The rise and decline of European parliaments, 1188–1789
Presented by Luke Zinnen

J.L. van Zanden, E. Buringh, and M. Bosker

April 30, 2018
Institutions are widely recognized as contributing to long-run economic development. A prominent European institution with significant geographical and temporal heterogeneity is the parliament. Can the presence and activity of parliaments help explain the pattern of development in Europe between their introduction in the 12th century and the industrial revolution?

- Develop city level data set of parliamentary activity from 1100s to 1800
- Use to test hypothesis that presence and activity level of parliaments increase urbanization
Proposed Mechanism

Modern parliament representing:
- nobility
- clergy
- cities

Restraints on executive

Mercantile and commercial interests heard

Protection of property rights, laws favorable to commerce

More economic, population growth, increased tax base
Parliaments did not emerge uniformly, and in many countries peaked around the start of the early modern period, declining in some cases to abolition or complete inactivity.

Ceteris paribus, subject to caveats and including no claim of causality, a city in a territory represented by an extremely active parliament is associated with up to an additional ~20 log-percentage points population compared to one with an inactive parliament, or none at all.

“[T]he interpretation of the effect of parliaments on urban development critically hinges on our assumption that $\varepsilon_{it}$ is uncorrelated with the included variables in equation 1. If this assumption is violated, we would face an endogeneity problem ... [O]nly a convincing instrument for parliamentary activity would fully address this issue.”
Constraints on the executive:

- de Long and Shleifer (1993), “Princes and merchants: European city growth before the industrial revolution”: Strong/absolutist princely rule is systemically associated with reduced urban commerce (contrasted to limited rule or rule by merchants).


Parliaments and inclusive institutions, as seen in this course:

- Green (1993), “On the Emergence of Parliamentary Government: the Role of Private Information”: “[E]nvironmental changes concerning the distribution of information and the provision of incentives, as well as changes concerning technology in a narrower sense, can explain changes in the form of government.”

“Parliaments” (general term covering bodies of different names in many countries, including e.g. the Estates-General of France):

- Independent legal & political entity
- Rights & obligations, guarantee of continuity of activities
- Represents cities as well as nobility and clergy
  - Crucially, cities’ representatives typically merchants

Note that this combination of characteristics is their formalism, and need not represent all parliaments or all governmental institutions that could have an analogous effect on growth

- City states/republcs with mercantile oligarchy excluded: self-rule distinguished from mechanism to check/negotiate with territorial sovereign (this may result in an inconsistency in how such states are considered compared with the Dutch Republic)

Spread throughout Iberia, southern Italy, France (regional at first), England, and beyond

Generally: Southwest to northeast
Figure 1. *Activity index of parliaments in Spain, France, and Portugal, twelfth to eighteenth centuries*

*Note:* The number for Spain is the unweighted average of Leon and Castile, Catalonia, Navarre, Aragon, and Valencia.

*Sources:* see online app. S1.
Figure 2. *Activity index of north-western Europe, twelfth to eighteenth centuries*

*Sources:* See online app. S1.
Figure 3. *Activity index of parliaments in central Europe, twelfth to eighteenth centuries*

*Sources:* See online app. S1.
Proposed answers

- Fragmentation of western Europe in later Middle Ages
- Communal movement (particularly in Spain and Italy): cities gain status as legal entities and degree of self-administration
  - Recall: AMV, Cantonini & Yuchtman
- Reconquista
  - Competition with Muslim domains for population, incentives to migrate: offer more rights and privileges
- Italy
  - Sicily: parliaments modeled after Spain after getting Spanish monarch
  - North: cities gain independence from territorial monarchs, become city-states
    - Excluded from authors’ definition
    - Not clear this is economically correct, if so, likely bias of their results (I suspect downward)
- Byzantine/Ottoman: parliaments never develop
  - Strong central government, no independent cities to negotiate with
Parliamentary Influence: Some Theory

- Parliaments may have greater or lesser economic effect depending on their strength in governing the country.
- Kings generally call parliaments to shore up power (e.g., soon after succession) or raise money (war)
  - Leon 1188, first confirmed “parliament”: ascension of Alfonso IX
  - Poland: electing monarch
  - Wars of Edward I and after: Welsh success vs. Scottish failure matches barons’ cooperation
- Offer concessions in exchange for support or revenues
  - Leon 1188: king pledges not to change value of coinage for 7 years
  - Magna Carta: limitations on taxation, confiscation, protection for City of London and others, merchants...
- Parliaments that aren’t assembled have little effect on governance/executive.

J.L. van Zanden, E. Buringh, and M. Bosker
Rise and decline of European parliaments
“In England, by contrast, the forty years between 1297 and 1337 saw fourteen lay subsidies granted by fully representative assemblies, eleven of which fell in the thirty years after Edward I’s death. Taxation was thus frequent enough to be a normal act of government, but it was not sufficiently persistent or continuous to threaten its occasional, emergency character. Only from 1294 to 1296 and in 1315-6 was it levied in consecutive years. Moreover during this period every tax with one exception was for the war against Scotland. Each grant was made for a particular emergency, presented as a threat to the realm and Church, and often accompanied by graphic propaganda about the murder and devastation wrought by Scottish raids.”
(9) Neither we nor our officials will seize any land or rent in payment of a debt, so long as the debtor has movable goods sufficient to discharge the debt. A debtor’s sureties shall not be distrained upon so long as the debtor himself can discharge his debt. If, for lack of means, the debtor is unable to discharge his debt, his sureties shall be answerable for it. If they so desire, they may have the debtor’s lands and rents until they have received satisfaction for the debt that they paid for him, unless the debtor can show that he has settled his obligations to them.

... 

(12) No ‘scutage’ or ‘aid’ may be levied in our kingdom without its general consent, unless it is for the ransom of our person, to make our eldest son a knight, and (once) to marry our eldest daughter. For these purposes only a reasonable ‘aid’ may be levied. ‘Aids’ from the city of London are to be treated similarly.

(13) The city of London shall enjoy all its ancient liberties and free customs, both by land and by water. We also will and grant that all other cities, boroughs, towns, and ports shall enjoy all their liberties and free customs.

(14) To obtain the general consent of the realm for the assessment of an ‘aid’ - except in the three cases specified above - or a ‘scutage’, we will cause the archbishops, bishops, abbots, earls, and greater barons to be summoned individually by letter. ... In all letters of summons, the cause of the summons will be stated. When a summons has been issued, the business appointed for the day shall go forward in accordance with the resolution of those present, even if not all those who were summoned have appeared.

... 

(25) Every county, hundred, wapentake, and tithing shall remain at its ancient rent, without increase, except the royal demesne manors.
Offer new measure (actually assembled in previous paper) of parliamentary activity as proxy for influence: number of years in preceding century parliament assembled

Under this measure:

- Parliamentary activity in southwest Europe peaks in 1400s after early start, declines to almost nothing by 1700s
- Northwest Europe sees later start, rapid rise and continued high level of activity thereafter
- Central Europe starts late, has similarly timed peak as southwest but more moderate decline
Figure 1. Activity index of parliaments in Spain, France, and Portugal, twelfth to eighteenth centuries

Note: The number for Spain is the unweighted average of Leon and Castile, Catalonia, Navarre, Aragon, and Valencia.
Sources: see online app. S1.
Figure 2. *Activity index of north-western Europe, twelfth to eighteenth centuries*

*Sources: See online app. S1.*
Figure 3. *Activity index of parliaments in central Europe, twelfth to eighteenth centuries*

_Sources:_ See online app. S1.
Tendency for parliaments to converge on steady state of near continuous meeting (UK, Netherlands, Switzerland) or considerable scaling back after 15th, 16th century; some abolitions (Denmark, Russia)

*Monarchy is in a state of tension, which always degenerates into despotism or republicanism: power can never be equally split between the people and the prince; the equilibrium is hard to maintain. Power must decline on one side as it increases on the other; but the prince who leads the army usually has the advantage.* – Montesquieu
Extreme cases:

- England, Netherlands: monarchies deposed, republics instated
- Denmark, Russia: abolish parliaments
- France: king doesn’t assemble parliament for over a century; when Louis XVI does in 1788, he loses his head

Two points of interest in this observed instability:

- What is the cause, and what can it say about other institutional arrangements with internal balances of interests?
  - Continued relevance past period under study
- Offers spacial and (non-monotonic) temporal heterogeneity of institutions; use to test hypothesis of parliaments being conducive to growth
Why Instability? Mistrust and Free Ridership

So for king to assemble a parliament, benefits must outweigh costs

- Reduced benefits: alternative revenue streams come online (New World treasure in Spain, Danish Sound Toll, French taille), reduce revenue salience of parliaments’ taxation consent
- Fear giving more concessions will erode future bargaining position

Parliaments lacked incentive to fully commit to taxation plans

- Benefits of taxation (war) shared with monarch
- The military purchased with approved taxes could also be used against interests of nobles, cities
- Making the wrong concessions erodes bargaining position
  - Taille set by king; grew substantially, coinciding with reduced calling of Estates-General
Neither side foresees long-run efficiency gain from parliamentary finance?

- If representation/consentual taxation leads to growth, room for more wealth for cities, taxes for sovereign, war resources for both – should encourage shared power equilibrium
- Mechanism is unproven, has long lags if true
  - Why should we expect agents to act on basis of something even the paper does not demonstrate as causal?
  - Depends on consistent non-deviation in repeated game where identity of one player changes over time (monarch dies, new one ascends)
- More direct and plausibly accounted for: debt finance
  - Merchants major holders of debt, willing to purchase more and cheaper if have say in taxation and spending
Did this “Little Divergence” contribute to population weight of Europe shifting to northwest?
Data and strategy

Dataset collected and described in previous Bosker et al.

- City level
- 10,000+ population (5,000+ robustness check)
- 800–1800 CE (1100–1800 CE robustness check)
- Latin west (excluding formerly Muslim–mainly Sicily and parts of Spain, excluding UK and Netherlands robustness checks)
- Population, geographic characteristics, political and religious importance...
- Parliaments: presence, activity index

\[
\ln c_{it} = \alpha_i + \alpha_t + X_{it} \beta + \gamma_1 D_{it}^{PARL} + \gamma_2 A_{it}^{PARL} + \varepsilon_{it}
\]

Data concerns whether a city lies in a territory which has a parliament, not whether that city has a representative in the parliament.
“Latin west”: Europe west of line drawn between St. Petersburg and Trieste

J.L. van Zanden, E. Buringh, and M. Bosker

Rise and decline of European parliaments
Table 1. Parliamentary activity and urban development

<table>
<thead>
<tr>
<th>Sample</th>
<th>(1) Latin west</th>
<th>(2) Latin west</th>
<th>(3) BASELINE</th>
<th>(4) Christian only</th>
<th>(5) Cities ≥ 5k</th>
<th>(6) 1100–1800</th>
<th>(7) UK and Low Countries different ≥ 1500</th>
<th>(8) Excluding UK and Low Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bishop</td>
<td>-0.038</td>
<td>-0.051</td>
<td>-0.052</td>
<td>0.005</td>
<td>0.015</td>
<td>-0.065</td>
<td>-0.076</td>
<td>0.035</td>
</tr>
<tr>
<td></td>
<td>(0.713)</td>
<td>(0.623)</td>
<td>(0.614)</td>
<td>(0.973)</td>
<td>(0.903)</td>
<td>(0.599)</td>
<td>(0.507)</td>
<td>(0.767)</td>
</tr>
<tr>
<td>Archbishop</td>
<td>0.360***</td>
<td>0.359**</td>
<td>0.346**</td>
<td>0.436**</td>
<td>0.482***</td>
<td>0.412**</td>
<td>0.326**</td>
<td>0.467***</td>
</tr>
<tr>
<td></td>
<td>(0.015)</td>
<td>(0.017)</td>
<td>(0.021)</td>
<td>(0.019)</td>
<td>(0.003)</td>
<td>(0.021)</td>
<td>(0.041)</td>
<td>(0.003)</td>
</tr>
<tr>
<td>Capital</td>
<td>0.545***</td>
<td>0.546***</td>
<td>0.547***</td>
<td>0.508***</td>
<td>0.633***</td>
<td>0.532***</td>
<td>0.544***</td>
<td>0.556***</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
</tr>
<tr>
<td>University</td>
<td>0.208***</td>
<td>0.203**</td>
<td>0.204**</td>
<td>0.190**</td>
<td>0.174**</td>
<td>0.145**</td>
<td>0.204***</td>
<td>0.189**</td>
</tr>
<tr>
<td></td>
<td>(0.010)</td>
<td>(0.012)</td>
<td>(0.011)</td>
<td>(0.025)</td>
<td>(0.035)</td>
<td>(0.048)</td>
<td>(0.009)</td>
<td>(0.018)</td>
</tr>
<tr>
<td>Muslim</td>
<td>0.447***</td>
<td>0.430***</td>
<td>0.469***</td>
<td>—</td>
<td>0.602***</td>
<td>0.349***</td>
<td>0.449***</td>
<td>0.515***</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.006)</td>
<td>(0.000)</td>
<td>(0.000)</td>
</tr>
<tr>
<td>Protestant</td>
<td>0.091</td>
<td>0.048</td>
<td>0.055</td>
<td>0.063</td>
<td>0.063</td>
<td>0.091</td>
<td>0.038</td>
<td>-0.107</td>
</tr>
<tr>
<td></td>
<td>(0.454)</td>
<td>(0.678)</td>
<td>(0.635)</td>
<td>(0.587)</td>
<td>(0.501)</td>
<td>(0.400)</td>
<td>(0.721)</td>
<td>(0.295)</td>
</tr>
<tr>
<td>Commune</td>
<td>0.174***</td>
<td>0.180***</td>
<td>0.172***</td>
<td>0.147**</td>
<td>0.238***</td>
<td>0.133***</td>
<td>0.167***</td>
<td>0.182***</td>
</tr>
<tr>
<td></td>
<td>(0.002)</td>
<td>(0.002)</td>
<td>(0.003)</td>
<td>(0.014)</td>
<td>(0.000)</td>
<td>(0.010)</td>
<td>(0.004)</td>
<td>(0.003)</td>
</tr>
<tr>
<td>Parliament</td>
<td>Yes/no</td>
<td>—</td>
<td>—</td>
<td>0.091</td>
<td>0.097</td>
<td>0.068</td>
<td>0.061</td>
<td>0.095</td>
</tr>
<tr>
<td></td>
<td>(0.108)</td>
<td>(0.190)</td>
<td>(0.174)</td>
<td>(0.348)</td>
<td>(0.331)</td>
<td>(0.171)</td>
<td>(0.147)</td>
<td>(0.001)</td>
</tr>
<tr>
<td>Activity index</td>
<td>—</td>
<td>0.002**</td>
<td>0.002**</td>
<td>0.001*</td>
<td>0.002***</td>
<td>0.001*</td>
<td>0.001*</td>
<td>0.004</td>
</tr>
<tr>
<td></td>
<td>(0.038)</td>
<td>(0.071)</td>
<td>(0.087)</td>
<td>(0.080)</td>
<td>(0.068)</td>
<td>(0.088)</td>
<td>(0.375)</td>
<td>(0.375)</td>
</tr>
<tr>
<td>No. observations</td>
<td>1864</td>
<td>1864</td>
<td>1864</td>
<td>1783</td>
<td>2399</td>
<td>1718</td>
<td>1864</td>
<td>1600</td>
</tr>
<tr>
<td>p-value UK and Low</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(0.062)</td>
<td>—</td>
</tr>
<tr>
<td>Countries century effects</td>
<td>A: no. meetings 10% sign</td>
<td>—</td>
<td>—</td>
<td>≥16</td>
<td>≥15</td>
<td>≥22</td>
<td>≥32</td>
<td>≥13</td>
</tr>
<tr>
<td>B: no. meetings 5% sign</td>
<td>—</td>
<td>—</td>
<td>≥35</td>
<td>≥37</td>
<td>≥32</td>
<td>≥56</td>
<td>≥30</td>
<td>—</td>
</tr>
</tbody>
</table>

Notes: Dependent variable is ln city population. All regressions include a full set of city-specific and century-specific dummies (that is, we allow for city and for century fixed effects). Unless otherwise noted all samples focus on cities with at least 10,000 inhabitants. Standard errors are clustered at the city level to control for serial correlation in the unobservables. P-values in parentheses,*,**,*** denote significance at the 10%, 5%, 1% level, respectively. A and B refer to the threshold number of meetings after which the effect of a parliament becomes significant at the 10% or 5% level, respectively (see figs. 5 and 6). Col. 7 includes a ‘UK and the Low Countries’ dummy variable for each century after 1500.
Results

- Presence of a parliament insignificant on its own
- Marginal activity of parliament significant on its own (5%)
- Baseline: presence insignificant, marginal significant (10%)
  - If appropriate to include both dummy and activity index (why not just use activity index?—unclear why we should care about parliament that never meets or why composite is superior to activity index alone), need metric to determine if $\gamma_1 + \gamma_2 N_{it}$ is significant (tends to be at ~mid-teens up to 20s/30s years (10%), mid 30s (5%)).
- Baseline shows point estimate for city represented* by a parliament meeting every year ~20% larger than one by one that never meets, ~30% than one not represented by a parliament at all
Results weakened but not gone if separate out UK and Netherlands (post-1500) or remove countries completely

- I would like to see the latter regression done with the activity index alone

Remember: north Italian communes have governments with merchant representation too, may be inappropriate to consider as non-parliament

- Estimate on variables of interest directly from sample composition
- Estimates on Commune control: may overstate (understate), leading to underestimate (overestimate) of parliament effect bearing in mind article's premise that communes lead to parliaments
Figure 8. The marginal effect of a parliament, depending on how many years it meets per year, excluding the UK and the Low Countries\textsuperscript{a}

Note: \textit{a That is}, corresponding to the result in tab. 1, col. 8.
Observations

- As far as things go, activity index seems like a reasonable proxy for parliamentary influence: actual concessions only likely to happen when assembled.
- Mechanisms are plausible and discussion of forces pushing towards extremes of power in parliament/monarch, why parliaments emerged where they did (didn’t) interesting.
- Without instrument for parliamentary presence/activity, concern result may be endogenous.
- Though uniformly insignificant alone, concern for large (~half the size of max effect of activity index) point estimate for having a parliament that never meets; takes some mental stretching to see why it should matter very much.
- Would be interesting to see if it matters whether your city has representatives in the parliament.

J.L. van Zanden, E. Buringh, and M. Bosker
Rise and decline of European parliaments
Observations

- Though uniformly insignificant alone, concern for large (~half the size of max effect of activity index) point estimate for having a parliament that never meets; takes some mental stretching to see why it should matter very much
  - Consider France, 1750s: Estates-General not called in over a century, will not be called for three more decades
  - Much of this period is Louis XIV, prototypical absolute monarch in the west
  - Why should we, or the French people, particularly care that in principle the Estates-General exist, and could be assembled?
    - Admittedly, there were cases when calling was considered: after Louis XIV’s death
    - Consideration could indicate some constraining influence, even when not called
    - But not clear why this should be considered different from case of no preexisting parliament, king considering convening one for first time
Conclusion

- Used their dataset on parliamentary activity over time to demonstrate different rates of adoption of parliaments in western Europe, and divergence between further power concentration in parliaments (UK, Netherlands, Switzerland) or the monarch (Spain, France, ...)
  - Offer explanations for why parliaments appeared when and where they did, and their subsequent fall from or continued expansion in prominence in different parts of the continent
- Demonstrated an association (with significance dependent on metric and sample considered) between representation in a parliament and log city population
  - This association helps to explain the shift in European urban population northwest in late medieval, early modern periods
    - Provided you accept premise “parliament” distinct from Italian-style city state