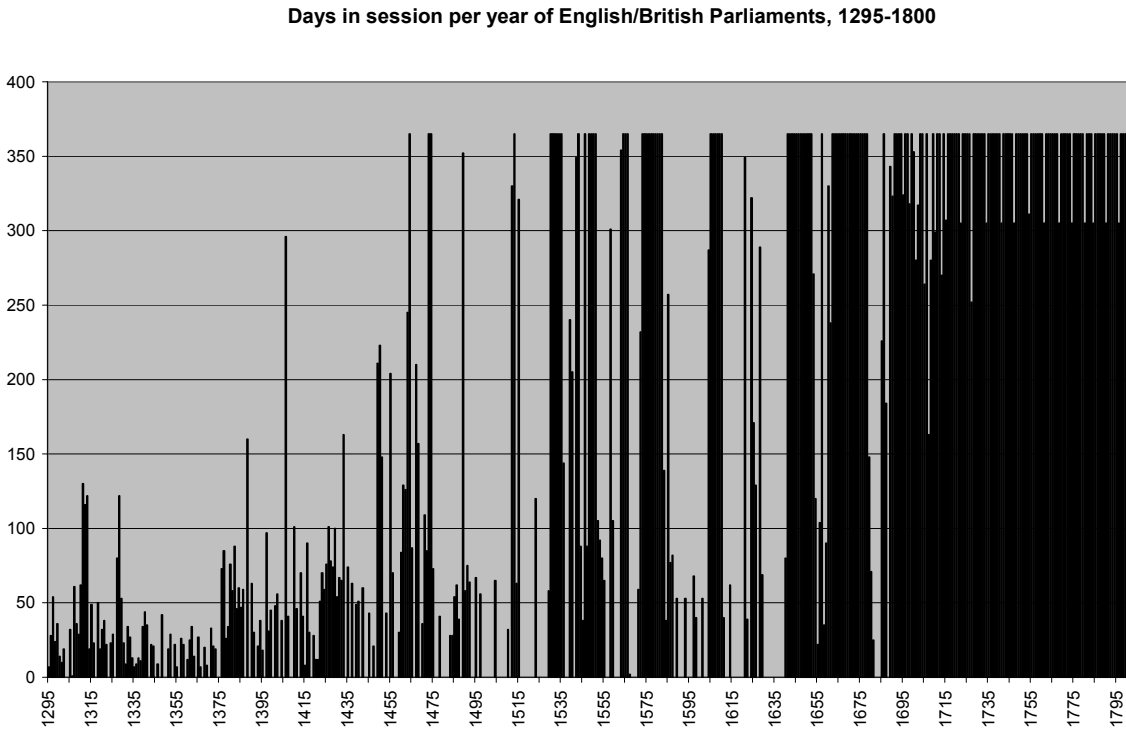
Sources: Appendix 1.

Figure 4



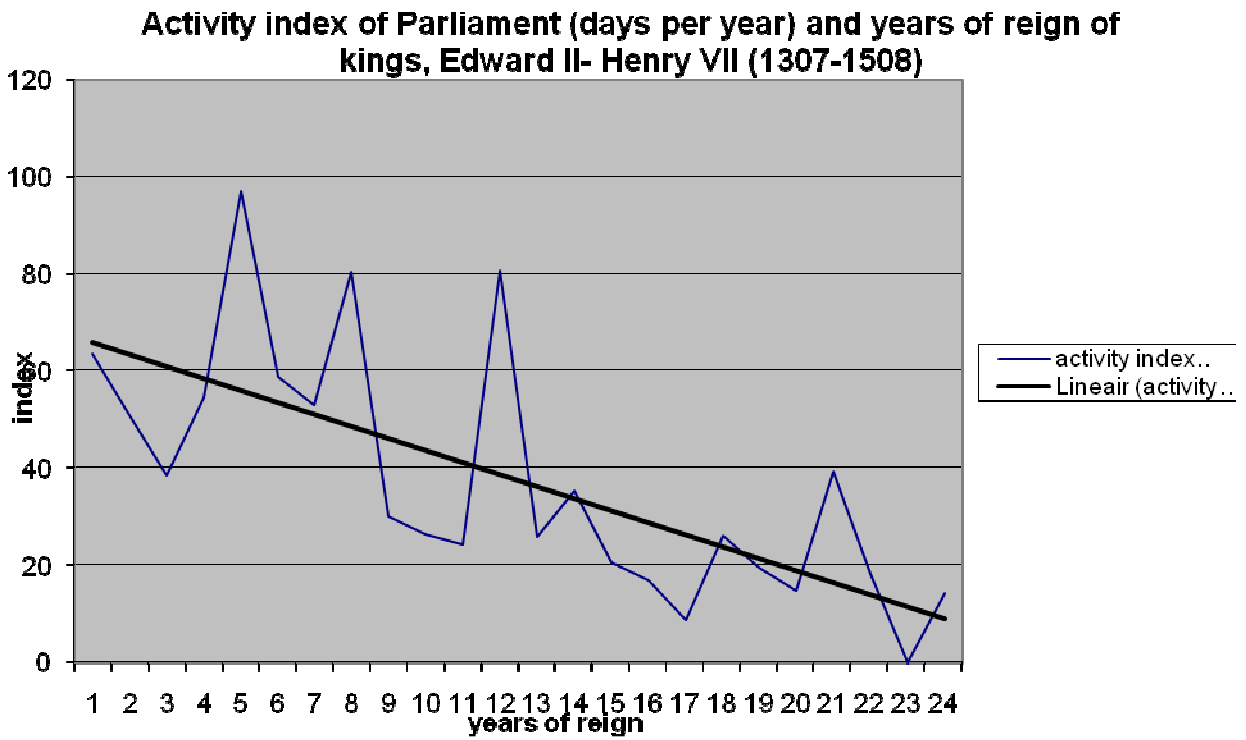
Sources: Appendix 1.

Figure 5



Sources: Appendix 1.

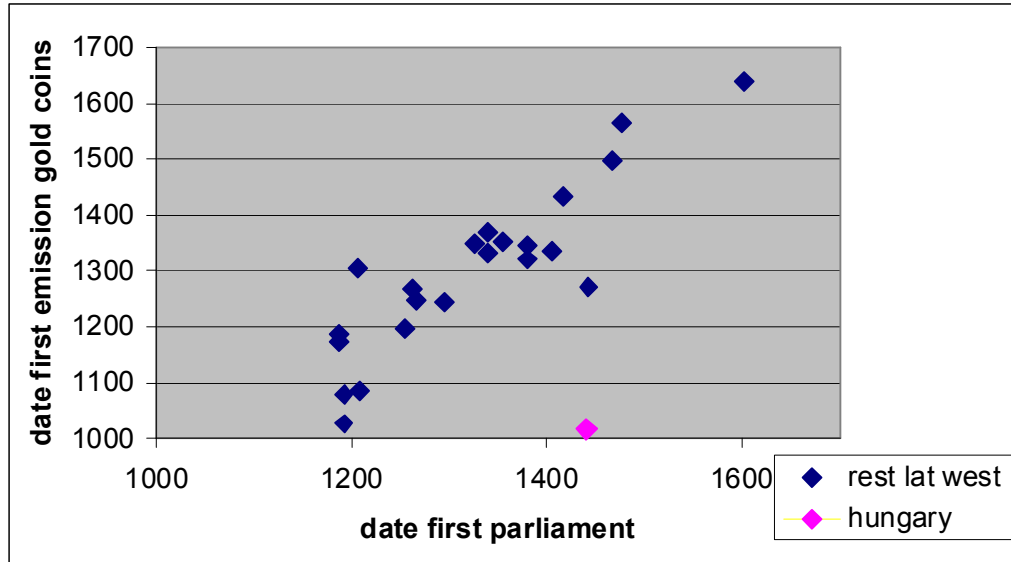
Figure 6



Sources: Appendix 1.

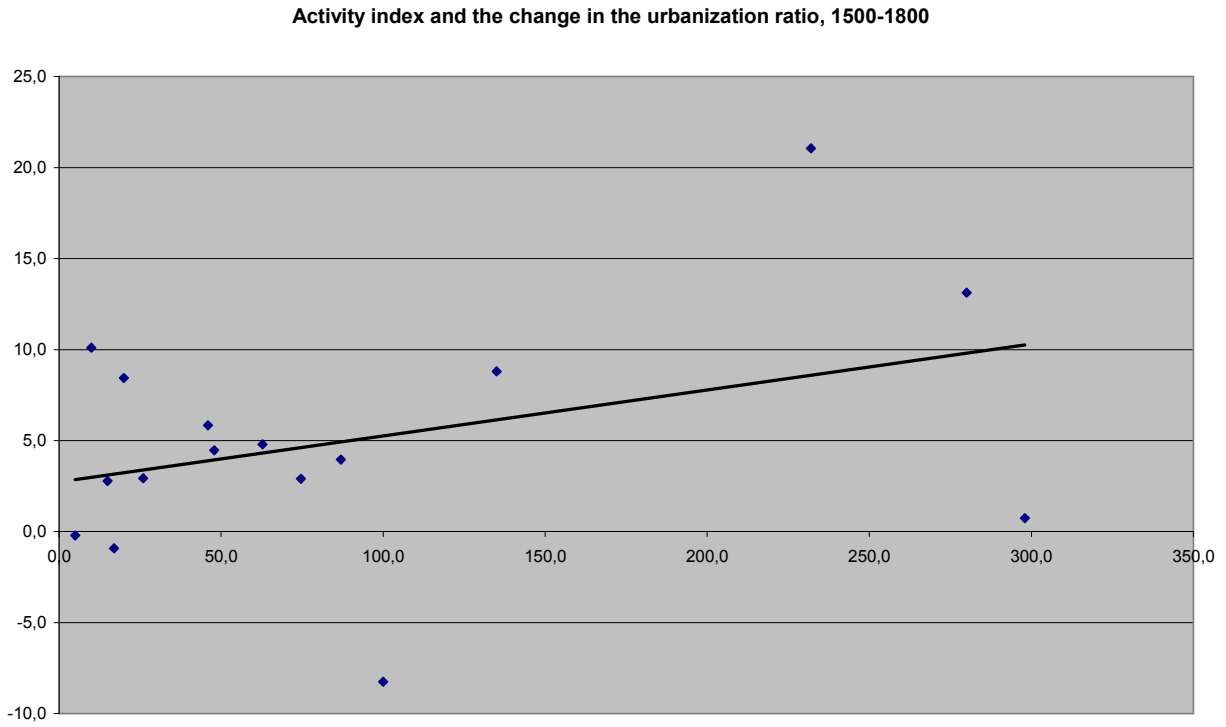
Figure 7

Dates of the first meeting of a parliament and dates of the first minting of gold coins in the medieval and early modern Latin West.



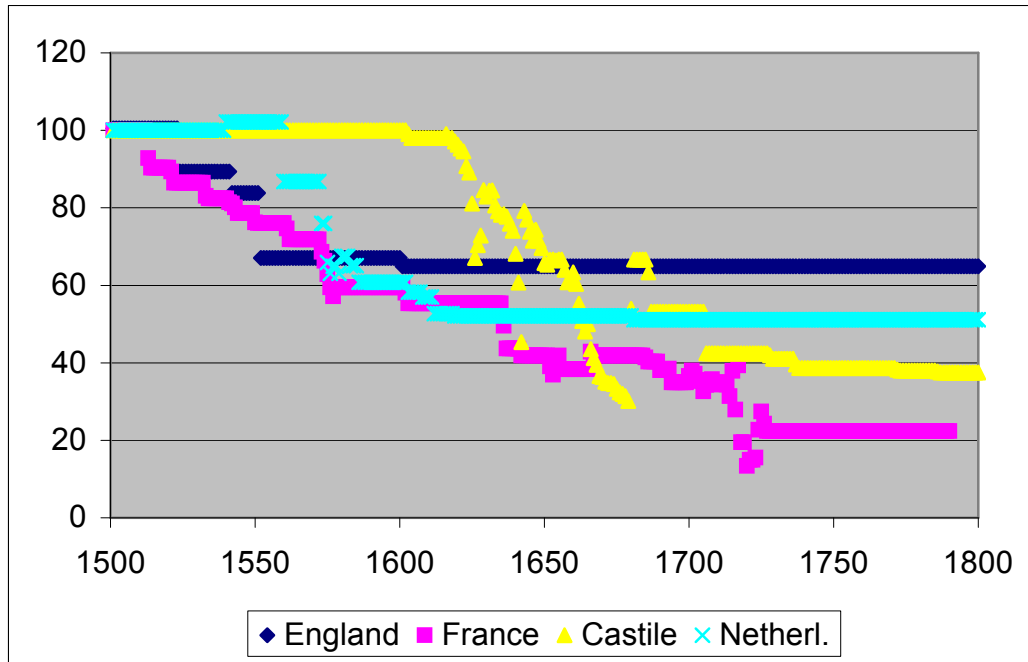
Sources: Appendix 1 and footnote 32.

Figure 8



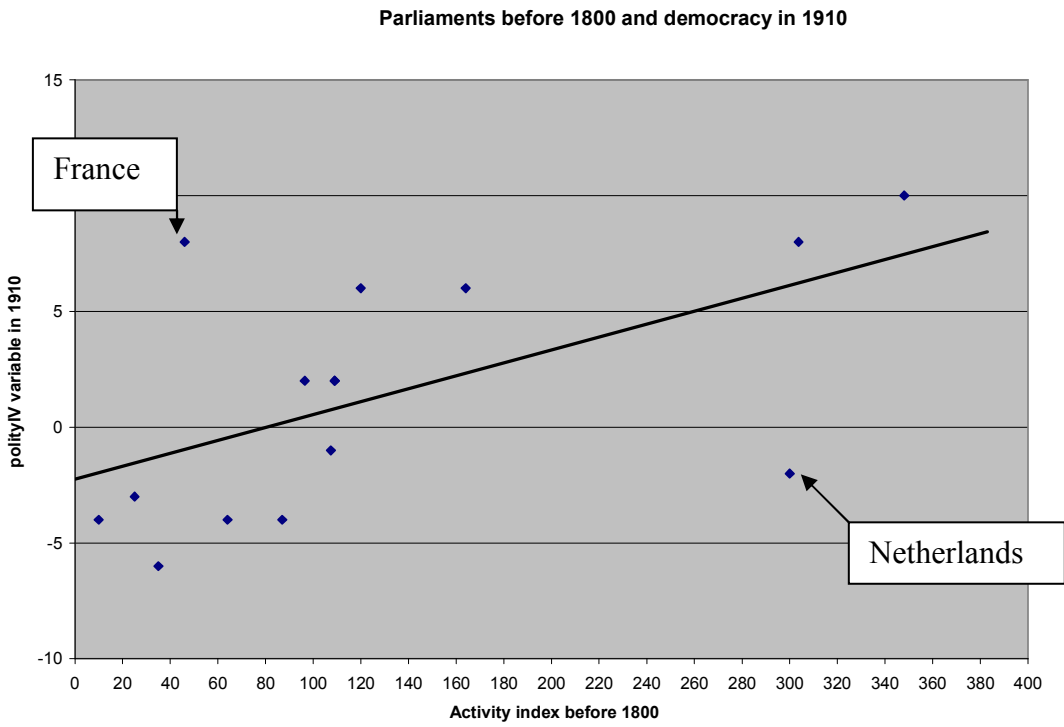
Sources: Appendix 1 and the urbanisation ratios estimated in Bosker et.al., 'From Baghdad'.

Figure 9 Devaluation of the currencies of England, France, Castile and the Netherlands, 1500=100



Sources: see footnote 53.

Figure 10



Sources: Appendix 1 and footnote 59.

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Notes

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² There are other important examples, such as the revolt of the estates of Bohemia in 1618, which started the Thirty years war, and the rise of the Cortes of Catalonia against ‘Madrid’ in 1640 – both revolts were not successful; for an overview see Sturdy, *Fractured Europe*.

³ North, *Structure and change*.

⁴ North and Weingast, ‘Evolution of institutions’.

⁵ Clark, ‘Cost of capital’, Richardson and Bogart, ‘Institutional adaptability’, Allen, *British industrial revolution*.

⁶ Allen, ‘Great divergence’, Van Zanden, ‘Early modern economic growth’.

⁷ North, *Structure and change*.

⁸ Acemoglu et al, ‘Atlantic trade’.

⁹ Glaeser et al, ‘Do insitutions?’

¹⁰ Wickham, *Inheritance of Rome*, p. 100-01.

¹¹ Marongiu, *Medieval parliaments*, p. 22.

¹² For an overview see Marongiu, *Medieval parliaments*, p. 22-31.

¹³ Marongiu, *Medieval parliaments*, p. 47.

¹⁴ O’Callahan, ‘Beginnings of the Cortes’, p. 1514. But see Blockmans, ‘Representation’, p. 39, who nuances the primacy of the Leon Cortes (a similar meeting had probably been held in 1187, and perhaps already in 1135).

¹⁵ O’Callahan, ‘Beginnings of the Cortes’, p. 1515.

¹⁶ O’Callahan, ‘Beginnings of the Cortes’, p. 1515.

¹⁷ O’Callahan, ‘Beginnings of the Cortes’, p. 1518.

¹⁸ O’Callaghan, *Medieval Spain*, p. 269-71.

¹⁹ O’Callaghan, *Medieval Spain*, p. 275.

²⁰ Marongiu, *Medieval parliaments*.

²¹ Blockmans, 'Representation', p. 43.

²² Blockmans, 'Representation', p. 51.

²³ Marongiu, *Medieval parliaments*, p. 82.

²⁴ Marongiu, *Medieval parliaments*, p. 90.

²⁵ Myers, *Parliaments*, p. 39-45.

²⁶ Sturdy, *Fractured Europe*, p. 216-18.

²⁷ See Coll, 'Evolution of democracy', for an overview.

²⁸ North and Weingast, 'Evolution of institutions'.

²⁹ Mackenzie, *English Parliament*.

³⁰ Spufford, *Money*, p. 271; In Venice, at the eve of the great influx of gold from Hungary in circa 1330, fourteen times the weight of silver had the same purchasing power as a given weight of gold.

³¹ Friedberg et al, *Gold coins*, p. 342.

³² Friedberg et al, *Gold coins*. We excluded the Italian city states here, because they did not have parliaments proper according to our definition, although they did have a form of local self-government. Had we included them and the dates of their first forms of (communal) self government, they would have come close to the already established regression line in Figure 7. The dates of issue of the gold coins have been taken as the average date of the reign of the sovereign issuing the coins when Friedberg et al did not give a more precise date. However, for the 600 year period covered in Figure 7 this does not have a significant effect on the results.

³³ Sándor et.al., 'X-ray fluorescence analysis'; these authors indicate that they have devised a non-destructive method to establish the trace metal composition of historical objects and thus can prove their authenticity; amongst others they have examined two Hungarian gold coins of Stephen I. Thereby we have excluded Hungary as an outlier, including Hungary would lead a correlation of 0.73.

³⁴ Acemoglu et al, 'Atlantic trade'.

³⁵ Putnam, *Making democracy work*.

³⁶ Blockmans, 'Representation', p. 56.

³⁷ An overview in Kokken, *Steden en staten*. p. 5-36.

³⁸ Kokken, *Steden en staten*. p. 126-28.

³⁹ Putnam, *Making democracy work*.

⁴⁰ Van Zanden, *Long road*, p. 49.

⁴¹ See Van Zanden and Prak, 'Economic interpretation of citizenship', for an analysis of the reasons behind this failure.

⁴² Glete, *War and the state*, p. 12-13.

⁴³ Bonney, 'Theories of state finance', p. 166-70.

⁴⁴ Barzel and Kiser, 'Taxation and voting rights'.

⁴⁵ Dunning, *Crude democracy*.

⁴⁶ It is perhaps significant that Calvin acknowledged the right of citizens to rise against the state, whereas Luther was strongly opposed to this, as became clear during the Peasant Revolt of 1525.

⁴⁷ The fifteenth-century activity index showed no correlation with Protestantism, however ($R = -0.15$); one can therefore not predict the success of Protestantism in the sixteenth century on the basis of the activity index.

⁴⁸ De Long and Schleifer, 'Princes and merchants'.

⁴⁹ Acemoglu et al, 'Atlantic trade'.; we reviewed this measure by Acemoglu et al in Bosker et al, 'Baghdad to London'.

⁵⁰ Bosker et al, 'Baghdad to London'.

⁵¹ Bosker et al, 'Baghdad to London'.

⁵² Blockmans, 'Representation', p. 60.

⁵³ Main sources: Spufford, *Handbook* and Metz, *Geld*, and the datasets published on www.iisg.nl/hpw and <http://gpih.ucdavis.edu/> (Global Price and Income Group).

⁵⁴ Gould, *Great debasement*.

⁵⁵ For an active and independent parliament we also want to exclude parliaments with estates that were exempt from taxation, to prevent 'free riders' to emerge, such 'free riding' estates e.g. could be found at some time in Spanish or French parliaments.

⁵⁶ Hoffman and Nordberg, 'Conclusion'.

See also Van Zanden and Prak, 'Economic interpretation of citizenship', for further details and an attempt to explain the difference.

⁵⁷ Rodrik, 'Democracy', gives similar evidence for the recent period that autocracies were more unstable and less able to cope with external shocks than democracies.

⁵⁸ Gerring et al, 'Democracy and economic growth'.

⁵⁹ See the explanation of the project and its main results on: <http://www.systemicpeace.org/polity/polity4.htm>; 'The "Polity Score" captures this regime authority spectrum on a 21-point scale ranging from -10 (hereditary monarchy) to +10 (consolidated democracy)', as this quote suggests, there is perhaps a certain bias against hereditary monarchy in this dataset, as relatively tolerant and 'enlightened' monarchies are often assessed as -10 (for example Brandenburg and Saxony in 1820), whereas Stalin's USSR and Hitler's Germany score slightly better with a -9.

⁶⁰ See M.G. Marshall et al 'POLITY IV', University of Maryland, available http://web.mac.com/christiandavenport/iWeb/Site%2040/Publications_files/polityivreplycps2002.pdf

⁶¹ North and Weingast, 'Evolution of institutions'.

⁶² Sources: R. Bonney, *Rise of the fiscal state*; Metz, *Geld*; Spufford, *Handbook*.