

C A G E

**Comparative  
European institutions  
and the Little  
Divergence, 1385-1800**

CAGE working paper no. 583

September 2021  
(Revised June 2022)

Antonio Henriques  
Nuno Palma

# COMPARATIVE EUROPEAN INSTITUTIONS AND THE LITTLE DIVERGENCE, 1385-1800\*

António Henriques  
(Universidade do Porto)

Nuno Palma  
(University of Manchester;  
Instituto de Ciências Sociais, Universidade de Lisboa; CEPR)

## Abstract

Why did the countries that first benefited from access to the New World – Castile and Portugal – decline relative to their followers, especially England and the Netherlands? The dominant narrative is that worse initial institutions at the time of the opening of the Atlantic trade explain the Iberian divergence. In this paper, we build a new dataset which allows for a comparison of institutional quality over time. We consider the frequency and nature of parliamentary meetings, the frequency and intensity of extraordinary taxation and coin debasement, and real interest rates together with spreads for public debt. We find no evidence that the political institutions of Portugal and Spain were worse until the English Civil War.

*Keywords: Atlantic Traders, New Institutional Economics, the Little Divergence*

*JEL Codes: N13, N23, O10, P14, P16*

---

\*Forthcoming, **Journal of Economic Growth**. The editor Oded Galor and five anonymous referees provided helpful comments which helped us improve the paper significantly. We are also grateful for comments from Onésimo Almeida, Carlos Álvarez-Nogal, Steve Broadberry, Dan Bogart, Chris Colvin, Leonor Freire Costa, Kara Dimitruk, Rui P. Esteves, Jesus Fernandez-Villaverde, Antoni Furió, Angel Galán, Avner Greif, Phillip Hoffman, Julian Hoppit, Saumitra Jha, Kivanç Karaman, Mark Koyama, Ernesto López, Peter Murrell, Nuno G. Monteiro, Patrick K. O'Brien, Pedro Pinto, Leandro Prados de la Escosura, Jaime Reis, Gary Richardson, Lisbeth Rodrigues, Phil Roessner, Jared Rubin, João Paulo Salvado, Jan de Vries, David Weil, Jan Luiten van Zanden, as well as seminar participants at Brown, Caltech, ICS-Universidade de Lisboa, International Macro History Online Seminar (CEPR), Institute of Historical Research, University of Oxford, Queens College-CUNY, Northwestern, UC-Irvine, University of Pennsylvania, Utrecht, Valencia, the 2018 Life & Legacy of Douglass North Conference at George Mason University, and the 2019 European Historical Economics Society in Paris, among others. Julian Hoppit and Saumitra Jha kindly shared data. The staff of the library of the Universidad Carlos III provided access to sources. Joakim Book, Adam Brzezinski, Hélder Carvalhal, Emilè Petravičiūtė, André Lanza, and Nick Ridpath provided excellent research assistance. We gratefully acknowledge financial support from Fundação para a Ciência e a Tecnologia (PTDC/HAR-HIS/28809/2017 and CEECIND/04197/2017).

# 1. INTRODUCTION

A venerable historical tradition places political institutions at the root of the European divergence.<sup>1</sup> For this tradition, diverging paths within Europe were already being trodden as far back as the Middle Ages and continued to be so during the early modern period, before accelerating in the nineteenth century. According to North (1990, p.36), “we can learn as much from the dead-end path pursued by Spain and Portugal, with respect to institutional evolution, as we can from the successful paths to evolving more efficient institutions pursued by the Netherlands and England”. Many authors argue along these lines, often insisting that differences in institutional quality go back to the Middle Ages. In this spirit, Acemoglu et al. (2005, p.563-9) classify Portugal and Spain around 1500 as absolutist monarchies, which they contrast with the much more constrained institutions of England and the Netherlands. Fukuyama (2011, p.373), in turn, writes that sixteenth-century Spain was absolutist because it was “not formally accountable to a parliament or any other representative body”.<sup>2</sup> Some authors even argue that the political divergence can be traced as far back as the Magna Carta.<sup>3</sup> In a recent book, Hough and Grier (2015, p.98) place the start of political divergence between Spain and England as far back as the 1260s.<sup>4</sup>

In this paper we argue, using a new dataset, that English institutional divergence relative to the Iberian kingdoms only started around the mid-seventeenth century. Iberian rulers were not more despotic than others, at least until halfway into the seventeenth century, when their national parliaments ceased to meet, and when English institutions improved. We do not find support for the viewpoint of North and Weingast (1989) that the Glorious Revolution was the single decisive moment for England – though we find that in the margin, it helped to drive forward a process that had long been under way. Instead, the

---

<sup>1</sup>Broadberry (2021a,b) calls the economic divergence that took place within Europe the Little Divergence, in contrast to the Great Divergence of Europe vis-à-vis China and other parts of the world.

<sup>2</sup>The viewpoint that the medieval English monarchy was more limited finds support in much of the historical literature. As early as 1470, the chief justice of King’s Bench, and MP for several constituencies John Fortescue claimed this to be the case (Fortescue, 1775). According to Kishlansky (1997, p.36), English law and customs “considerably limited the king’s ability to suspend the operation of the law, to tax without consent, or to imprison without cause. Over the centuries, through the operation of common law and the accreditation of statute, the English monarchy ... was sometimes described as a ‘mixed monarchy’ to distinguish it from Continental forms of absolutism that were labelled tyranny”. Indeed, in the seventeenth-century English Parliament, the “Spanish Monarchy” was a byword for tyranny (Braddick, 2009, p.48). See also North and Thomas (1973, pp.120, 127-8), Tilly (1994), Ertman (1997), Maddicott (2010).

<sup>3</sup>For a critical perspective on the myth of parliamentary sovereignty and its relationship with the Magna Carta, see Ormrod (1999, p.19) or McKenna (1979).

<sup>4</sup>Bates (2017) similarly argues that England’s institutions became superior during the Middle Ages, though the comparison is made with respect to France. Others explicitly bundle the monarchies of Spain with France, claiming that both were already absolute in the sixteenth century Fukuyama (2011, p.373).

timing of the institutional divergence of England relative to the Iberian nations coincides approximately with the former's Civil War.<sup>5</sup> Our argument that the English political divergence truly began in the mid-seventeenth century gains support from the fact that this was also when English GDP per capita started to grow persistently, structural change began, and fiscal capacity took off in comparative terms (Broadberry et al., 2015; Wallis et al., 2018; Humphries and Weisdorf, 2019; O'Brien, 1988). Our goal is not to challenge the causal importance of institutions. Instead, we argue that the large body of literature that claims England's institutions were exceptionally suited for economic growth since the Middle Ages must be revised. Still, institutions mattered. In the three polities we consider here, the timing of institutional change anticipated economic outcomes. England started growing systematically after the mid-seventeenth century, and the growth of Spain and Portugal fizzled out following the worsening of their political institutions, when their parliaments weakened and eventually stopped meeting.

We show that the claim that Iberian political institutions at the start of the sixteenth century (or even earlier) were more "absolutist" than those in England and the Netherlands is not confirmed by the historical evidence.<sup>6</sup> No ruler at that time was in a position to freely impose his or her will and be literally "absolutist". Monarchs had to deal with an array of traditional property rights, contracts, parliaments, and established freedoms. Also, privileges and installed interests further limited their capacity to enforce plans, good or bad (Rosenthal, 1990; Bogart et al., 2010).<sup>7</sup> Hence ruling was more about careful negotiation than plain imposition, notwithstanding the proclamation of the divine rights of several kings.<sup>8</sup> The historical literature shows that it may often not be viable to see cross-country institutional variation under a duality of "extractive" versus "inclusive"

---

<sup>5</sup>Coffman (2013, p.76) writes that "parliamentary control over public finances, transparency in public accounts, accountability via creditor action, and . . . deep secondary markets . . . were in place under the Long Parliament and Commonwealth regimes".

<sup>6</sup>The difference in timing that we find has implications for understanding the causes of England's economic development, and conversely, the failure of the Iberian economies. For example, Acemoglu et al. (2005, p.563-9) argue that the executive power being less constrained in Spain and Portugal relative to England and the Netherlands in 1500 led to subsequent institutional and economic divergence; see also Acemoglu and Robinson (2012, p.220). The latter countries' initial institutions would have been beyond a critical threshold which allowed a virtuous circle of economic growth and positive institutional change to take place in interaction with the Atlantic trade. By contrast, the economic and institutional development of the Iberian countries was supposedly held back by extractive institutions – in particular, despotic monarchies (Robinson, 2022; Acemoglu and Robinson, 2019, p.281).

<sup>7</sup>While the historiography on Spain and Portugal sometimes recognizes the limitations of the "absolutist" label, it argues that these were weak states (Grafe, 2012; Hespanha, 1994). By contrast, we follow Mann (2012, pp.7-8) in distinguishing distributive power (a zero-sum game) from collective power (state capacity). In the latter sense, Castile and Portugal were strong states, even if, in the former sense, they were constitutionally bound and restrained. Whatever the flaws of their institutions and the miscalculations of their leaders, the Portuguese and the Spanish states were able to convert their subjects' resources into considerable military and political power.

<sup>8</sup>For the case of England, see Elton (1982, pp.1-2) and Burgess (1992, pp.837-860). For the case of Spain, see Zamora (1988, pp.148-9). For the case of Portugal, see Henriques (2019, pp.80).

institutions (Irigoin and Grafe, 2008, 2013; Grafe and Irigoin, 2006, 2012; Summerhill, 2015; Ogilvie and Carus, 2014; Abad and van Zanden, 2016).<sup>9</sup> Measuring economic and political freedom is fraught with difficulties, even for modern economies (Prados de la Escosura, 2016). Nevertheless, although for premodern economies data limitations are severe, several quantitative indicators allow us to conduct meaningful international comparisons.

First, we assess the changing strength of parliaments over time. In this we follow van Zanden et al. (2011), but improve on their work in a number of ways including the quality of the historical data available for the parliaments of Castile and Portugal. Furthermore, we compare quantitative measures of parliamentary responsiveness to law proposals sent by the constituents and their success rate over time. We also consider the motives for convening a parliament: was it called to enact the laws and reforms demanded by the subjects? Was it convened because taxes were needed for war? Or was it only summoned to solve a dynastic issue? With our new dataset, it is possible to identify when the parliaments effectively acted as constraints on the executive. In particular, we consider the comparative incidence of parliamentary refusals and reductions of monies requested by the rulers over time in these three polities. Additionally, our measurements enable us to determine how many times monarchs imposed “extraordinary” taxes, which in years of peace (or offensive war) can be considered a form of expropriation. We also consider the incidence of forced loans, loan requests, money requests, and non-parliamentary taxes. Finally, we show that bringing to the fore the municipal institutions and their relationship with parliamentary representation does not weaken our argument. Overall, our parliamentary measures show that the influence of parliaments in Portugal and Spain was not weaker than in England until the mid-seventeenth century.<sup>10</sup>

Second, we consider the depreciation of coinage over time. Sometimes there were good reasons for rulers debase the coinage (i.e. “defensive” debasements; see Munro, 2010). At other times debasements were fiscally motivated, like the “Great Debasement” of Henry VIII. The relative frequency, and the magnitude, of these events across countries provides an independent measure of state predation. During the sixteenth century, both England and the Dutch Republic perform significantly worse than Spain and Portugal according

---

<sup>9</sup>Even in eighteenth-century England, less than a quarter of the adult male population had the right to vote, absenteeism among MPs was common, and “far from all seats were polled, with a nadir reached in the general election of 1761 when only 19% of seats were formally contested . . . while a rising proportion of seats, reaching two-thirds after 1750, was under a reasonable degree of control of peers, great landowners, and executive government” (Hoppit, 2017, pp.21-22).

<sup>10</sup>Our results hence contradict authors who claim, for example, that the Portuguese *Cortes* had only symbolic importance, with no legislative authority and “limited capacity to resist the royal will” (Graves, 2014b, p.94).

to this measure, and it is not until the seventeenth century that the Spanish monarchy ceased to maintain a stable domestic monetary unit of account.

Third, we look at the evolution of the real interest rates paid on government debt, making sure we are comparing equivalent debt instruments. In his pioneering comparison of nominal interest rates, Epstein (2000, p.19-23) noticed that it was not until the late seventeenth century that England and the Netherlands paid lower rates than their Southern rivals. We improve here on his analysis in four ways: a) we add the case of Portugal and provide further observations for other countries; b) we control for the inflation rate through the Fisher equation, hence being able to calculate real interest rates; c) we restrict the analysis to loans of similar maturities to ensure comparability; d) we use new data from primary sources to estimate the spreads between public and private loans with the same maturities, which is informative about the comparative risk of lending to the ruler. This allows us to compare the credibility of the institutions responsible for public debt operations. We find that credible systems of public debt existed in Portugal and Spain in the sixteenth century, whereas in England they only emerged two centuries later.

In this paper, we present the first systematic quantification of institutional quality during the early modern period. We focus on the comparison of England – a notable case of eventual institutional success – with the politically leading part of Spain, Castile (about 3/4 of Spain) and Portugal.<sup>11</sup> Our main conclusion is that while 1500 is too early for any difference in institutional quality to be noticeable, the Glorious Revolution of 1688-9 is too late. The divergence in political institutions had two aspects to it. First, Iberian checks on royal prerogatives deteriorated gradually. By the end of the seventeenth century, parliaments for practical purposes ceased to meet, and during most of the eighteenth century monarchs regarded their power as unconstrained by law – let alone by representative assemblies. Second, English institutions improved from the mid-seventeenth century onwards, and in the beginning of the following century parliament became permanent. At that point, English institutions were clearly more inclusive than those of Iberia, and that divergence was to persist into the future.

---

<sup>11</sup>It is important to clarify the polities studied here. Wales became formally united to England in 1536, which in turn entered a personal union with Scotland since 1603. The two realms continued to have separate institutions, including parliaments, until the Acts of Union of 1707, which resulted in the creation of the Parliament of Great Britain. Castile was in a personal union with Aragon since 1516, when Charles (who was a grandson of the Catholic Kings) became the king of the two realms. Although under a common monarch, Castile, Aragon, and (since 1512) Navarre all retained their separate administrative and political institutions, including a parliament for the whole of the realm of Aragon, and parliaments (*Corts*, rather than *Cortes*) for Aragon (proper), Catalonia, and Valencia, plus executive bodies for these two kingdoms called *generalitats*. In 1715 the new Bourbon dynasty eliminated these differences and the parliaments were united and became the *Cortes de los Reinos*, which followed the Castilian model. Also, Portugal was in a personal union with Castile between 1580 and 1640 but kept some of its institutions and its empire.

## 2. HISTORICAL BACKGROUND

In the last decade, economic historians have produced GDP estimates for early modern Europe.<sup>12</sup> It is hence possible to explore the timing of economic divergence in much more detail and greater precision than was possible by relying on Bairoch et al. (1988)’s urbanization rates as a proxy for income in the early modern period, as older studies have done. Also, the size of a city might not reflect the efficiency-enhancing advances in the division of labor but the fact that urban elites were making use of their political ascendancy over the countryside for extracting rents.<sup>13</sup> This implies that it can be misleading to employ Bairoch et al. (1988)’s urbanization data as a proxy for per capita income, despite its widespread use in economics.<sup>14</sup>

While urbanization was an understandable choice as an outcome variable a decade ago, we now have per capita real income data for many countries. It is thus possible to test directly whether “the more rapid economic growth took place in societies with relatively non-absolutist initial institutions, most notably in Britain and the Netherlands. In contrast, countries where the monarchy was highly absolutist, such as Spain and Portugal, experienced only limited growth in the subsequent centuries” (Acemoglu et al., 2005, p.547).<sup>15</sup> As far as economic outcomes are concerned, the data fails to support this statement (Table 1).<sup>16</sup> As the table shows, England only started growing after 1650. Figure 1 shows that for these countries, the different economic performances of Table 1 were not due to catch-up growth, as there was no noticeable divergence in levels until the seventeenth century – with Spain starting to diverge relative to England, followed by Portugal a century later.<sup>17</sup>

---

<sup>12</sup>Jong and Palma (2018) provide a review of the reconstruction methods and Palma (2020) of the sources, the most common being historical account books of long-lasting institutions such as monasteries, universities and landed estates that recorded information such as prices and wages. Additionally, for some countries we have output-side measures.

<sup>13</sup>This has been demonstrated for both Tuscan cities and Czech lands (Epstein, 1991; Felice, 2018; Klein and Ogilvie, 2016).

<sup>14</sup>Urbanization rates based on an absolute threshold deciding what counts as a city (e.g. having a population over 5,000) suffer from the rarely-noticed problem that they are not independent of scale: population growth over time will create more “cities”. A “city” of 6,000 was large in 1200, but modest in 1850.

<sup>15</sup>This consensus in the literature that Northwestern Europe must have performed better since an early period is also present in Hough and Grier (2015, p.68), who assume a large early modern “difference in English and Spanish economic growth”.

<sup>16</sup>Hough and Grier (2015) argue for a negative institutional spillover effect from Spain to Mexico. Fukuyama (2011, pp.365-372) similarly argues that Spanish patrimonial absolutism crossed the Atlantic, affecting Spanish America until the present day. For an explanation of Iberian and Latin American comparative decline that relies on events taking place during the early modern period (rather than European medieval institutions), see Abad and Palma (2021). Note that the view that Mexico was poorer than the USA since early colonial times is contradicted by recent evidence (Abad and van Zanden, 2016).

<sup>17</sup>Due to the nature of historical national account reconstructions, there is more uncertainty about levels than growth rates (Jong and Palma, 2018). Using the alternative early nineteenth century in-

We argue that the economic divergence which did take place after about 1650 cannot be explained by a supposed original sin of “absolutist” institutions in Iberia already present in the Middle Ages. If by “absolutism” one means a political system in which the executive is not limited by property rights, contracts or laws, then Tudor England was more absolutist than the two Iberian counterparts considered here. For example, Henry VII, who seized the crown on rather dubious grounds, “lived on his own by declaring some of his wealthiest subjects traitors and seizing their estates”, while his son Henry VIII “lived on his own by confiscating the lands of the Catholic church” Kishlansky (1997, p.83).<sup>18</sup> The fact that English property under the Tudors was unprotected from confiscation on behalf of the state is illustrated by events like the Great Debasement, the Dissolution of the Monasteries, the politicization of the Star Chamber, and the capture of the orphans’ assets via the Court of Wards until 1641.<sup>19</sup>

By contrast, Iberian monarchies had to negotiate and align their material interests and political goals with the representatives of the realm and the owners of property rights, not to mention an independent church. They could not rely on prerogative redistribution of resources imposed by kings endowed with divine right, like the early Stuarts, who were also the heads of the Anglican Church from Henry VIII onwards. As Epstein noted, individual liberties are not necessary conditions for economic growth. States that restrict personal freedoms – in matters of religion, conscience, habeas corpus, or free speech – are not necessarily equally predatory with regards to property rights and market freedom (Epstein, 2000, p.8). At some point, liberties and economic freedom *coincided* in England and Netherlands, but this was not the result of some path-dependence already in place before 1500.

---

come benchmarks proposed by Prados de la Escosura (2000) would imply that Spain and Portugal were richer than England until the second half of the seventeenth century (Palma and Santiago-Caballero, forthcoming).

<sup>18</sup>While insisting that English institutions were more inclusive by 1500, Acemoglu et al. (2005, p.563-66) recognize that the reign of Henry VIII had been relatively autocratic, and that the civil war mattered. They argue nevertheless that there was already a noticeable difference in the early sixteenth century. In turn, Hough and Grier (2015)’s argument that England’s early political development relative to Spain was caused by the smaller size of its territory (p. 99) does not apply to Portugal, which was smaller than England and an early, centralized nation-state. For a detailed discussion of the constitutional strength of the monarchy in England and in the Iberian kingdoms, see our Appendix, sections A3 and A4.

<sup>19</sup>For a detailed discussion of the comparative significance of events and organizations such as the Great Debasement, the Star Chamber, and the Court of Wards, see section A4 of the Appendix.

Table 1: Average annual per capita real growth across different periods

	1500-1550	1500-1600	1500-1650	1500-1700	1500-1750	1500-1800
England	-0.05%	0.00%	-0.11%	0.19%	0.18%	0.22%
Spain	0.75%	0.15%	-0.07%	0.07%	0.06%	0.05%
Portugal	0.61%	0.25%	0.20%	0.24%	0.32%	0.13%
Holland	0.43%	0.61%	0.41%	0.19%	0.19%	0.19%
France	-0.31%	-0.06%	-0.05%	0.03%	0.02%	0.00%
Italy	-0.14%	-0.12%	-0.06%	-0.02%	0.00%	-0.04%
Germany	-0.31%	-0.16%	-0.09%	-0.08%	0.00%	0.01%
Sweden	-0.12%	-0.34%	-0.16%	0.06%	-0.05%	-0.08%
Poland	0.20%	0.09%	-0.03%	0.02%	0.05%	-0.01%

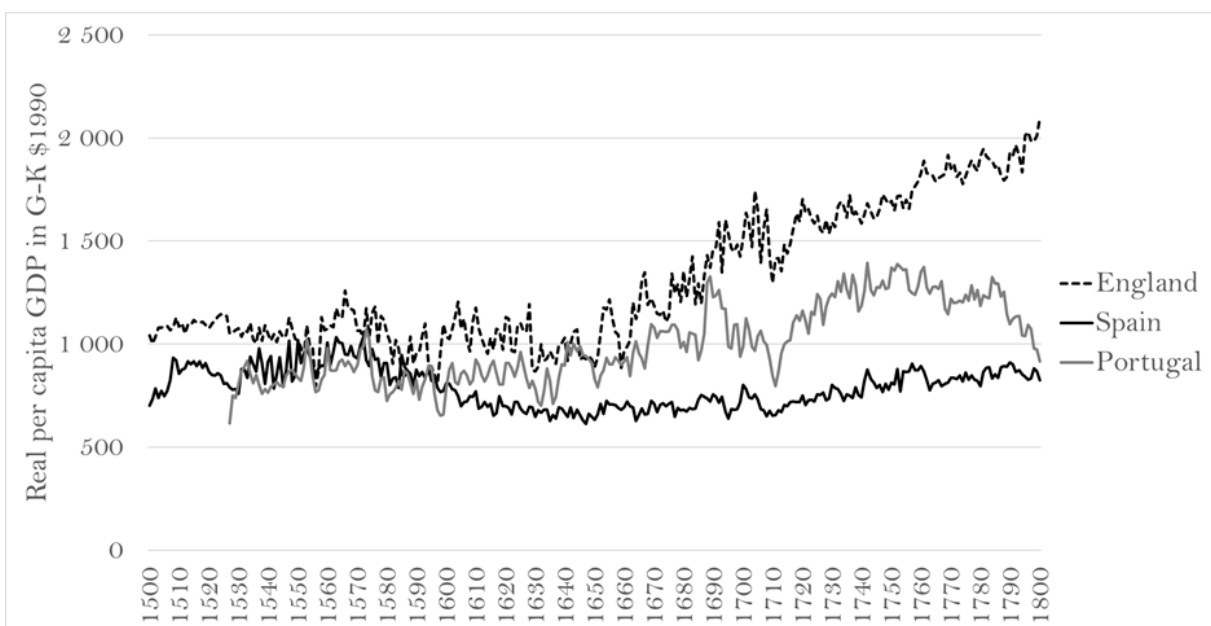
*Sources: For England, Broadberry et al. (2015); for Spain, Prados de la Escosura et al. (2022); for Portugal, Palma and Reis (2019); for Holland, van Zanden and Van Leeuwen (2012); for France, Nuvolari and Ridolfi (2020); for Italy, Malanima (2011); for Sweden, Krantz (2017) and Schön and Krantz (2012); for Germany, Pfister (2022); for Poland, Malinowski and van Zanden (2017). Annualized growth rates were calculated using the compound growth formula. As per the available data, Portugal's data starts in 1527. According to data availability, modern borders are used except for England where they correspond to England until 1700 and Great Britain afterwards, and Italy, where they correspond to North and Central Italy only.*

To the extent that institutions determine economic performance, the mid-seventeenth century surge of England and late petering out of Portuguese growth suggests that institutional divergence was not medieval but occurred during the early modern period.<sup>20</sup> The initial institutions that Acemoglu et al. (2005) consider are measured by constraints on executive power and protection of merchant capital and interests. As Polity IV does not supply codes prior to 1800, in order to classify nations by the quality of their institutions these authors use their own coding method whereby descriptive statements are converted, subjectively, into quantities. The procedures they used give rise to three shortcomings. First, their findings are based on formal rules and ignore actual historical events and de-facto practices. Second, formal rules are not analyzed in a systematic matter, which

<sup>20</sup>In this paper, we build three new measures. In section A1 of the Appendix, we also consider an additional, fourth indicator: empirical measures of state capacity. While this does not capture checks on executive power, and hence deserves a separate treatment (see our companion paper, Costa et al. (2022)), it is an indicator of whether these states had the resources to provide public goods and foster and protect the growth of coordinated and competitive markets, along the line of research introduced by Epstein (2000, p.8). This is one area where the historical evolution of England and the Netherlands went ahead of other European countries, in particular failed states such as Poland, or failing empires such as the Ottoman and Chinese. Nevertheless, in 1500, Portugal and Spain had higher fiscal capacity than the northwestern European countries (Costa et al., 2022). England only acquired a commensurate level of per capita revenue in the second half of the seventeenth century.

brings a high degree of subjectivity and leverage to the exercise. Third, rather than a detailed comparative analysis of sources, the only source used is a reference work of a summary encyclopedic nature for “world history”, which covers Iberian history in sparse detail (Langer, 1972), and its revised edition, (Stearns, 2001). Together, these matters limit the empirical robustness of the resulting dataset.<sup>21</sup> Acemoglu et al. (2005, p.569) accept that “precise values” are difficult to obtain in this way, but consider that “the general level of constraint on the executive does not appear to be controversial”.<sup>22</sup> In the Appendix, we show that using improved Polity IV scores, the Acemoglu et al. (2005) results no longer hold.

Figure 1: GDP per capita in constant, 1990 “international” Geary-Khamis dollars.



*Sources: as in Table 1. Note: What mainly needs to be noticed here are changes in growth rates over time, not small differences in income levels, because, as explained in the text, small changes in nineteenth-century benchmarks can lead to the whole series shifting up or down. GDP data relate to present-day borders.*

<sup>21</sup>For a detailed critical discussion of the measures used by Acemoglu et al. (2005), see section A2 of our online Appendix, where we build our own executive constraints Polity IV measure, which differs considerably from theirs.

<sup>22</sup>Acemoglu et al. (2005) follow North and Thomas (1973) in their views of Spain. The former authors write that their goal is to investigate the hypothesis of the latter, “that post-1500 developments largely reflect divergence between societies that had very different political institutions at the turn of the fifteenth century.” North and Thomas (1973, pp.120, 127-8) describe Spain as an absolute monarchy which, similarly to France, “failed to create a set of property rights” and where “the representative bodies gave up effective control over taxation in return for stability and order”.

### 3. PARLIAMENTS

In this section we discuss the nature of historical parliaments and compare those of our three polities. We provide comparable quantitative and qualitative evidence about them, including how frequently did they meet, for what motives, and what was their comparative success rate in passing legislation and refusing taxes over time.

#### 3.1. Comparability and Representation

In the fifteenth- to eighteenth-century European kingdoms, parliament was the main arena in which public interests confronted those of the rulers. Following Marongiu (1968, pp.226-8), we consider parliament as an “institution whose members represented the subjects before the executive”.<sup>23</sup> Parliaments were noticeably different on account of different national traditions: England and Portugal kept a representation of the three estates, a trait that Castile abandoned in 1538; in the English Parliament, statutes enacted by the monarch in Parliament became law, whereas Portuguese and Castilian kings could legislate without seeking the consent of their *Cortes*. To the envy of the North American colonists of the 1760s and 1770s, municipalities in Portuguese America or India eventually acquired the right to participate in the *Cortes* and discuss taxation and other matters together with their European counterparts: Goa in 1645, Salvador in 1653, and São Luís do Maranhão in 1676.<sup>24</sup> Likewise, some Spanish American municipal governments had the right to take part in the *Cortes* of Castile, although practical considerations prevented municipalities like Santo Domingo, Lima, and Mexico City to exercise that right (Cardim, 2016, p.109-10).

For all their diversity, these assemblies are comparable insofar as they shared key political roles. Their most noteworthy role was to consent to the demands of extraordinary taxation made by the ruler. As the legitimate representatives of the people, English Parliament and the *Cortes* were entitled to grant the subsidies requested by the ruler and summoned as arbiters in thorny succession issues and other dynastic disputes. The latter was an important function, but hardly a constraint on executive power. Finally, these assemblies were occasionally summoned to participate in wide reforms or important

---

<sup>23</sup>Marongiu (1968, pp.226) writes that “where it [a parliament] existed and was able to carry out its functions, the political regime was neither absolutist nor wholly monarchical, but to some extent mixed or dualist”. His definition covers the three parliaments considered here, as they voiced the interests of the subjects within the structure of the state. We note that some did not voice the interests of the subjects and were summoned merely to rubber-stamp the decisions of the executive, as in the case of Naples (Marongiu, 1968, pp.148-50).

<sup>24</sup>The English historian John Oldmixon noticed in 1708 that: “The Portuguese have so true a notion of the Advantage of such Colonies, that to encourage them, they admit the citizens of Goa to send deputies to sit in the Assembly of Cortez: And if we were ask’d, Why our Colonies have not their Representatives? who could presently give a satisfactory Answer?”, cited in Cardim (2016, p.111, note 55).

legislation which require debate in, and support of, the parliaments.<sup>25</sup>. Indeed, it was this role that led to the summoning of representatives of the popular estate in the 1250s in the three polities considered here (the municipal proctors of León had been summoned earlier, in 1188).

We now compare parliamentary representation across our three polities and show that the English Commons were not better aligned with the public interest. Before the mid-seventeenth century, the mismatch between the interests of the representatives and their constituencies was worse in the Commons than in either of the *Cortes*. There were considerable differences between the constituencies that formed the “community of the realm” i.e. the political entity that had the power to grant taxes and also had to take part in the remaining roles of parliaments. In England, the Commons combined administrative districts (shires) and municipal towns, whereas in Castile and Portugal only municipalities were summoned. The size, numbers, political capital, and administrative roles of the constituencies were different. In Table 2 we conduct a systematic comparison of the franchises and we find that late medieval institutional differences did not make the English Commons more representative of the interests of the community of the realm than their Iberian counterparts. Our table systematizes the knowledge for c.1500, a period in which allegedly the English institutions were already more inclusive.<sup>26</sup> By then, we should add, the three parliaments in question had already acquired their main institutional features.<sup>27</sup>

### 3.2. Frequency of Parliamentary Meetings

Historians have regarded the count of meetings as an indicator of the relative strength of parliaments vis-a-vis the executive (van Zanden et al., 2011, pp.35-36). However, while these authors aggregate the total number of meetings by century, our dataset is

---

<sup>25</sup>The foundation of usury-free pawnshops provides a good illustration of welfare-enhancing reforms prompted by the Cortes in Spain. See section A5 of our Appendix for details

<sup>26</sup>In order to maintain comparability, we focus on the English Commons and leave aside the House of Lords, even though “networks of patronage and connection often meant that business in Parliament was dominated by Peers” (Braddick, 2009, p.126); see also Graves (2014a, p.85).

<sup>27</sup>In the Appendix, we explain in detail how the municipal institutions in the three countries considered were different in their origins and development. These differences did not translate into a more pliable parliament in the two Iberian states. The analysis of the municipal element in the assemblies in fact strengthens our position because the interests of the public were better represented by parliaments dominated by municipalities who chose representatives well-aligned with local interests than by a parliament combining proper municipalities (the likes of Bristol, Newcastle-upon-Tyne, York, Salisbury), makeshift boroughs and knights, and legal experts as well as representatives of the rural shires, who were the dominant element. The Parliament that led England into the Civil War was more formidable than the contemporary Castilian and Portuguese *Cortes*, but that was not the result of path-dependence (Russell, 1990, p.44).

Table 2: Comparative representation in parliaments, circa 1500

	Average Population per MP (in thousands)	Appointment of MPs by the Crown	Method of choosing MPs	Wages of MPs	Parachute MPs
English Commons	7	Frequent	Election by local property owners above an income threshold of 40 shillings (in shires); appointment by the monarch	Paid by the constituencies and/or local lords	Frequent
Castilian Cortes	104	Rare (until 1607)	Voting, selection by lot, by census, rotation among families (varying across municipalities).	Paid from the taxes approved (around 75%) and municipalities (around 25%)	Not allowed (prior to the 17th century)
Portuguese Cortes	4	Not practiced	Election within the municipality, either by the municipal councilors or by “the people”.	Paid by the municipalities	Very rare

*Sources: Representatives for England from the list of the 1491 Parliament (History of Parliament); Castile from (Zamora, 1988, p.3, 388, 351-71); for Portugal the list of the 1502 Cortes of Lisbon contains 127 municipalities Dias, 2001. Population for England from (Broadberry et al., 2015), for Castile, average population per representative from (Zamora, 1988), except for population which we take from (Malanima, 2009). We assume that Castile has 3/4 the population of Spain’s 5 million. Portugal from (Palma et al., 2020). All else: England from (McKisack, 2019), Castile from (Dias, 2001, p.83-6) and (Thompson, 1982, pp.33-7), and Portugal from (Souza, 1990b; Domingues and Monteiro, 2018). See the Appendix for further details. Notes: For Castile, (Zamora, 1988, p.262) provides a sample of 418 procuradores for the period 1476-1515. Of these, 93% were from the municipal government and only a minority of MPs was from noble stock (Zamora, 1988, p.262-7). The most important of the MPs, the Speaker of the Commons, was chosen by the king and paid directly by the Crown (Hawkyard, 2010, p.46), like in Castile (Zamora, 1988, p.40). The Speaker had to be a knight of the shire, which was the rule until 1542 (Hawkyard, 2010, p.35-6) and nearly all of the Tudor Speakers were well legal experts who served in different branches of the royal administration (Hawkyard, 2010, p.23).*

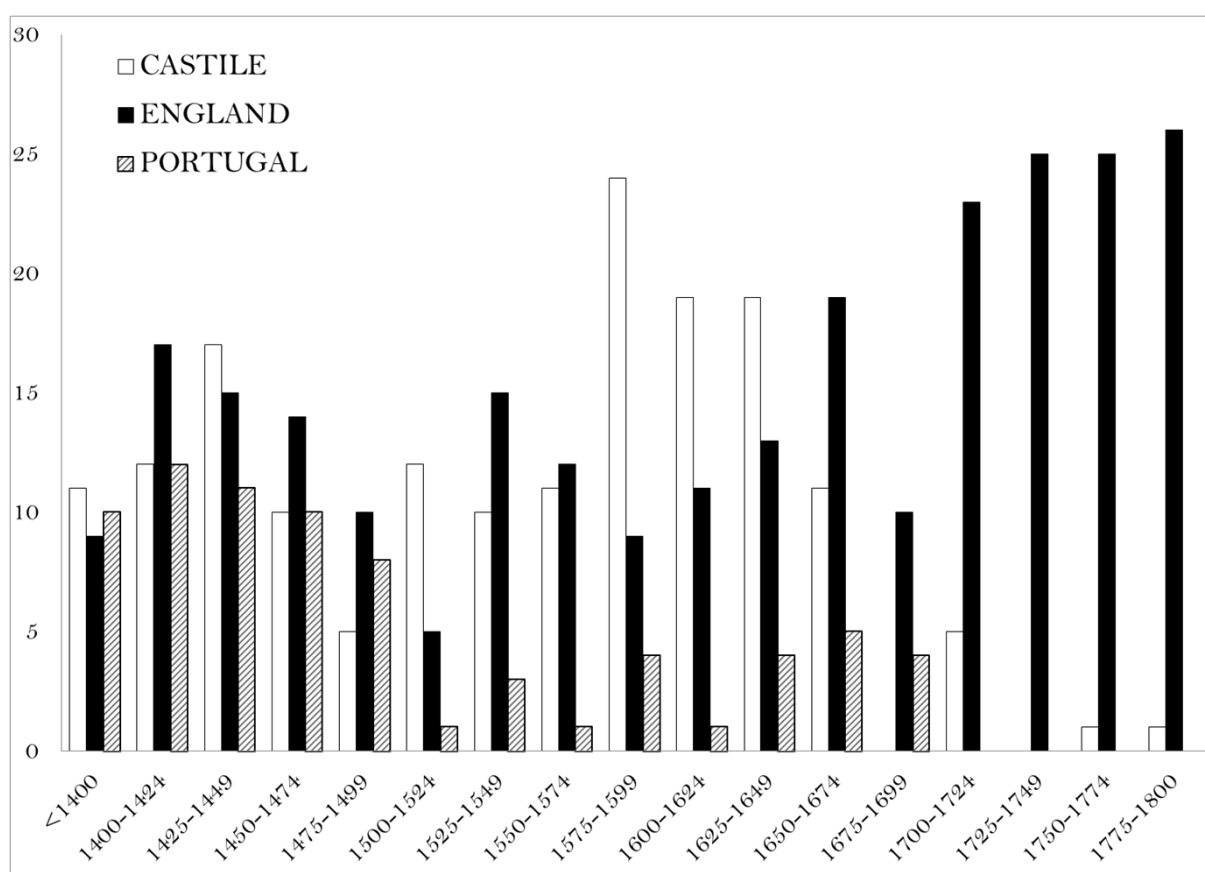
annual. We hence obtain a clearer picture of their evolution over time. Additionally, instead of counting the number of meetings, we chose to count the number of years in which they met, as this more adequately captures their role as checks on the executive.<sup>28</sup> Brief parliaments in which a tax was duly approved without negotiation or other issues discussed cannot have the same weight as an indecisive parliament that dragged for many sessions because the monarch could not easily impose his or her will. Our starting year is 1385 because this date represents a high-mark for parliamentary sovereignty in the three kingdoms, as the assemblies played a role in electing new monarchs and installing new dynastic lines: Enrique II in Castile (*Cortes* of Burgos/1366-7); João I in Portugal (*Cortes* of Coimbra/1385); and in England the deposition of Richard II, which started in the Wonderful Parliament of 1386 and culminated in the second session of the Parliament of Westminster/1397. Thus, we analyze an approximately simultaneous rise of a parliament-supported dynasty in all three cases (using alternative dates, 1366-7 or 1397, would not change our overall results).

Figure 2 confirms the higher intensity of parliamentary meetings in England throughout the entire period, even when ignoring the eighteenth century when Parliament was permanent. However, this higher frequency does not go back to circa 1500. The period of 1475-1524 was one in which parliaments met with comparable frequency in all three cases compared. Up to the second half of the seventeenth century the difference between England and Castile is marginal. In sixteenth-century Castile, under Philip II (1556-98) and III (1598-1621), the *Cortes* met almost continuously. Portugal, nonetheless, diverged earlier from England in this measure, with its *Cortes* meeting only a few times compared to the other two countries in the sixteenth century. Still, the timing of the decay of the Iberian parliaments clearly contrasts from that of France, whose *États Généraux* did not meet between 1615 and 1789.

---

<sup>28</sup>We build upon the work of van Zanden et al. (2011) but improve it as follows. In addition to collecting the motives which justify each summoning, and other complementary information as detailed below, we only counted meetings whose existence was confirmed by historical criticism (Sousa, 1990a; Cardim, 2016; Zamora, 1988; Olivera Serrano, 1986, 1988). Some general works used by van Zanden et al. (2011), namely Valério (2001, pp. 785-9) and Calpe (1923, vol. 15, pp. 1017-9) overstate the number of *Cortes*, as they include *Cortes* which were summoned but did not meet or whose existence is dubious. As such, we did not include two Portuguese *Cortes* that were summoned but did not occur (Tomar/1649 and Lisbon/1646) and six fifteenth-century *Cortes* (Coimbra/1387, Serra d'El-Rei/1397, Lisbon/1448, Lisbon/1474, Lisbon/1478 and Lisbon/1495), whose meeting is doubtful (Sousa, 1990a). Similarly, for Castile, historical criticism did not find conclusive evidence for meetings (although some might have been summoned) of the *Cortes* of León/1395-1397, Toro/1398, Toledo/1423 and 1439, Valladolid/1454, Cuellar/1455, Toledo/1457, Madrid/1482, Burgos/1506. Had we followed less conservative criteria, the number of years with parliaments would have increased by 18 for Castile and 8 for Portugal, thus providing further support for our argument. Finally, the count for Spain by van Zanden et al. (2011, p.841) correspond to an unweighted average of the parliaments of León and Castile, Catalonia, Aragon, Navarre, and Valencia.

Figure 2: Years with parliamentary meetings, 1385-1800.



Sources: For England, *History of Parliament*. For Spain (Castile), Ladero Quesada (1973); Artola (1982); Colmeiro (1866); Olivera Serrano (1986); González Sánchez (2017). For Portugal, Sousa (1990a, pp.285-468) Serrão (1975), and Cardim (1998, p.96, 101).

### 3.3. Motives for Summoning Parliament

Given that parliaments were summoned for different reasons, the count of years in which a parliament met is not a definitive measure.<sup>29</sup> Considering that parliaments could only be summoned by the monarchs, the frequency of parliamentary meetings does not necessarily capture constraints on the rulers. One can even argue that it instead measures the capacity of the monarchy to legitimately bind the kingdom as a whole. Parliaments allowed monarchs to “unite and rule” (Henriques, 2008, p. 205) their otherwise heterogeneous and elusive polities. Thus, the frequent convocation of parliaments might simply reflect the acquiescence of the parliament to the will of the ruler. As one of the great constitutional historians wrote, “frequent parliaments were generally regarded [by the counties and bor-

<sup>29</sup>Parliaments sometimes discussed matters beyond their original summon. For example, in the Portuguese parliaments of the second half of the seventeenth century, extraordinary taxes were often approved, even though the summoning motive was dynastic for those of 1653-4, 1668, 1673-4, 1679-8, and 1697-8.

Table 3: Years with a parliament meeting and motives which justified its summoning.

	Years with a meet- ing	Dynastic issues	% of total	Extraord. tax re- quested by the ruler	% of total	Neither of the two	% of total
1385-1449							
Castile	40	6	(15%)	27	(68%)	10	(25%)
England	41	2	(5%)	31	(76%)	10	(24%)
Portugal	33	4	(12%)	21	(64%)	10	(30%)
1450-1499							
Castile	15	5	(33%)	9	(60%)	3	(20%)
England	24	3	(13%)	17	(71%)	5	(21%)
Portugal	18	1	(6%)	13	(72%)	4	(22%)
1500-1549							
Castile	22	1	(5%)	16	(73%)	5	(23%)
England	20	1	(5%)	10	(50%)	9	(45%)
Portugal	4	1	(25%)	4	(100%)	0	(0%)
1550-1599							
Castile	35	0	(0%)	17	(49%)	18	(51%)
England	21	2	(10%)	15	(71%)	5	(24%)
Portugal	4	2	(50%)	1	(25%)	1	(25%)
1600-1649							
Castile	38	2	(5%)	11	(29%)	26	(68%)
England	24	9	(38%)	14	(58%)	4	(17%)
Portugal	5	2	(40%)	3	(60%)	1	(20%)
1650-1699							
Castile	11	0	(0%)	2	(18%)	9	(82%)
England	29	8	(28%)	13	(45%)	10	(34%)
Portugal	7	4	(57%)	1	(14%)	3	(43%)
1700-1749							
Castile/Spain	5	5	(100%)	0	(0%)	0	(0%)
England/Britain	48	—	(—%)	—	(—%)	—	(—%)
Portugal	0	0	(—)	0	(—)	0	(—)
1750-1800							
Castile/Spain	2	2	(100%)	0	(0%)	0	(0%)
England/Britain	51	—	(—%)	—	(—%)	—	(—%)
Portugal	0	0	(—)	0	(—)	0	(—)
1385-1700							
Castile	161	21	(13%)	82	(51%)	71	(44%)
England	159	25	(16%)	101	(64%)	47	(30%)
Portugal	72	15	(21%)	43	(60%)	19	(26%)

Sources: same as in Figure 2. Note that percentages can sum to more than 100%, because some parliaments were summoned for both dynastic and tax reasons. We counted the years in which a given tax was approved (with or without a reduction) or rejected; due to the nature of the sources, in Castile and Portugal we consider the year in which an agreement was reached, while in England the year in which the tax started. From 1707, the Parliament of Great Britain becomes permanent, and it was no longer the responsibility of the monarch to request for extraordinary taxes. In the case of Castile, the Parliament became that of Spain from 1710, although following Castilian custom and meeting only rarely and for ceremonial reasons.

oughs] as synonyms with frequent taxation” (Stubbs, 1891, vol. II, p. 643). During the parliaments called during the Hundred Years War, consent to extraordinary taxes was little more than a formality (Ormrod, 1994). In the case of England, “Though Parliament had the right to consent, it is not clear that it had the right of refusal ... it was required in time of emergency to ensure the safety of the kingdom” (Kishlansky, 1997, pp.55-6).

Table 3 shows the relative frequencies of the relative weights of dynastic issues and taxation requests in the three countries we consider here.<sup>30</sup> Over the period 1450-1550, the Parliament of England met during (marginally) more years than the Castilian *Cortes*, but it also consented to extraordinary taxation more often. This evidence is hardly compatible with the notion that England had more “constraints on the executive” before the Civil War. As Table 3 shows, Parliament stood about as frequently as the *Cortes* of Castile, but until 1650 it was mainly summoned to grant extraordinary subsidies and taxes. As a whole, the Portuguese Parliament met less frequently than the others, but it also consented to far fewer extraordinary taxes. While the English Parliaments allowed some constituencies to pressure the ruler into redressing grievances and answering petitions, this came at the cost of higher taxes and hence cannot be read as a decisive sign of the Parliament’s strength vis-a-vis the head of state.

As Table 3 shows, in the period up to 1500, the breakdown of parliaments summoned for dynastic issues, taxation and other reasons is similar in the three countries. The majority of meetings were summoned for consenting to taxation, while about one quarter of the parliaments for the three cases were neither summoned for consenting on an extraordinary tax nor because of dynastic issues. It was in such parliaments that the representatives of the people could aspire to affect the executive decisions and reform property rights. When the sessions of parliaments were not dominated by the fiscal or dynastic imperatives of the day there was opportunity for addressing the reforms demanded by the constituencies which could affect economic growth. For example, laws could be enacted which decreased transaction costs by enhancing the performance of the factor markets, especially the market for land.<sup>31</sup> According to this breakdown of parliamentary activity, the English Parliament was as likely as the Spanish or Portuguese *Cortes* to be summoned for taking part in reforms.<sup>32</sup>

---

<sup>30</sup>“Extraordinary taxes” were, in England, the thirteenth and tenths, fifteenth and tenths, subsidies, aid and polls. In Portugal, there were the *pedidos* and *serviços*, as well as the seventeenth-century *contribuições*. In Castile, this included the fifteenth-century *servicio* or *moneda*, the *cientos* and the *millones*. We also counted as extraordinary the first granting of the *sisas* and the *décima*, both of which eventually became permanent. Similarly for Castile, the *alcabalas* were granted permanently in 1390.

<sup>31</sup>See Bogart and Richardson (2009, 2011); Dimitruk (2018); Epstein (2000).

<sup>32</sup>For further discussion of the role of the *Cortes*, see the Appendix. With regards to the role of parliaments in financing war, it matters whether the latter was defensive or offensive, an issue which we discuss in detail in the Appendix. Our calculations show that the English sovereign was more likely to

### 3.4. Parliamentary Responsiveness: Legislation Enacted

The ability of the English Parliament to respond elastically to the needs of the public was an important feature associated with economic development from the eighteenth century (Bogart and Richardson, 2009, 2011). While they were active, The Castilian *Cortes* likewise obtained concessions from the monarch in exchange for subsidies gave way to judicial and administrative reforms that few other parliaments achieved.<sup>33</sup> We now present the first comparative quantitative analysis of the responsiveness of parliaments to law proposals sent by the constituencies. Due to the disorder of extant sources for Portugal, we limit our analysis to a comparison of England and Castile. In Figure 3, we show that the capacity of parliaments to bring about new laws for most of the sixteenth century was stronger in Castile than in England. In the case of England, note that we assume the bills were genuinely sent by the constituencies and not smuggled into parliament by the Crown or through a client MP or Lord.<sup>34</sup> From around 1600 (which in England correspond to the early Stuarts) the enactment of laws fell sharply in both polities. However, England recovered dramatically from the Civil War period, which did not happen in Castile.

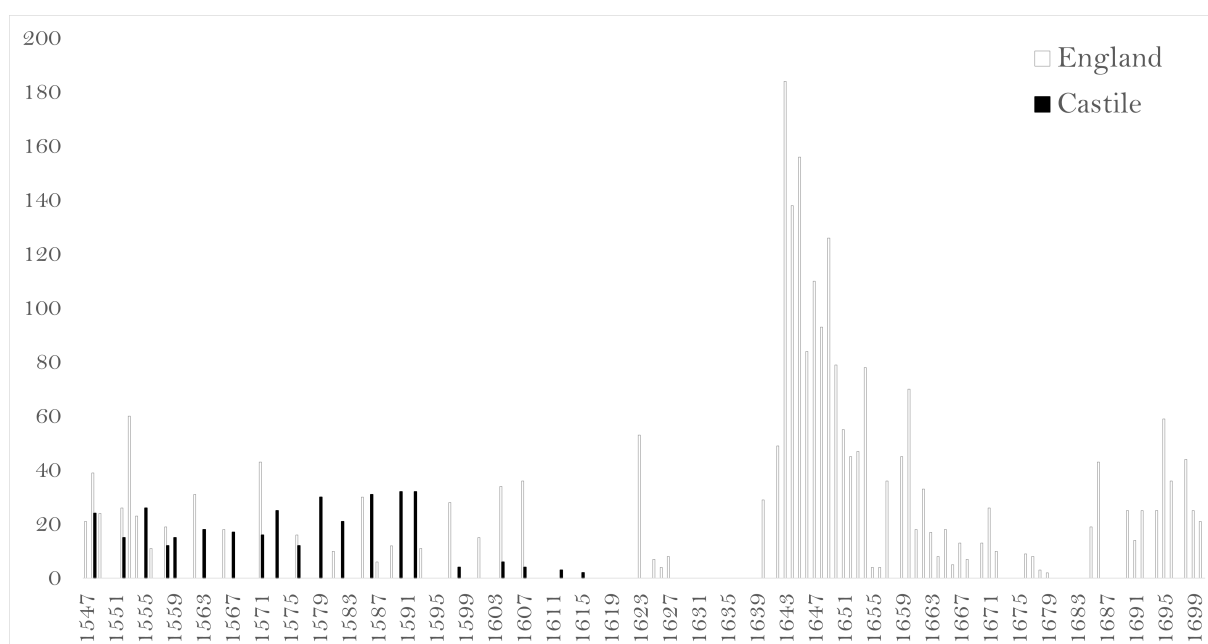
---

be granted taxes in relation to offensive wars which were his or her choice than its Iberian counterparts.

<sup>33</sup>See section A5 of our Appendix.

<sup>34</sup>See Lehmberg (1970, p.23) Note that the same could not happen in either Castile or Portugal due to the stronger alignment between the representatives and their constituencies (see section 3.1.).

Figure 3: Laws enacted in Parliament, 1547-1700



Sources: for Castile, Cortes (1862-2006) for all years except 1592, 1598, 1602 1607, 1611 and 1615, which come from Castilla (1604, 1610, 1619). For England, Jha (2015). Note: For the case of Castile, we counted, as laws enacted, the collective proposals by the municipalities - *peticiones* or *capítulos* - that were enacted (*providas*) by the Crown, according to the minutes of each Cortes. A *provisión* implied that the monarch accepted to remedy the problem exposed by a means of a new law or by changing the existing laws and regulations.

An indicator for the strength of the different representative assemblies is their capacity to convert bills or proposals sent forth by the constituencies into laws and administrative remedies.<sup>35</sup> This was the goal of the representatives and the measure that their constituents would use to judge them. In both countries, a law proposal had to navigate considerable obstacles, including opposition by other MPs and the ruler (who could veto proposals). Table 4 shows that there was not much difference between the performance of the parliaments of Castile and England during the 1547-1574 period, and in fact Castile performed better during the late sixteenth century. But this trend then suffered a clear reversal.

The success of the English Commons from the second half of the seventeenth century (Hoppit, 2017) contrasts with an earlier lackluster performance. The 72 Elizabethan “vetoes” (Graves, 2014a, p.68) and the misgivings of the early Stuarts towards parliament led to a significant decrease of the capacity of the Commons to support the interests of

<sup>35</sup>We focus on the two countries’ public bills (known as *capítulos* in Castile), rather than on private bills and petitions, which were also common in Castile.

their constituents.<sup>36</sup> In contrast, the *Cortes* of Castile appear more robust during the sixteenth century when, along with some political and fiscal victories, the procuradores secured important laws and changes in the administrative and judicial procedures. This strength would not last, however, and the success rate of the last *capitulos* fell sharply under Philip III, and in 1617 they were last sent to the king (Thompson, 1982, pp.36). Nevertheless, the Kingdom – as the representatives were collectively known – did not lose the capacity to influence legislation altogether, and each new extraordinary tax was tied to a heavy list of some tens of demands that had to be met by the King (Thompson, 1982, pp.38-9). Thus, the end of the *Cortes* of Castile after 1664 meant a blow on the capacity of the public to affect the laws.<sup>37</sup>

Table 4: Comparative success rate of legislative initiatives, 1547-1800

	England	Castile
1547-1574	24%	15%
1575-1599	17%	33%
1600-1624	19%	8%
1625-1649	12%	no bills
1650-1674	33%	no bills
1675-1699	36%	no parliaments
1700-1724	62%	no parliaments
1725-1749	70%	no parliaments
1750-1774	80%	no parliaments
1775-1800	75%	no parliaments

*Sources and notes: For England, Commons (1802), Jha (2015) and Firth and Rait (1911) for the period until 1660; afterwards, Hoppit (1996). Sources do not allow for the estimation of this rate for the 1640-60 period. For Castile, see Figure 3. See Figures A3 to A5 of the Appendix for details.*

### 3.5. Frequency and Amount of Extraordinary Taxes

In all three countries, the monarchy resorted to parliament to secure extraordinary taxes, the collection of which would take one or two years.<sup>38</sup> Despite their theoretical obligation

<sup>36</sup>For example, Elizabeth I vetoed around one-fifth of statutes.

<sup>37</sup>There were 6 meetings of the *Cortes* after 1664 (all during the eighteenth century, and now applying to Spain rather than just Castile), but in all cases these were solely ceremonial.

<sup>38</sup>Since the fourteenth century, the English monarchy secured “fifteenths and tenths”, a tax that tapped 1/15 or 1/10, depending on the location of the taxpayer and of the movable goods. However, the values paid per geographical unit became fixed in 1334. In 1625, “subsidies” replaced this form of apportioning the tax burden (negotiated in Parliament). In Portugal, extraordinary taxes took the form of a request (*pedido*), based in assessments that changed a few times (in 1385, in 1437 and possibly in 1460). In

to serve the realm with taxes, parliaments were often passive and merely heeded to any request from the monarch. In the words of Schofield, “as the king was bound to defend the realm, so his subjects were equally bound to assist him in this task” (Schofield, 2008, p.5-6). Consent to taxation was a normal but not necessary outcome of a parliamentary meeting, however. Forceful rulers like Francis I of France could claim that they could extract from their subjects “all that I need, according to my will”.<sup>39</sup> However, in none of our cases were parliaments as obliging. By then, Francis’ great European rival, Emperor Charles V had to face the refusal of the Castilian nobility assembled in the *Cortes* of Toledo/1538-9 to accept the levying of sales taxes (*sisas*). Those summoned in Parliament accepted that some extraordinary circumstances justified extraordinary taxes. In the words of Charles V, he would only demand taxes from the Castilian *Cortes* if he had “fair purposes” (*justas causas*), i.e. cases in which “the defense of the realm” was at stake (Colmeiro, 1866).

The representatives had some voice in the method of allocating the tax burden and in all three cases we find technical discussions about the relative efficiency and fairness of the different methods. They could also obtain concessions in exchange for their consent. Members of parliament had the option to negotiate the demands of the monarch; consequently, partial grants were more frequent than outright refusals. As Strayer (2005, p.67) writes, “A flat denial was rare – a ruler, after all, probably had some reason for his request – but complete acceptance of government plans were rare too”.

Figure 4 shows the comparative frequency of extraordinary taxes granted.<sup>40</sup> An important fact shown in the figure is that during the second and third quarters of the sixteenth century, extraordinary taxes were much more frequent in England than in Castile or Portugal.<sup>41</sup> The data in this figure represents a simple count, and does not take into account

---

Castile, the aids paid by the subjects were called *servicios* but technically they were a combination of two different taxes (the *pedido* and the *moneda*). Later, the *servicios* became direct taxes on property and/or income. In 1590, the new *servicios de millones* were collected as a sales tax (*sisas*). The *Cortes* indicated the means of collection and how the money was to be spent, this hence being a budget system (Vicens Vives, 1969, p.441). The negotiation, in all cases, was about multiples of a given tax rate. Thus, while Castilian *Cortes* granted, in 1453, 14 *pedidos* and 2 *monedas*, the English were then collecting 1.5 fifteenth and tenths. Two years later, the Portuguese Parliament consented to paying the king 2.5 *pedidos*.

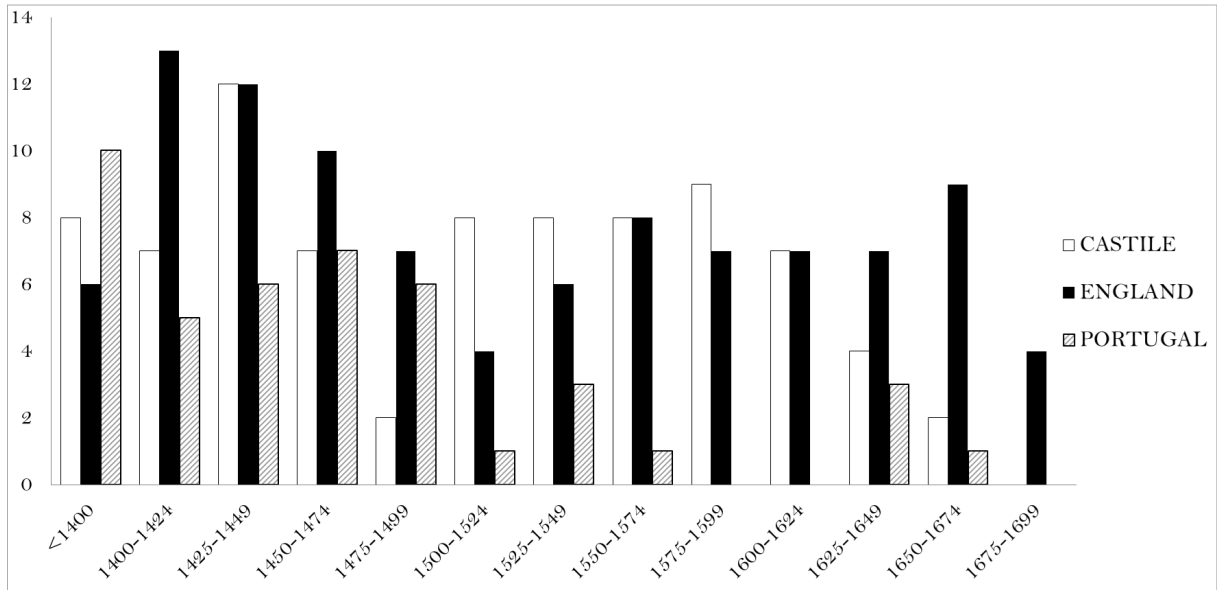
<sup>39</sup>Our translation, from “*tout ce dont j’ai besoin, selon ma volonté*” (Guéry, 1978, p.223)

<sup>40</sup>This table shows the cases where some extraordinary taxes that were granted, not those where they were requested but not granted (which we discuss below).

<sup>41</sup>It is true that the nobility was exempt from more taxes in Iberia than in England. This was partly compensated by free military service expected from great and small noblemen in Portugal and Spain, which was not the case in England (Henriques, 2008, p.264-72). Additionally, the nobility (and clergy) did pay several taxes in Iberia. In Spain, the Nobility paid sales taxes (*sisas* and *alcabalas*, approved by the *Cortes*), while Church revenues were liable to pay separate taxes *cruzada* and *servicios*. Likewise in Portugal, the Nobility and even the Crown were liable to pay sales taxes, and from 1641, the nobility (and clergy) paid income tax (*décima*).

population or the magnitude of different taxes.

Figure 4: Frequency of extraordinary taxes granted, 1385-1700.



Source: For England, *The National Archives E 179*. For Spain and Portugal, same as Figure 2. Note that from around 1700 this comparison is no longer relevant as the two Cortes no longer met for granting taxes to the rulers, and in England it was Parliament, not the ruler, that held the power to tax.

In Table 5, we show the average magnitude of the extraordinary taxes granted by parliament as a percentage of nominal GDP for each country.<sup>42</sup> We see again that the Parliament of England usually allowed for a higher tax burden than its Iberian counterparts.<sup>43</sup>

<sup>42</sup>By extraordinary taxes, we mean one-off taxes (technically, levies), but we follow most of the literature in using the more generic term taxes.

<sup>43</sup>Note that Castile and Portugal were tax states since the fourteenth century. Their share of domain revenues was relatively unimportant, and as such, their demand for extraordinary taxation had to be met via parliamentary grants. For evidence and details, see section A5 of the Appendix.

Table 5: Magnitude of extraordinary taxes granted by parliament as a percentage of nominal GDP, presented as a range for each 50-year period (median in parenthesis).

	England	Portugal	Castile
1501-1550	0.4 – 3.3(1.3)	0.3 – 0.6(0.4)	0.1 – 0.2(0.1)
1551-1600	0.2 – 1.2(0.4)	0.2 – 0.2(0.2)	0.1 – 0.5(0.2)
1601-1650	0.1 – 0.7(0.3)	2.2 – 2.4(2.4)	0.4 – 1.7(0.5)
1651-1700	0.5 – 3.6(1.2)	0.4 – 1.4(0.4)	1.2 – 1.3(1.2)

*Sources: for taxes, see the sources of Figure 2, as well as, for England, Healy (2003, 2015); Schofield (2008); Hoyt (1950); Dowell (1888); for Spain, Fortea (2008); Henriques (2019); Andrés (1999); Dietz (1921); Zamora (1998); and for Portugal, Henriques (2019). For Castile and England, we considered the actual (not the predicted or granted) yields of the taxes per year; for Portugal, we considered the sum granted by Parliament divided by the number of years since there is no information on yields. For nominal GDPs, England from Broadberry et al. (2015), Spain from Prados de la Escosura et al. (2022), and Portugal from a backward projection of the nominal GDP index of Palma and Reis (2019), in monetary units, using the 1850 nominal GDP from Reis (2002); for 1500-1527, we extrapolated the observed growth rate of nominal GDP for 1527-1538 backwards using the familiar compound growth formula.*

### 3.6. Tax Refusals and Reductions

If parliaments were important as checks on the executive, then one obvious starting point is to look at how often taxes asked for by the king were refused. Table 6 shows these frequencies.<sup>44</sup> We see, once again, that the Parliament of England did not generally refuse taxes more often than those of Spain and Portugal, and in fact it performed considerably worse until the seventeenth century. In the two centuries prior to the seventeenth, English rulers always had their way: there were no refusals at all. In these conditions, summoning a parliament cannot be interpreted as a check *on* the executive, but more a “check *to* the executive” – signed by the taxpayers.<sup>45</sup> The rules in England changed from the second half of the seventeenth century, ultimately leading to the Parliament setting a budget for the Crown.<sup>46</sup>

The *Cortes* of Portugal, on the other hand, refused taxes in 1387, 1459, and 1477, the largest percentage of refused taxes for the monarch during 1385-1550. A possibility that needs to be raised is that inflexible parliaments met less often, because monarchs would

<sup>44</sup>Of course, the table is only suggestive since the amount asked by the ruler in the first place depended, among other factors, on how much the ruler believed it was feasible for the parliament to authorize.

<sup>45</sup>Kishlansky (1997, p.55-6) writes that “Before the 1620s ... Parliament existed to do the King’s business ... Parliament was not an oppositional institution in the early seventeenth century because it was hardly an institution at all. This changed drastically with the Civil War.”

<sup>46</sup>There were changes soon after the Restoration in 1660, and then with the gradual advent of the civil list and annual budgeting from the 1690s (Roseveare, 1991; Dickson, 1993; Cox, 2016, p.28).

avoid summoning them. It is hence possible that the Portuguese early refusals were an incentive for Portugal’s future monarchs to summon parliaments more sparsely. This is also what happened under James I and Charles I in England, and in France, given that the *États Généraux* were intractable under the Valois and early Bourbon.

Table 6: Percentage of cases where Parliament refused a tax asked by the ruler.

	Tax Refused
England, 1385-1600	0%
England, 1601-1800	7.7%
Castile, 1385-1600	2.4%
Castile, 1601-1800	0%
Portugal, 1385-1600	7.3%
Portugal, 1601-1800	0%

*Sources: the same as those of Figure 2.*

Resistance to taxation by the parliament can also be measured by reductions in the sums asked. These were more frequent than outright refusals. Typically, it is possible to know the sums granted by the parliament, but only occasionally can we learn about the sums demanded. The results are in Table 7. The number of documented reduction as a percentage of the total approved is considerably smaller in England, although the average English reductions are slightly larger. But if we excluded the reduction to the three subsidies demanded by James I, granted May 17, 1606, the English average reductions would drop to 27%. Furthermore, most reductions in Castile and Portugal took place in the fifteenth century, while in England they happened later; this also suggests that medieval Iberian parliaments did constrain the executive as much, or more, than was the case in England.<sup>47</sup>

<sup>47</sup>The religious tensions within Europe following the Reformation aligned the Crown’s goals with those of its subjects. In Castile, the Habsburg wars were seen as legitimate fights against heretics in Flanders or infidels in the Mediterranean. In England, Tudor and early Stuart foreign ventures had to conform to the defense of the Protestant cause against “popery”. We do not find evidence that the Iberian wars requested by the rulers were less popular than those of the English rulers.

Table 7: Reductions in extraordinary taxes, 1385-1700

	Taxes approved in Parliament	Reductions	Reductions quantifiable	Reductions / total approved	Range of reductions	Median reduction
England	139	4	4	3%	25 – 83%	55%
Castile	91	13	13	14%	10 – 86%	25%
Portugal	44	5	3	11%	33 – 60%	50%

*Sources: For England, the documented years in which parliament secured the reductions correspond to 1512, 1610, 1661, and 1690; see Schofield (2008, p.16) and History of Parliament; For Castile, they correspond to 1406, 1408, 1430, 1431, 1432, 1433, 1442, 1447, 1448, 1450, 1544, 1596 and 1624; see Triano Milán (2019). For Portugal, they correspond to 1459-60, 1468, 1475, 1490, and 1674; see Sousa (1990a), Magalhães (2004, p.160) and Serrão (1975). A reduction corresponds to the difference between the demanded and the granted quantity, divided by the demanded quantity. From about 1700, comparisons are no longer relevant as the two Cortes no longer met for granting taxes to the rulers, and in England it was the Parliament, not the Crown, that held the power to tax.*

It is not possible to dispute that since the early eighteenth century England had a parliamentary regime which aligned the interests of the executive with that of the owners of property and provided a constitutional counterweight to the royal prerogatives. By the same time, the *Cortes* of Spain were essentially reduced to a ceremonial role, while their Portuguese counterparts did not meet between 1698 and 1828. However, the remarkable trajectory of the English Parliament cannot be projected backwards into the fifteenth or sixteenth centuries. As we have shown, the *Cortes* of Castile met for the same number of years as in England, whereas the Portuguese *Cortes* showed that they could effectively refuse or scale down subsidies to the king. Also, circa 1500 in these countries the *Cortes* were a platform for partnership and cooperation between the ruler and the representatives of the ruled, rather than a simple device for levying extraordinary taxes.

#### 4. ADDITIONAL MEASURES AND DISCUSSION

We now present additional measures related to money and finance. They show that around 1500, capital was less protected in England, but over time it became more so relative to Portugal and Spain, where the opposite trend took place (with considerable financial repression since the seventeenth century). We also distill all the previous evidence into a summary table, and we provide additional details in the Appendix (section B).

## 4.1. Value of Coinage

Debasement refers to the reduction of the metallic content of the money of account by the issuer. Such reduction could involve the recoinage of the circulating coins or, given that coins typically did not have a face value, simply by decreeing the value of the coin in money of account (in Western Europe, coins circulated by tale, not weight). However, because prices could increase in response to the overall amount of money in circulation, reducing the intrinsic content which amounted to an expropriation of the public by the ruler. While this was an expedient way for rulers to assemble resources, the consequences were disruptive for trade, credit, and property rights. Thus, the frequency and intensity of debasements, when not authorized in parliament, can be seen as an indicator of despotism.<sup>48</sup>

The monarchs of England had full discretion on all matters monetary, as explained by Sir Thomas Smith in 1562-3: “the prince useth also absolute power in crying and decreeing the money of the realm” (Elton, 1982, p.18). This was proven true by the fiscally-motivated Great Debasement done by the Tudors during 1542-55, which led to an overall reduction of 83.1% of the intrinsic content of one penny and a price increase of 123% (Munro, 2010). By contrast, in sixteenth-century Castile monetary reforms were doomed without the formal assent of the people through the *Cortes*. In the *Cortes* of Toro-Valladolid/1442, the representatives claimed that the issue of bullion was not a prerogative of the prince and that no change of fineness or standard could be made without the assent of the *Cortes* (Olivera Serrano, 1986, p. 254). Until the reign of Carlos II (1665-1701) kings observed limitations on the quantity of mints and the seigniorage and had to negotiate with Parliament in order to change the metallic content of coinage (Motomura, 1994). The monetary powers of fifteenth- and sixteenth-century Portuguese kings were also influenced by the *Cortes* as in Castile. Aggressive or fiscal debasements, absent since the first half of the fifteenth century, only resumed after 1640 when the *Cortes* explicitly consented them because the country was in a life-or-death war with Spain (Santarém, 1828, p.94).

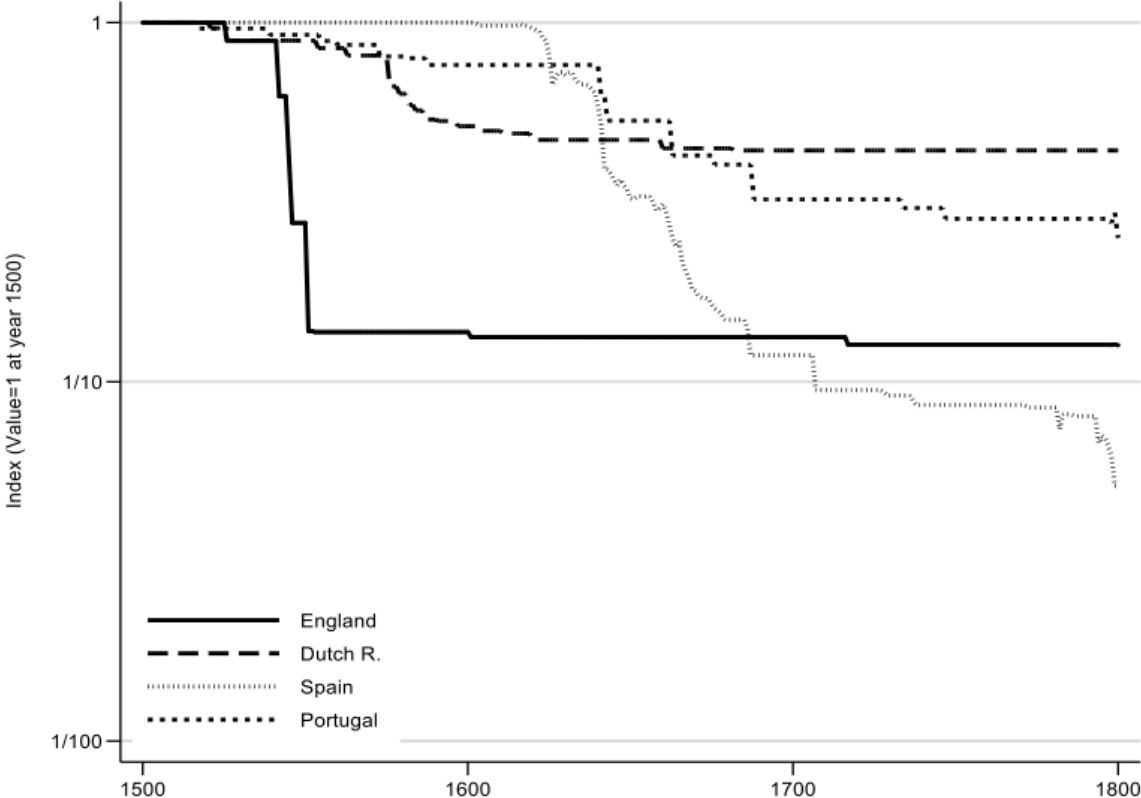
Overall, when the English public was struggling with the Tudor Debasements, Portuguese and Spanish monarchs did not exploit coinage as a significant source of revenue. In Castile and Portugal, the *Cortes* kept a role in setting the policy. Hence in this respect, England and the Dutch Republic both fare worse than Iberia during the sixteenth century. Figure 5 illustrates the trajectory of the three states considered here, plus the

---

<sup>48</sup>Nevertheless, as Munro (2010) usefully remarked, concerns for an adequate money supply could also lead to debasements. We distinguish debasements to defend public interest from those that were fiscally motivated.

Dutch Republic.<sup>49</sup> English coinage only became stable in value over the second half of the sixteenth century. In the Dutch Republic, stability came even later – only during the seventeenth century. By contrast, Portuguese coinage was approximately stable from 1500 to 1800, with some adjustments along the way. Spanish coinage was stable in the sixteenth century, though it did experience considerable instability over the seventeenth century (Karaman et al., 2020).

Figure 5: Silver content of the monetary unit of account.



For England, after 1717, the index tracks the value of the monetary unit in terms of gold. Source: Karaman et al. (2020).

<sup>49</sup>Each index calculates the cumulative depreciation rate. When, after a debasement, the state issued a new coin with higher silver content (i.e. a redenomination), the index does not go up because people holding the old debased coin did not usually get compensated. In Figure A14 of the Appendix we show the full series from 1300 and for a larger set of countries. Our three polities all had considerable debasements during the fourteenth and fifteenth century, associated with the late medieval bullion famine (Day, 1978) and with various independence and civil wars.

## 4.2. Comparative public debt

High default chances are reflected in higher interest rates charged by lenders (a risk premium).<sup>50</sup> This applies particularly to sovereign borrowers, whose position relative to the lender makes contracts impossible to enforce. As succinctly put in the 1540s by the most trusted advisor to the Portuguese king John III, “Merchants cannot incarcerate kings” (Cruz, 2001).<sup>51</sup> Hence, interest rates paid by rulers are an indicator of their commitment to contracts and of the security of property rights. Private lenders demand high interest rates when they perceive that the sovereign is prone to use the state’s discretionary powers, as in seventeenth-century France (Root, 1989), or that the political system is too unstable for credible commitment (Clark, 1996). The differences between countries are thus visible in the interest rates charged to the sovereigns. Here we extend the work by Epstein (2000) on comparative interest rates in four main ways. First, we collect additional observations for England, Spain, and the Netherlands; and we include the case of Portugal, which was not included in Epstein (2000)’s sample. Second, we make sure that these observations come from securities with comparable maturities. The nominal interest rates that we use correspond to perpetuities, i.e. securities with an infinite maturity (although the state could and often did redeem the principal). As such, in the four countries and in the three centuries studied we can observe the same financial instrument, the interest-bearing perpetuity (or a close equivalent). The third way in which we improve on earlier work is that we compare real instead of nominal interest rates. The Fisher equation states that  $1 + i = (1 + r)(1 + \pi)$ , where  $i$  corresponds to the nominal interest rate,  $r$  to the real interest rate, and  $\pi$  to the rate of inflation.<sup>52</sup> Finally, in the following subsection we will consider interest rate spreads: the difference between the rates at which the public and private sector could borrow.

Circa 1500, our three states had varying degrees of involvement in the financial markets. Under Spain’s Catholic Kings, Castile sold perpetuities payable from ordinary tax revenues. Originally, these “rights” (hence, *juros*, from Latin *jus*, *juris*) were granted as a reward for military services or as alms for church institutions. But the reliability of the

---

<sup>50</sup>Government defaults were often expressed by the “turning of short-term debt into long by repeated prolongation of maturing obligations” (Ashton, 1960, p.35-36), hence lowering yields. Such forced delays were more common than outright refusals to pay.

<sup>51</sup>See also Ashton (1960, p.55), who writes that in England, “while the law provided ample redress for the creditor of a defaulting borrower, there was no way by which the Crown could be sued by a private person”.

<sup>52</sup>This simplifies to the formula  $r = i - \pi$ , for low rates of inflation, that is, when  $r\pi \approx 0$ . We used a 21-year moving average around the inflation rate for each year of a given nominal interest rate to obtain the corresponding real interest rate. In the case of England, we used the the GDP deflator of Broadberry et al. (2015), but in Figure A15 of the Appendix we show that using the Retail Price Index (RPI) of Clark (2019) would lead to very similar results. In the case of Portugal, the price level from Palma and Reis (2019) starts in 1527, so we extrapolated the average inflation rate for 1528-38 back to 1500.

tax administration of the Crown made them an attractive proposition to investors; thus emerged the *juro al quitar*, a redeemable perpetuity paid out of tax revenues. It became the mainstay of the Spanish public credit system. The overall sums involved in this early phase were modest and redemptions of *juros* were common in the early sixteenth century (Gálvez, 2015). Portugal followed the Castilian example in selling *juros* in 1500. Like their Spanish counterparts, the Portuguese *juros* were redeemable and assigned to the country's buoyant fiscal revenues (Henriques, 2008).

The credibility of public debt system rested on the state's fiscal capacity and indirectly of the approval of taxes by the Parliament. The taxes approved by the *Cortes* determined the ceiling for the service of public debt (Álvarez-Nogal and Chamley, 2014, p.194). Both *Cortes* opposed the use of extraordinary parliamentary taxation for servicing new issuances. As the example of late seventeenth-century England shows, the credibility of public debt also depended on the soundness of the administration (Cox, 2016, p.49). For the reliability of their performance, the Portuguese and Spanish *juros* were traded at par in the secondary market, an indication of their credibility.<sup>53</sup> In contrast to their Iberian rivals, the Tudors and Stuarts could not count on a system of public debt. Given the frequency and magnitude of taxes granted by Parliament (together with the low commitment perceived by investors), the rulers of England had little incentive to develop one. Prior to the Civil War, rulers enticed merchants, goldsmiths and the city of London to lend using a variable combination of coercion, commercial privileges, and interest payments. For instance, when war with Spain broke out in 1625, "Charles sought to raise money without parliament by means of a forced loan. Direct pressure was applied to individuals, and those who refused to pay risked having troops billeted to them, or imprisonment" (Braddick, 2009, p.45). Forced loans were common until the Civil War. The last English forced loan took place during the exceptional circumstance known as the 1672 "Stop of the Exchequer", when Charles borrowed at 6%, which was below what he usually paid (Homer and Sylla, 2005, p.122-124). Overall, the key underlying factor which differentiated public from private loans was that "the royal immunity from the ordinary legal processes which were open to any lender in claiming redress from a defaulting debtor undoubtedly reduced the attractiveness of royal securities as a financial investment" (Ashton, 1960, p.10).

Figure 6 shows a comparison of the various alternatives to having a system of public debt and to parliamentary taxation: we consider the incidence of forced loans, loan requests, ad hoc money requests, and non-parliamentary taxes over time across our three

---

<sup>53</sup>See Costa (1883) and Toboso (1987, p.91).

polities. Until the mid-seventeenth century, England was the most common offender.<sup>54</sup> After the Civil War, however, we observe no more instances of either forced loans, loan or money requests in England (despite the Stop the Exchequer of 1672 which was a default), while they became increasingly common in Castile and Portugal, as did non-parliamentary taxes.

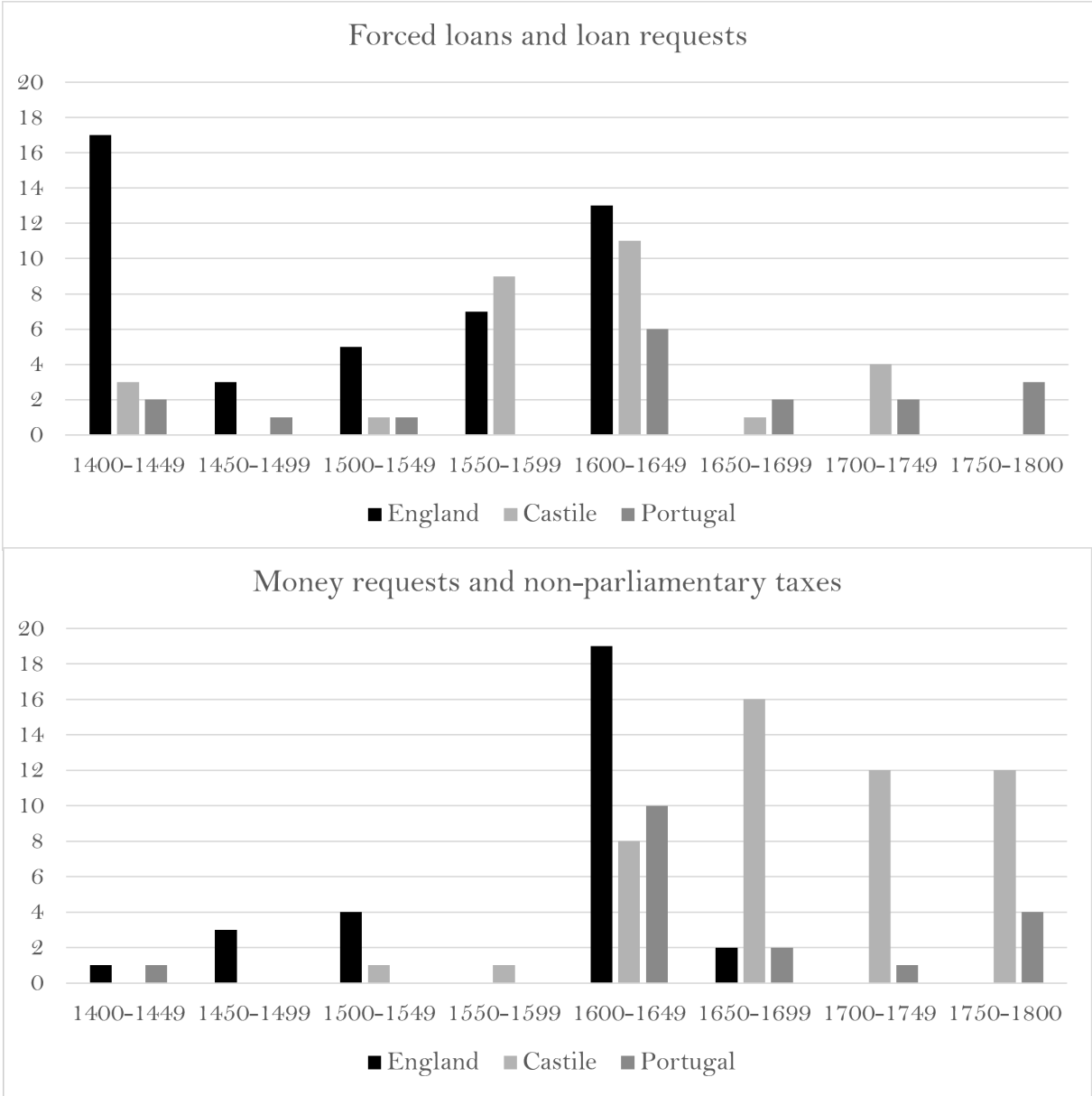
Given these commitment problems, maturities for public debt were short (Cox, 2016). Lack of credibility meant that England could not organize a debt system based on long-term lending until the 1730s.<sup>55</sup> In the seventeenth century, it was unclear for how long a dynasty would last, and whether the next would default on the debts of the previous one. Life annuities and perpetuities paid on Crown lands were the only exception to short-term lending. A proper “national debt system” with long-term maturities and secured by revenues, like the one that existed in Portugal and Spain, only emerged with the financial experiments of the 1690s (Dickson, 1993, pp.48-49, 60). There was an “absence of an effective market in which lenders could sell their claim on the state” (Dickson, 1993, p.36). The secondary market for English long-term debt remained “extremely illiquid” until 1720 (Sussman and Yafeh, 2006).

---

<sup>54</sup>English forced loans could be large. For example, in London, there was a forced loan of 20,000 pounds sterling in 1544 (The National Archives E 179, N.558); see also Archer (2001). This happened at a time when London’s population was around 100,000 and unskilled building laborers earned 2.435p per day (Harding, 1990; Clark, 2005). Hence (ignoring distributional matters), this corresponded to 20 days of work.

<sup>55</sup>The credibility of English public debt improved with the institutional changes following the Glorious Revolution, including the creation of the Bank of England (Cox, 2016; O’Brien and Palma, 2023). Earlier, one simple measure of the lack of state credibility is the number of external defaults. Between 1300 and 1550, Spain and Portugal never defaulted, while England did so twice (in 1340 and 1472). We are here relying on (Reinhart and Rogoff, 2009)’s definition of default. These authors additionally consider Henry VIII’s 1544-51 “epic debasement” as amounting to a default. There was another default in 1594, though there is uncertainty about whether this was an internal or external default (Reinhart and Rogoff, 2009, p.87). By contrast, Spain’s first default was in 1557 (after which others followed), and Portugal’s only default in the early modern period was in 1560.

Figure 6: Comparative forced loans, loan requests, money requests, and non-parliamentary taxes



Sources and notes: see the Appendix.

Our findings concerning comparative real interest rates of public debt over time, shown in Figure 7, are in line with the evidence previously shown in this paper. In the sixteenth and early seventeenth centuries, Castile and Portugal display a considerable advantage hinting at higher credibility and less fear of expropriation. By contrast, England was unable to borrow long-term prior to the mid-seventeenth century. By the early eighteenth century, however, England and Holland were paying lower interest rates than Portugal,

and Castile was unable to issue long-term debt.<sup>56</sup> As England reaped the benefits of institutional reforms happening from the early 1700s which made parliament responsible for earmarking sovereign debt funds (Cox, 2016, pp. 57, 75, 125), its cost of borrowing fell considerably, and permanently.

### 4.3. Comparative private loans and risk premia

An additional way of looking at the credibility of the sovereign lender is to measure the risk premium implied in the spread between private and public loans with identical maturities. In developed economies, the private sector pays a risk premium over government bonds, but in the early modern period the opposite was often the case. In England, as mentioned, there were no long-term public loans before the mid-seventeenth century, hence a comparison with private rates is not possible until then. Long-term borrowing by the state was uncommon before the eighteenth century. Around 1650 the government was able to finance itself at 11.2% while the private sector paid on average 5.5%.<sup>57</sup> In the following decades, this large spread steadily decreased. The reliability of the English executive improved with the Long Parliament (1640-1660), when Parliament acquired more control over the executive, in particular with regards to public borrowing, marking “an obvious break in the history of the relations between the government and the money market” (Ashton, 1960, p.46). As a result, risk premia on perpetuities evolved as follows. By 1680-1699, the public sector was paying 7.7% while the private sector paid 5.0%. Over 1700-19 the difference continued to shrink: the public sector paid 6.7% while the private sector 4.9%. From 1720-39 onward, the tables turned as the market then judged the public sector to be less risky: it paid 3.6% while the private sector 4.6%. In all subsequent periods until the end of the century, the government’s funding costs were lower than those of the private sector, with a spread standing at less than 1% point.<sup>58</sup>

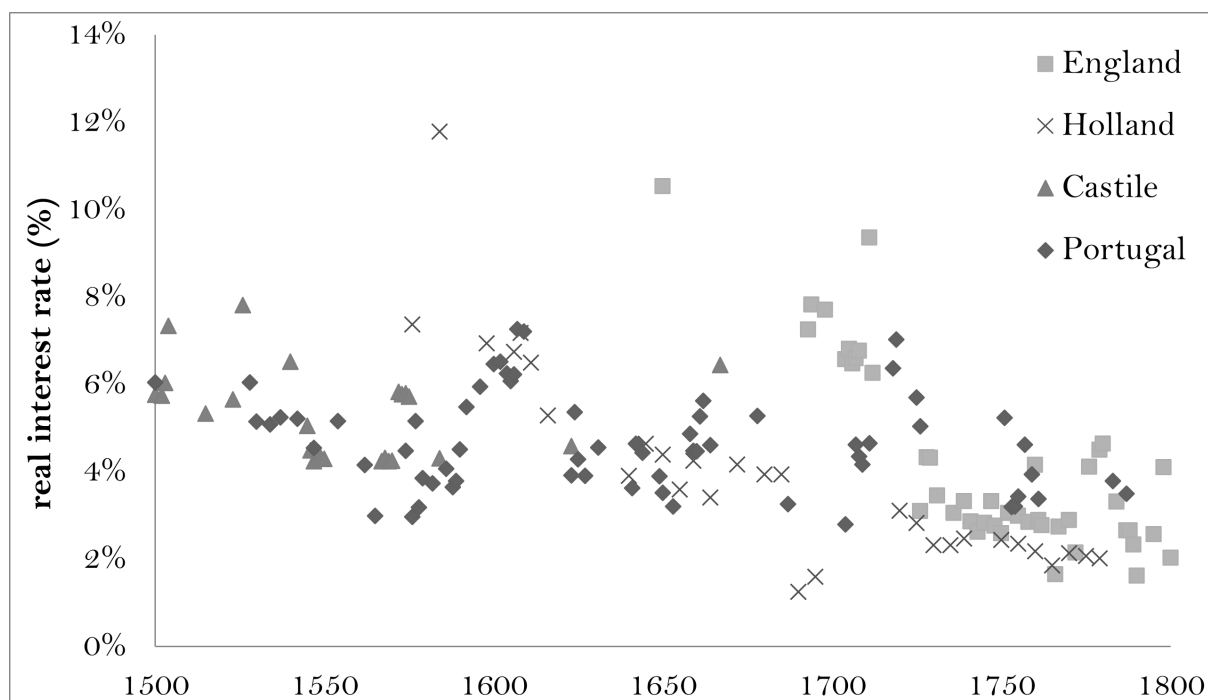
---

<sup>56</sup>Castile’s inability to borrow long-term after the mid-seventeenth century can be justified by the absence of parliamentary taxation which served as collateral for further issues of *juros*. Thus, Álvarez-Nogal, 2003, p.42, writes that for the Castilian Crown, “[a]fter 1650 ... the game of credit was over”. It was only more than a century later, in 1769 that lifetime annuities known as *fondo vitalicio* were issued with a nominal interest rate of 9%, and again in 1782 with a nominal interest rate of 8%. Finally, annuities with a maturity of 20 years known as *vales reales* were issued in 1780 with a nominal interest rate of 4% (Torres Sánchez, 2008). By contrast, Portugal’s Crown continued to borrow during the eighteenth century, as Figure 7 shows. However, the interest rates paid by Portugal’s monarchs in the eighteenth century would have been considerably higher were it not for the fact that from 1698 a legal maximum of 5% interest was imposed on all private perpetuities. Additionally, from the 1770s the Portuguese Crown forbade the country’s largest charitable foundation (*Misericórdia de Lisboa*) – which doubled as a bank – from lending to the private sector (Rodrigues, 2019). This considerably increased, by force, the liquidity which could be absorbed by public borrowing at an artificially low interest rate.

<sup>57</sup>Our sources for the public borrowing interest rates, which we cite here and in the following paragraphs, are those of Figure 7; we take the English private sector perpetuity rates from Clark (1996).

<sup>58</sup>Public vs. private interest rates for perpetual loans in the following periods were: 3.3% against 4.2% in 1740-59; 4% against 4.31% in 1760-79; 4.4% against 4.7% in 1780-99. The sources for the public rates

Figure 7: Real interest rates of new issues of long-term public debt.



*Maturities are infinite (perpetuities, perpetual annuities, consols, or equivalent), unless noted. Debt was redeemable, but the extent and liquidity of secondary markets varied across countries and time periods (see text). In years of multiple issues, we use the average interest rate. Holland's interest rate for 1574 (20% nominal) not shown. Sources for nominal interest rates: For Castile, Álvarez-Nogal (1997, 2009), Gálvez (2015), Toboso (1987), and Interest Rate on Consolidated Public Debt (Juros) from 1500-1714, in Andrés and Lanza; for Portugal, Costa (1883) and Costa (s.d.); for Holland, Van Der Ent et al. (1999); for England, Dickson (1993, tables 2, 3, 6, 22) and Clark (1996, p.566). The data for England refers to perpetuities, except for 1693 (99-year maturity), and 1711 (32-year maturity). For 1650, we used the estimated yield for a perpetuity paid on Crown lands (Clark, 1996, p.566). Sources for inflation rates (21-year average around each issue): for Spain, the CPI of Álvarez-Nogal and Prados de la Escosura (2013); for Portugal, the CPI of Palma and Reis (2019), for England, the GDP deflator of Broadberry et al. (2015), and for Holland, van Zanden and Van Leeuwen (2012). When the CPI is given by the authors in silver units, we converted it to monetary units of account using Karaman et al. (2020).*

Note that the convergence of public to private rates and ultimately the flipping of the risk premia from the 1720s was driven by a fall in the rates of public borrowing – from 11.2% around 1650 to less than 4.5% by the end of the eighteenth century (over the same period, private rates only fell by less than one percentage point). These timings fit well with what we find in the rest of this paper: English institutions first improved markedly as a result of the Civil War, and then steadily continued to improve.<sup>59</sup>

The institutional path of the monarchies of Spain and Portugal was the mirror image of that of England. Not only were the Iberian crowns able to borrow long-term in the sixteenth and early seventeenth centuries, as Figure 7 shows, but they also did so frequently. They paid low interest rates, at levels which England would only approach in the second half of the seventeenth century. Additionally, for most of the sixteenth century the rates paid by the Iberian monarchies were in line or even below those practiced in the domestic private markets.<sup>60</sup> From the 1630s, forced sales of *juros* became common in Spain, though not yet in Portugal, and from the 1660s it was no longer possible to issue *juros* due to lack of credibility (Toboso, 1987, p.160). For more than a century afterwards, Spain was not able to borrow under long maturities; and the Portuguese state was only able to do so due to some degree of coercion (Rodrigues, 2019).<sup>61</sup>

In Castile, during 1500-19, the Crown paid 7.14% while the private sector paid an average of 10.1%.<sup>62</sup> Hence, Spanish monarchs were not perceived as less trustworthy than the typical domestic borrower. Note that the low interest rates paid by rulers cannot be explained by coercion exerted on the owners of capital, since there were no caps until the Cortes of 1534, when the representatives' demand for a 7.14% interest rate cap was accepted by the monarch (Gálvez, 2015).<sup>63</sup> In subsequent periods until the

---

we cite are those of Figure 7; we take the private sector rates from Clark (1996).

<sup>59</sup>For shorter maturities, it was also the case that until the first quarter of the eighteenth century lending to the English monarch meant charging interest rates considerably higher than private interest rates, and even higher than the legal maximum rate (which was not always enforced). Edward VI paid 14% for a fixed-term loan, although the legal rate had been set by his father at 10%, whereas Charles II agreed on loans paying 8% or more at a time when the maximum legal rate was 6% (Homer and Sylla, 2005, p.111,124,129). In the 1660s Charles II was typically paying his bankers 10%, which “recognized the special risks run by lenders to a sovereign prince, and was a healthy departure from the practice of his predecessors who had enforced the legal ceiling on their own ill-managed debts” (Roseveare, 1991, p.17).

<sup>60</sup>As noted by Brumont (1995, p.253-5), for instance.

<sup>61</sup>In 1780, the Spanish Crown was able to issue a 20-year liability known as *vales reales* which doubled as currency (Milhaud, 2018, p.15).

<sup>62</sup>Here and in what follows, the public interest rate sources are those of Table 5; for private interest rates we rely on Gálvez (2015) and Borrero Fernández (1986). Usury laws did not apply to private *censos* or public *juros* because these contracts contained a buy-back clause.

<sup>63</sup>From 1534 a legal maximum of 7.14% (*14.000 maravedis el millar*) was imposed on private loans (Martínez, 2005). This was usually enforced, and caused the Crown to be able to finance itself at lower rates than would have been possible, rendering a comparison of spreads less meaningful than for earlier

1580s, interest rates for perpetuities hovered around 6-8%, and average public-private spreads were smaller than one percentage point.<sup>64</sup> Our archival sources show that over the seventeenth century, spreads generally remained at less than one percentage point.<sup>65</sup> The *juros* started to lose their credibility with the first reduction of interest in 1621 and the suspensions of payments in 1626, 1630 and 1634 (Álvarez-Nogal, 2009, p.33). There was also a 5% interest rate cap decree on private perpetuities since 1608. By the mid-seventeenth century the Crown found it increasingly hard to sell *juros*, which stopped being issued in the 1660s (Toboso, 1987, p.217).

Our archival sources for Portugal show that public and private perpetuity rates were similar during 1500-1519.<sup>66</sup> We hence confirm the claim by King Manuel I (who reigned 1495-1521) that he simply took market rates: “We have decided to sell our debt titles (*juros*) at the price of one thousand for fourteen thousand [7.14%], because such is the common rate in our realms”.<sup>67</sup> Our research shows that public interest rates were about two percentage points lower than for the private sector during 1520-1579, even though there was no coercion or legal caps in the market at this time.<sup>68</sup> This only happened in 1615 when the monarchy defined a legal maximum (of 5%) in order to make *juros* more attractive, but this was often circumvented by private lenders via the use of interest payments in kind. However, in 1698 a new law explicitly extended this cap to payments in kind, which had been until then contracted at market rates (Silva, 1854, p.410). Over the eighteenth century, the Crown engaged in other growth-inhibiting, financial repression measures. For example, in order to absorb existing market liquidity, it forbade the country’s main charitable foundation (*Misericórdia de Lisboa*), which often lent money at interest, from lending to the private sector (Rodrigues, 2019).<sup>69</sup>

#### 4.4. Discussion

All the quantitative institutional measures and the complementary qualitative evidence that we have considered point in the same direction: in Portugal and Spain, institutional periods.

---

<sup>64</sup>For private interest rates we rely on unpublished archival sources. See Appendix C.

<sup>65</sup>For sources, see Appendix C.

<sup>66</sup>For sources, see Appendix C.

<sup>67</sup>From the text of the first *juros* issued in 1500; none of these loans were forced (Costa, 1883, p.121).

<sup>68</sup>We include here instruments the yield of which was paid back in kind as well as currency. For sources, see Appendix C.

<sup>69</sup>After the 1730s, the *Misericórdias* did not purchase public debt in primary or secondary markets (and some of the earlier loans were forced). After a 1770s prohibition, smaller foundations such as the *Misericórdia do Porto* continued lend to the private sector exclusively. This illustrates that lending to the public sector was not attractive, but such institutions were much smaller than the *Misericórdia de Lisboa*; for example, in 1797 the latter had revenues 6.5 times those of the second largest, the *Misericórdia do Porto*.

quality worsened over the early modern period, while it improved considerably in England. Table 8 distills the comparative evidence that we have discussed (even though it does not summarize all the information that we have covered).<sup>70</sup> In all cases, economic outcomes followed institutional changes: in the long run, the Iberian economies stagnated or declined, while that of England grew. In the latter country, the Civil War and Protectorate ended Stuart absolutism: it was no longer possible to use the Royal prerogative to obtain resources and forced loans. Henceforth, all taxation had to be approved by Parliament. The Glorious Revolution was a further step in the right direction, ultimately leading to ministerial responsibility and improved spending practices (Cox, 2016). More stable institutions and lower internal conflict in England lead to fewer shrinking episodes (Broadberry and Wallis, 2017).<sup>71</sup>

## 5. CONCLUSION

Iberia’s economic divergence was not a consequence of inferior medieval political institutions. At least prior to the civil wars of the mid seventeenth century, England did not have more constraints on executive power (or an environment more protective of property rights) than Portugal and Spain. The fact that Iberian political institutions were not more despotic than those of England since the Middle Ages contradicts the theses of Tilly (1994), Ertman (1997), Acemoglu et al. (2005), Acemoglu and Robinson (2012, p.220), Acemoglu and Robinson (2019, p.281), Fukuyama (2011, p.373), and Hough and Grier (2015). England’s institutions eventually became more inclusive, but considerably later. Accordingly, explanations for the Little Divergence among Atlantic traders which rely on variation in the quality of “initial institutions” (in particular, constraints on executive power by 1500 or earlier), are not supported by the evidence.<sup>72</sup>

While 1500 is too early for any significant difference in institutional quality to be noticeable, 1688 is too late. With regards to England, the measures that we present in this paper confirm the views of scholars who argue that the emphasis of North and Weingast (1989) and others on the Glorious Revolution is perhaps misplaced and instead

---

<sup>70</sup>In the Appendix, we provide more comparative details about the three polities considered here and all the sources which we relied on to build it. The evidence supports the viewpoint that English political institutions were not comparatively more inclusive than those of Castile and Portugal until the seventeenth century. But while in England, parliamentary control was gradually achieved over the seventeenth century, with monopoly on the rights to sell sovereign promises in place only after the Glorious Revolution (Cox, 2016), the opposite trend took place over time in Castile and Portugal.

<sup>71</sup>While rent-seeking and state capture were rampant in eighteenth century Spain and Portugal, over the same period the English parliament worked actively to reduce mercantilist rents (Cox, 2016, p.107).

<sup>72</sup>Palma (2019) offers an alternative explanation, which relies on events occurring during the early modern period: the silver and gold mines of the Americas led to a Natural Resource Curse in Iberia, which suffered negative economic and political consequences via Dutch disease and state capture. For recent work finding support for this, see Charotti et al. (2022) and Kedrosky and Palma (2021).

Table 8: Summary of the evidence (until 1800)

	Parliaments met	Last parliamentary tax	non-parliamentary	Parliamentary oversight of expenditure of extraordinary taxes	Major debasements	Issues of public debt without financial repression	No risk premium for public debt
England	always, and permanent after 1707	1655		1667 onwards	1542-1553	From 1694	1720 onwards
Castile	until 1664	1800		1598-1664	1620-1710	Until 1621	1480-1619
Portugal	until 1699	1797		1641-1688	1642-1688	Until 1615	1521-1615

Sources: Figure 2; Figure 6; Section 4.1; Section 4.2, and Section 4.3. Notes: By financial repression, we refer to transactions whose price reflects coercion on the capital owners or interest rate caps favorable to the state. From the mid-1690s, it also gained control of ordinary revenues (Cox, 2016, p.28). Portuguese debasements were accepted by the Cortes in the context of an independence war, which lasted until 1668. In Portugal, perpetuities continued to be sold over the eighteenth century but financial repression (forced sales) increased from 1775).

emphasize earlier progress (e.g. O'Brien, 1988, 2002, 2012; Jha, 2015; Murrell, 2017; Grajzl and Murrell, 2021a,b; Murrell, 2021). Prior to 1688, England was already ahead both in terms of checks on executive power and state capacity. At the same time, Iberian institutions experienced a considerable deterioration over the late seventeenth century: the *Cortes* eventually stopped meeting, the monarchs resorted to monetary manipulations, public debt was issued less frequently, and its secondary market became less liquid.

Our findings also do not lend credence to the modern incarnation of the “Black Legend” (*La Leyenda Negra*), the notion that the divergent economic trajectories within Europe and the Americas can be explained by an institutional path-dependence going back as far as the sixteenth century or earlier. As argued, when Atlantic trade began, Portugal and Spain could not be dismissed as being “highly absolutist” extractive empires, let alone regarded as endowed with inferior institutions. The right of non-European municipalities to take part in the *Cortes* is a reminder of how these empires were built under an executive power that had to negotiate instead of simply imposing.

In this paper we show that the Little Divergence in European incomes did not derive from the *deus ex machina* of institutions going back to the medieval period. Hence, arguably, its origins must be found in events taking place during the early modern period. Moreover, the lackluster economic performance of the Iberian empires and their successor independent states in Latin America was not the result of an institutional path-dependence predetermined by 1500.

## UNPUBLISHED PRIMARY SOURCES

The National Archives E 179. 260-879.

## PUBLISHED PRIMARY SOURCES

- Castilla, R. *Capitulos generales de las Cortes del ano de mil y quinientos y nouenta y dos, fenecidas en el de nouenta y ocho : y publicadas en el de seyscientos y quatro*. Luyz Sanchez, 1604.
- Castilla, R. *Capitulos generales de las Cortes del año de mil y seyscientos y dos, fenecidas en el de seyscientos y quatro, y publicadas en el de seyscientos y diez*. Iuan de la Cuesta, 1610.
- Castilla, R. *Capitulos generales de las Cortes celebradas en la villa de Madrid, en los anos de seiscientos y siete, onze, y quinze, Prematicas, y Cédulas Reales, publicadas en la dicha villa à veinte y dos dias del mes de Agosto de mil y seiscientos y diez y nueue anos*. Iuan de la Cuesta, 1619.
- Colmeiro, M. *Cortes de los antiguos reinos de Leon y de Castilla*, volume 3. Rivadeneyra, 1866.
- Commons, J. o. H. *Volume 1: 03 April 1604*, in: *Journal of the House of Commons Volume 1, 1547-1629*, available in *British History Online* <http://www.british-history.ac.uk/commons-jrnl/vol1/pp162-165> [accessed 24 June 2021]. Originally published by His Majesty's Stationery Office, London, 1802.
- Cortes. *Actas de las Córtes de Castilla: publicadas por acuerdo del Congreso de los Diputados, á propuesta de su Comisión de Gobierno Interior*. Imprenta Nacional, 1862-2006.
- Costa, J. G. d. *Collecção de leis da dívida pública portuguesa, coordenada e publicada pela Junta do Crédito Público. Primeira Parte – Dívida Interna.*, volume 1. Imprensa Nacional, 1883.
- Firth, C. H. and Rait, R. S. *Acts and Ordinances of the Interregnum, 1642-1660*, volume 3. HM Stationery Office, 1911.
- Santarém, V. *Memória para a historia e Theoria das Cortes Geraes que em Portugal se Celebraram pelos Tres Estados do Reino.*, volume 2. 1828.
- Silva, J. J. D. A. E. *Collecção chronológica da legislação portuguesa*. Impr FX De Souza, 1854.

## SECONDARY SOURCES

- Abad, L. A. and Palma, N. The fruits of El Dorado: the global impact of American precious metals. In Doblado, R. and Garcia-Hiernaux, A., editors, *The Fruits of the Early Globalization: An Iberian Perspective*. Palgrave Macmillan, 2021.
- Abad, L. A. and van Zanden, J. L. Growth under extractive institutions? Latin American per capita GDP in colonial times. *The Journal of Economic History*, 76(4):1182–1215, 2016.
- Acemoglu, D. and Robinson, J. A. *Why nations fail: The origins of power, prosperity and poverty*. Profile London, 2012.
- Acemoglu, D. and Robinson, J. A. *The narrow corridor: States, societies, and the fate of liberty*. Penguin Press, 2019.
- Acemoglu, D., Johnson, S., and Robinson, J. The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth. *American Economic Review*, 95(3):546–579, June 2005.
- Álvarez-Nogal, C. *El crédito de la Monarquía hispana en el reinado de Felipe IV*. Junta de Castilla y León, 1997.
- Álvarez-Nogal, C. The role of institutions to solve sovereign debt problems: the Spanish monarchy's credit (1516-1665). Working Paper 03-08, Economic History and Institutions Series 04, Universidad Carlos III de Madrid, 2003.

- Álvarez-Nogal, C. *Oferta y demanda de deuda pública en Castilla. Juros de alcabalas (1540-1740)*. Number 55 in Estudios de Historia Económica. Banco de España; Estudios de Historia Económica, December 2009.
- Álvarez-Nogal, C. and Chamley, C. Debt policy under constraints: Philip ii, the Cortes, and Genoese bankers. *The Economic History Review*, 67(1):192–213, 2014.
- Álvarez-Nogal, C. and Prados de la Escosura, L. The rise and fall of Spain (1270–1850). *The Economic History Review*, 66(1):1–37, 2013.
- Andrés, J. and Lanza, R. Data on Spanish Crown finance. Available at: <http://www.esfdb.org/table.aspx?resourceid=12151>.
- Andrés, J. *La fiscalidad en Castilla en el siglo XVII: los servicios de millones, 1601-1700*. Universidad del País Vasco Servicio Editorial, 1999.
- Archer, I. W. The burden of taxation on sixteenth-century London. *The Historical Journal*, 44(3):599–627, 2001.
- Artola, M. *La hacienda del Antiguo Régimen*. Alianza Editorial, 1982.
- Ashton, R. *The Crown and the money market, 1603-1640*. Clarendon Press Oxford, 1960.
- Bairoch, P., Batou, J., and Chevre, P. *The Population of European Cities from 800 to 1850: Data Bank and Short Summary of Results*. Droz, 1988.
- Bates, R. H. *The Development Dilemma: Security, Prosperity, and a Return to History*. Princeton University Press, Princeton, 2017.
- Bogart, D., Drelichman, M., Gelderblom, O., and Rosenthal, J. State and private institutions. In *The Cambridge Economic History of Modern Europe, Volume I: 1700-1870*. Cambridge University Press, 2010.
- Bogart, D. and Richardson, G. Making property productive: reorganizing rights to real and equitable estates in Britain, 1660–1830. *European Review of Economic History*, 13(1):3–30, 2009.
- Bogart, D. and Richardson, G. Property rights and parliament in industrializing Britain. *The Journal of Law and Economics*, 54(2):241–274, 2011.
- Borrero Fernández, M. M. Efectos del cambio económico en el ámbito rural. Los sistemas de crédito en el campo Sevillano (fines del siglo XV y principios del XVI). *En la España Medieval*, 8, 219-244, 1986.
- Braddick, M. *God's Fury, England's Fire: A New History of the English Civil Wars*. Penguin, 2009.
- Broadberry, S., Campbell, B. M., Klein, A., Overton, M., and Van Leeuwen, B. *British economic growth, 1270–1870*. Cambridge University Press., 2015.
- Broadberry, S. The Industrial Revolution and the Great Divergence: recent findings from historical national accounting. In Bisin, A. and Federico, G., editors, *The handbook of historical economics*, pages 749–771. Elsevier, 2021a.
- Broadberry, S. Accounting for the Great Divergence: Recent findings from historical national accounting. *CEPR Discussion Paper No. DP15936*, 2021b.
- Broadberry, S. and Wallis, J. J. Growing, shrinking, and long run economic performance: historical perspectives on economic development. Technical report, National Bureau of Economic Research, 2017.
- Brumont. Le crédit rural en Espagne du nord-ouest à l'époque moderne. In *Endettement paysan et crédit rural dans l'Europe médiévale et moderne*, pages 239–281. Toulouse, PUM, 1995.
- Burgess, G. The divine right of kings reconsidered. *The English Historical Review*, 107(425): 837–861, 1992.
- Calpe, E. Enciclopedia Universal Ilustrada. 1923.
- Cardim, P. Political status and identity: Debating the status of American territories across the Sixteenth and Seventeenth Century Iberian world. *Rechtsgeschichte-Legal History*, (24): 101–116, 2016.

- Cardim, P. A. *Cortes e cultura política no Portugal do Antigo Regime*. Lisboa: Livros Horizonte, 1998.
- Charotti, C., Palma, N., and Santos, J. P. American treasure and the decline of Spain. *CEPR discussion paper*, 2022.
- Clark, G. The political foundations of modern economic growth: England, 1540-1800. *Journal of Interdisciplinary History*, 26(4):563–588, 1996.
- Clark, G. What were the British earnings and prices then? MeasuringWorth, URL: <http://www.measuringworth.com/ukearnncpi/>, 2019.
- Clark, G. The condition of the working class in England, 1209–2004. *Journal of Political Economy*, 113(6):1307–1340, 2005.
- Coffman, D. M. Credibility, transparency, accountability, and the public credit under the long parliament and commonwealth, 1643-1653. In Coffman, D., Leonard, A., and Neal, L., editors, *Questioning credible commitment: Perspectives on the Rise of Financial Capitalism*. Cambridge University Press, 2013.
- Costa, L. Sovereign debt and private credit in Portugal, 1640-1800 project (PI: Leonor Costa), PTDC/HARHIS/28809/2017. s.d. Available at: <http://debt.pt/>.
- Costa, L. F., Henriques, A., and Palma, N. Anatomy of a premodern state. Unpublished manuscript. 2022.
- Cox, G. W. *Marketing sovereign promises: Monopoly brokerage and the growth of the English state*. Cambridge University Press, 2016.
- Cruz, M. L. G. d. *A Governação de D. João III: a Fazenda Real e os seus Vedores*. Centro de História da Universidade de Lisboa, 2001.
- Day, J. The great bullion famine of the fifteenth century. *Past & Present*, (79):3–54, 1978.
- Dias, J. J. A. *Cortes Portuguesas: Cortes de 1499. Reinado de D. Manuel I*. Centro de Estudos Históricos, Universidade Nova de Lisboa, 2001.
- Dickson, P. *The Financial Revolution in England: A Study in the Development of Public Credit, 1688-1756*. Routledge: Reprint of the 1967 edition, 1993.
- Dietz, F. C. *English Public Finance: English Government Finance 1485-1558*. University of Illinois, 1921.
- Dimitruk, K. "I intend therefore to prorogue": the effects of political conflict and the Glorious Revolution in parliament, 1660–1702. *European Review of Economic History*, 22(3):261–297, 2018.
- Domingues, J. and Monteiro, M. Sistemas eleitorais e democracia representativa no limiar do constitucionalismo português. *Historia constitucional: Revista Electrónica de Historia Constitucional*, (19):593–639, 2018.
- Dowell, S. *A History of Taxation and Taxes in England from the Earliest Times to the Year 1885*, volume 2. Longmans, Green, 1888.
- Elton, G. R. *The Tudor constitution: documents and commentary*. Cambridge University Press, 1982.
- Epstein, S. R. Cities, regions and the late medieval crisis: Sicily and Tuscany compared. *Past & Present*, 130:3–50, 1991.
- Epstein, S. R. *Freedom and Growth: The Rise of States and Markets in Europe, 1300-1750*. Routledge, 2000.
- Ertman, T. *Birth of the Leviathan: Building states and regimes in medieval and early modern Europe*. Cambridge University Press, 1997.
- Felice, E. The socio-institutional divide: explaining Italy's long-term regional differences. *Journal of Interdisciplinary History*, 49(01):43–70, 2018.
- Fortea, J. I. *Las Cortes de Castilla y León bajo los Austrias: una interpretación*. Valladolid: Junta de Castilla y León, 2008.
- Fortescue, J. *De Laudibus Legum Angliae. Translated into English (from the Original Latin)*.

- Illustrated with the Notes of Mr. Selden and Great Variety of Remarks, Relative to the Antiquities, History, and Laws of Englan. With a Large Historical Preface, by Francis Gregor (etc.) A New Edition.* T. Evans, 1775.
- Fukuyama, F. *The origins of political order: From prehuman times to the French Revolution.* Farrar, Straus and Giroux, 2011.
- Gálvez, F. Reforma y consolidación de un activo financiero. Los juros al quitar en la tesorería de lo extraordinario de Juan y Alonso de Morales (1495-1504). *En la España Medieval*, 38: 99–134, 2015.
- González Sánchez, S. Las cortes durante la minoría de Juan II de Castilla. *Espacio, Tiempo y Forma. Serie III, Historia Medieval*, 30:387–454, 2017.
- Grafe, R. *Distant Tyranny. Markets, Power and Backwardness in Spain, 1650-1800.* Princeton University Press, 2012.
- Grafe, R. and Irigoien, M. A. The Spanish Empire and its legacy: fiscal redistribution and political conflict in colonial and post-colonial Spanish America. *Journal of Global History*, 1 (2):241–267, 2006.
- Grafe, R. and Irigoien, M. A. A stakeholder empire: the political economy of Spanish imperial rule in America. *The Economic History Review*, 65(2):609–651, 2012.
- Grajzl, P. and Murrell, P. A machine-learning history of English caselaw and legal ideas prior to the Industrial Revolution I: generating and interpreting the estimates. *Journal of Institutional Economics*, 17(1):1–19, 2021a.
- Grajzl, P. and Murrell, P. A machine-learning history of English caselaw and legal ideas prior to the Industrial Revolution II: applications. *Journal of Institutional Economics*, 17(2):201–216, 2021b.
- Graves, M. *Elizabethan Parliaments 1559-1601.* Routledge, 2014a.
- Graves, M. A. R. *The Parliaments of early modern Europe: 1400-1700.* Routledge, 2014b.
- Guéry, A. Les finances de la monarchie française sous l’ancien régime. *Annales. Economies. Sociétés. Civilisations*, 33(2), 1978.
- Harding, V. The population of London, 1550–1700: a review of the published evidence. *The London Journal*, 15(2):111–128, 1990.
- Hawkyard, A. The Tudor speakers 1485–1601: Choosing, status, work. *Parliamentary History*, 29(1):22–48, 2010.
- Healy, S. Oh, what a lovely war? war, taxation, and public opinion in England, 1624-29. *Canadian Journal of History*, 38(3):439–466, 2003.
- Healy, S. M. *Crown revenue and the political culture of early Stuart England.* PhD thesis, Birkbeck, University of London, 2015.
- Henriques, A. *State finance, war and redistribution in Portugal, 1249-1527.* PhD thesis, University of York, 2008.
- Henriques, A. C. Taming Leviathan: Constitution, representation and taxation in fifteenth-century Portugal. *População e sociedade, n.º 31, 2019, p. 69-82*, 2019.
- Hespanha, A. M. *As vésperas do Leviathan: instituições e poder político: Portugal, séc. XVII.* Livraria Almedina, 1994.
- History of Parliament. <http://www.historyofparliamentonline.org>.
- Homer, S. and Sylla, R. *A History of Interest Rates.* Wiley Finance, 4th edition, 2005.
- Hoppit, J. *Britain’s political economies: Parliament and Economic Ideas 1660-1800.* Cambridge University Press, 2017.
- Hoppit, J. Patterns of parliamentary legislation, 1660-1800. *Historical Journal*, pages 109–131, 1996.
- Hough, J. F. and Grier, R. *The Long Process of Development.* Cambridge University Press, 2015.
- Hoyt, R. S. Royal taxation and the growth of the realm in mediaeval England. *Speculum*, 25

- (1):36–48, 1950.
- Humphries, J. and Weisdorf, J. Unreal wages? A new empirical foundation for the study of living standards and economic growth in England, 1260-1860. *Economic Journal*, 2019.
- Irigoin, A. and Grafe, R. Bargaining for absolutism: a Spanish path to nation-state and empire building. *Hispanic American Historical Review*, 88(2):173–209, 2008.
- Irigoin, A. and Grafe, R. Bounded Leviathan: fiscal constraints and financial development in the Early Modern Hispanic world. In Coffman, D., Leonard, A., and Neal, L., editors, *Questioning credible commitment: Perspectives on the rise of financial capitalism*. Cambridge University Press, 2013.
- Jha, S. Financial asset holdings and political attitudes: evidence from revolutionary England. *The Quarterly Journal of Economics*, 130(3):1485–1545, 2015.
- Jong, H. and Palma, N. Historical national accounting. In Blum, M. and Colvin, C., editors, *An Economist's Guide to Economic History*. Basingstoke, UK: Palgrave Macmillan, 2018.
- Karaman, K. K., Pamuk, Ş., and Yıldırım-Karaman, S. Money and monetary stability in Europe, 1300–1914. *Journal of Monetary Economics*, 115:279–300, 2020.
- Kedrosky, D. and Palma, N. The Cross of Gold: Brazilian treasure and the decline of Portugal. *Competitive Advantage in the Global Economy (CAGE)*, 2021.
- Kishlansky, M. *The Penguin History of Britain: A Monarchy Transformed, Britain 1630-1714*, volume 6. Penguin UK, 1997.
- Klein, A. and Ogilvie, S. Occupational structure in the Czech lands under the second serfdom. *The Economic History Review*, 69(2):493–521, 2016.
- Krantz, O. Swedish gdp 1300-1560: A tentative estimate. *Lund Papers in Economic History 152*, Lund University, 2017.
- Ladero Quesada, M. A. *La hacienda real de Castilla en el siglo XV*. Universidad de la Laguna, 1973.
- Langer, W. L. *An encyclopedia of world history, ancient, medieval and modern, chronologically arranged*. Boston: Houghton Mifflin Co, 5th edition edition, 1972.
- Lehmberg, S. E. Early Tudor parliamentary procedure: provisos in the legislation of the Reformation Parliament. *The English Historical Review*, 85(334):1–11, 1970.
- Maddicott, J. R. *The origins of the English Parliament, 924-1327*. Oxford University Press, 2010.
- Magalhães, J. R. Dinheiro para a guerra: as décimas da restauração. *Hispania*, 64(216):157–182, 2004.
- Malanima, P. *Pre-modern European economy: one thousand years (10th-19th centuries)*. Brill, 2009.
- Malanima, P. The long decline of a leading economy: GDP in central and northern Italy, 1300-1913. *European Review of Economic History*, 15(2):169–219, 2011.
- Malinowski, M. and van Zanden, J. L. Income and its distribution in preindustrial Poland. *Cliometrica*, 11(3):375–404, 2017.
- Mann, M. *The sources of social power: volume 1, a history of power from the beginning to AD 1760*, volume 1. Cambridge university press, 2012.
- Marongiu, A. *Medieval parliaments: a comparative study*, volume 32. London: Eyre & Spottiswoode, 1968.
- Martínez, A. B. Los censos: concepto y naturaleza. *Espacio Tiempo y Forma. Serie IV, Historia Moderna*, (18-19), 2005.
- McKenna, J. The myth of parliamentary sovereignty in late-medieval England. *The English Historical Review*, 94(372):481–506, 1979.
- McKisack, M. *The Parliamentary Representation of the English Boroughs: During the Middle Ages*. Routledge (originally published in 1939), 2019.
- Milhaud, C. Financial repression as a tool for debt management: Evidence from late-eighteenth

- century spain. 2018.
- Motomura, A. The best and worst of currencies: Seigniorage and currency policy in Spain, 1597-1650. *The Journal of Economic History*, 1994.
- Munro, J. H. The coinages and monetary policies of Henry VIII (r. 1509-1547): contrasts between defensive and aggressive debasements. *Department of Economics of the University of Toronto Working Paper*, 417, 2010.
- Murrell, P. Design and evolution in institutional development: the insignificance of the English Bill of Rights. *Journal of Comparative Economics*, 45(1):36–55, 2017.
- Murrell, P. Did the independence of judges reduce legal development in England, 1600–1800? *The Journal of Law and Economics*, 64(3):539–565, 2021.
- North, D. C. *Institutions, Institutional Change and Economic Performance: Political Economy of Institutions and Decisions*. Cambridge University Press, 1990.
- North, D. C. and Thomas, R. P. *The rise of the Western World: A new economic history*. Cambridge University Press, 1973.
- North, D. C. and Weingast, B. Constitution and commitment: The evolution of institutional governing public choice in seventeenth-century England. *The Journal of Economic History*, 49(4):803–832, 1989.
- Nuvolari, A. and Ridolfi, L. L’histoire immobile? a reappraisal of French economic growth using the demand-side approach, 1280-1850. *CEPR Discussion Paper No. DP14985*, 2020.
- O’Brien, P. and Palma, N. Not an ordinary bank but a great engine of state: the Bank of England and the British economy, 1694-1844. *Economic History Review*, 2023.
- O’Brien, P. K. The political economy of British taxation, 1660-1815. *The Economic History Review*, 41(1):1–32, 1988.
- O’Brien, P. K. Fiscal exceptionalism: Great Britain and its European rivals from civil war to triumph at Trafalgar and Waterloo. In Winch, D. and O’Brien, P. K., editors, *The Political Economy of British Historical Experience, 1688-1914*. British Academy Centenary Monographs, Oxford University Press, 2002.
- O’Brien, P. K. State formation and economic growth: the case of Britain. In Backhand, J. G., editor, *Navies and State Formation*. Verlag, 2012.
- Ogilvie, S. and Carus, A. W. Institutions and economic growth in historical perspective. In Aghion and Durlauf, editors, *Handbook of Economic Growth*. Elsevier, 2014.
- Olivera Serrano, C. Las cortes de Castilla y León y la crisis del reino (1445-1474): el registro de cortes. Burgos, Cortes de Castilla y León, 1986.
- Olivera Serrano, C. Las cortes de Castilla y el poder real (1431 - 1444). *En la España Medieval*, 1988.
- Ormrod, W. M. The domestic response to the Hundred Years War. In *Arms, Armies and Fortifications in the Hundred Years War*. Boydell & Brewer, 1994.
- Ormrod, W. M. England in the Middle Ages. *The rise of the fiscal state in Europe*, pages 1200–1815, 1999.
- Palma, N. American precious metals and their consequences for early modern Europe. In Stefano Battilossi, Y. C. and Yago, K., editors, *Handbook of the History of Money and Currency*. Springer, 2019.
- Palma, N. Historical account books as a source for quantitative history. In Christ, G. and Roessner, P., editors, *History and Economic Life: A Student’s Guide to Approaching Economic and Social History Sources*. Routledge, 2020.
- Palma, N. and Santiago-Caballero, C. Patterns of Iberian economic growth in the early modern period. In Lains, P., editor, *An Economic History of the Iberian Peninsula, 700-2000*. Cambridge University Press, forthcoming.
- Palma, N. and Reis, J. From convergence to divergence: Portuguese economic growth, 1527–1850. *The Journal of Economic History*, 79(2):477–506, 2019.

- Palma, N., Reis, J., and Zhang, M. Reconstruction of regional and national population using intermittent census-type data: The case of Portugal, 1527–1864. *Historical Methods: A Journal of Quantitative and Interdisciplinary History*, 53(1):11–27, 2020.
- Pfister, U. Economic Growth in Germany, 1500-1800. *Journal of Economic History*, 2022.
- Prados de la Escosura, L. International comparisons of real product, 1820-1990: An alternative data set. *Explorations in Economic History*, 37(1):1–41, 2000.
- Prados de la Escosura, L. Economic freedom in the long run: evidence from OECD countries (1850–2007). *The Economic History Review*, 69(2):435–468, 2016.
- Prados de la Escosura, L., Álvarez-Nogal, C., and Santiago-Caballero, C. Growth recurring in preindustrial Spain: half a millennium perspective. *Cliometrica*, 16, 2022.
- Reinhart, C. M. and Rogoff, K. S. *This time is different: eight centuries of financial folly*. Princeton University Press, 2009.
- Reis, J. How poor was the European periphery before 1850? *The Mediterranean Response to Globalization Before 1950*, page 17, 2002.
- Robinson, J. A. Critical junctures and developmental paths. In *Critical Junctures and Historical Legacies: Insights and Methods for Comparative Social Science*. Rowman & Littlefield, 2022.
- Rodrigues, L. Os padrões de juro da misericórdia de Lisboa, 1767-1797. *Ler História*, (74): 137–160, 2019.
- Root, H. L. Tying the king’s hands: Credible commitments and royal fiscal policy during the Old Regime. *Rationality and Society*, 1(2):240–258, 1989.
- Rosenthal, J.-L. The development of irrigation in Provence, 1700-1860: The French Revolution and economic growth. *The Journal of Economic History*, 50(3):615–638, 1990.
- Roseveare, H. *The Financial Revolution 1660-1750*. Routledge, 1991.
- Russell, C. *Unrevolutionary England, 1603-1642*. A&C Black, 1990.
- Schofield, R. *Taxation under the early Tudors 1485-1547*. John Wiley & Sons, 2008.
- Schön, L. and Krantz, O. The Swedish economy in the early modern period: constructing historical national accounts. *European Review of Economic History*, 16(4):529–549, 2012.
- Serrão, J. *Dicionário de história de Portugal*. Iniciativas Editoriais, 1975.
- Sousa, A. O parlamento medieval português: perspectivas novas. *Revista da Faculdade de Letras: História, série II*, 7:47–58, 1990a.
- Sousa, A. d. *As Cortes medievais portuguesas, 1385-1490*, volume 1. Instituto Nacional de Investigação Científica, 1990b.
- Stearns, P. N. *The encyclopedia of world history: Ancient, Medieval, and Modern, chronologically arranged*. Houghton Mifflin, 2001.
- Strayer, J. R. *On the medieval origins of the modern state*. Princeton University Press, 2005.
- Stubbs, W. *The constitutional history of England*, 1891.
- Summerhill, W. R. *Inglorious Revolution: Political Institutions, Sovereign Debt, and Financial Underdevelopment in Imperial Brazil*. Yale University Press, 2015.
- Sussman, N. and Yafeh, Y. Institutional reforms, financial development and sovereign debt: Britain 1690-1790. *Journal of Economic History*, 66(5):906–935, 2006.
- Thompson, I. A. Crown and Cortes in Castile, 1590-1665. *Parliaments, Estates and Representation*, 2(1):29–45, 1982.
- Tilly, C. Entanglements of European cities and states. In Tilly, C. and Blockmans, W. P., editors, *Cities and the Rise of States in Europe, 1000 to 1800*. Routledge, 1994.
- Toboso, P. La deuda pública castellana durante el antiguo régimen (juros) y su liquidación en el siglo XIX. *Instituto de Estudios Fiscales*, 1987.
- Torres Sánchez, R. Incertidumbre y arbitrariedad: La política de deuda pública de los Borbones en el siglo XVIII. *Estudis*, (34), 2008.
- Triano Milán, J. M. Contribuir al bien común: ciudades, monarquía y fiscalidad extraordinaria en la corona de Castilla (1406–1476). *Journal of Medieval Iberian Studies*, 11(1):78–97, 2019.

- Valério, N. Portuguese historical statistics. *Lisbon: INE*, 2001.
- Van Der Ent, L., Fritschy, W., Horlings, E., and Liesker, R. Public finance in the United Provinces of the Netherlands in the seventeenth and eighteenth centuries. In *Crises, Revolutions and Self-Sustained Growth: Essays in European Fiscal History, 1130-1830*. Paul Watkins Publishing, 1999.
- van Zanden, J. L. and Van Leeuwen, B. Persistent but not consistent: The growth of national income in Holland 1347-1807. *Explorations in Economic History*, 49(2):119–130, 2012.
- van Zanden, J. L., Buringh, E., and Bosker, M. The rise and decline of European parliaments, 1188-1789. *The Economic History Review*, 2011.
- Vicens Vives, J. *Economic History of Spain*. Princeton University Press, 1969.
- Wallis, P., Colson, J., and Chilosi, D. Structural change and economic growth in the British economy before the Industrial Revolution, 1500-1800. *Journal of Economic History*, 78(3): 862–903, 2018.
- Zamora, J. M. C. Los servicios de las cortes de castilla en el siglo xvii. *Cuadernos de Historia Moderna*, 185:0214–4018, 1998.
- Zamora, J. M. C. *Cortes, monarquía, ciudades: Las Cortes de Castilla a comienzos de la época moderna (1476-1515)*. Siglo XXI de España Editores, 1988.

Appendix to Henriques and Palma, “COMPARATIVE  
EUROPEAN INSTITUTIONS AND THE LITTLE  
DIVERGENCE, 1385-1800”

APPENDIX FOR ONLINE PUBLICATION ONLY

António Henriques \*

Nuno Palma†

---

\*Universidade do Porto

†University of Manchester; Instituto de Ciências Sociais, Universidade de Lisboa; CEPR

# CONTENTS

<b>1</b>	<b>Appendix A</b>	<b>5</b>
A1	Comparative state capacity measures . . . . .	5
A2	New executive constraints measures . . . . .	7
A3	Replication of the Acemoglu-Johnson-Robinson results . . . . .	14
A4	On Tudor despotism . . . . .	19
A5	Pacts and partnerships . . . . .	29
A6	Comparative representation in Parliaments . . . . .	43
A7	Parliaments and their representatives circa 1500 . . . . .	49
A8	Comparative independence of their municipal institutions and jurisdiction over the surrounding countryside . . . . .	57
A9	Comparative overview following the Cox model . . . . .	58
A10	Complete list of forced loans and money requests . . . . .	60
A11	Data on annuities . . . . .	60
A12	Additional figures . . . . .	62
<b>2</b>	<b>Appendix B</b>	<b>69</b>
B1	Additional discussion: value of coinage . . . . .	69
B2	Additional discussion: comparative public debt . . . . .	71
<b>3</b>	<b>Appendix C</b>	<b>77</b>
C1	Archival sources of interest rates . . . . .	77

## LIST OF TABLES

A1	Per capita government revenue in day’s wages for unskilled workers. . . . .	6
A2	Acemoglu-Johnson-Robinson main “constraint on the executive” Polity IV classification. . . . .	8
A3	Our “constraint on the executive” Polity IV classification. . . . .	9
A4	Replication of Table 7 in AJR 2005 with updated constraints . . . . .	16
A5	Acemoglu-Johnson-Robinson main “protection for capital” measure. . . . .	16
A6	Activity index of Parliaments. . . . .	17
A7	Total summons of Parliaments and motives that justified them. . . . .	20
A8	Full list of Parliaments, with summoning motives indicated . . . . .	21
A9	Number of years with offensive wars and extraordinary taxes, 1385-1700. . . . .	41
A10	Parliaments and their constituencies . . . . .	49
A11	Parliaments and their representatives, circa 1500 . . . . .	56
A12	Summary of the post-1500 evidence, following the Cox model . . . . .	59
A13	Forced national-level loans and money requests from rulers, 1380-1800 . . . . .	61
A14	Nominal and real interest rates paid on public lifetime annuities. . . . .	62

## LIST OF FIGURES

A1	A tile ( <i>Azulejo</i> ) built in the 1740s, used for teaching at the University of Évora, illustrating the force of vacuum . . . . .	29
A2	Example of laws enacted in the <i>Cortes</i> and published by the Crown . . . . .	31
A3	Percentage of law proposals approved by the rulers: Castile. . . . .	35
A4	Percentage of law proposals approved by the rulers: England until 1639. . . . .	36
A5	Percentage of law proposals approved by the rulers: England from 1660. . . . .	37
A6	The 1555 Castilian <i>Cortes</i> in Valladolid criticizing the King’s forced seizure of private remittances ( <i>sequestros</i> ) . . . . .	38
A7	Layout of the 1641 Portuguese Parliament . . . . .	50
A8	Tight election examples: voting record for one of the two Lisbon representatives for the <i>Cortes</i> of 1579 and the Beja representatives for the <i>Cortes</i> of 1645. In the first case, the elected candidate won by only one vote; in the second case a representative was elected by only a small difference of votes. . . . .	54
A9	Years with parliaments dealing with dynastic issues, 1385-1800 . . . . .	62
A10	Total number of wars. . . . .	63
A11	Offensive wars. . . . .	64
A12	Defensive wars. . . . .	65

A13	Civil wars. . . . .	66
A14	Full set of monetary stability series. . . . .	67
A15	Real interest rates of new issues of long-term public debt . . . . .	68
A16	Nominal interest rates of new issues of long-term public debt . . . . .	68

## 1. APPENDIX A

### A1. Comparative state capacity measures

Epstein (2000) argues that state capacity is important to understand why some societies did better than others. The Epstein thesis has since been confirmed empirically in a variety of studies, some of which are explicitly comparative in nature. For instance, Bogart et al. (2010, p.94) write that “More power seems to have allowed central governments to promote economic change and market integration . . . [and escape the] oppressive political and economic fragmentation of Europe”.<sup>1</sup> States needed revenues to provide public goods such as defense and courts which in turn contribute to internal stability and to the development of markets. If endowed with sufficient means, rulers of centralized states can enforce property rights, impose a uniform system of measurements, a truly public coinage, and contribute to the emergence of coordinated and competitive markets in a way that failing states cannot.

In Table A1, we show empirical measures of state capacity over time. All Western European economies show a clear increase in state capacity over the early modern period, and there is a marked divergence vis-à-vis other parts of the world, including Eastern Europe (Poland), Russia, the Ottoman empire, and China (Brandt et al., 2014, p.70-71). The Netherlands and England eventually attained higher levels of fiscal capacity than the other Western European states (with the exception of tiny Venice), however this is not noticeable before the mid-seventeenth century (O’Brien, 1988).

Circa 1500, Castile and Portugal were fully-fledged tax states (Henriques, 2014). England, by contrast, had reverted under the York dynasty to the condition of a domain state (O’Brien and Hunt, 1999). The Tudors and Early Stuarts resorted to different expedients, some of which were constitutionally legitimate, to increase their revenues. In this respect, it is important to stress that the higher fiscal burdens of Portugal and Spain did not depend entirely on their colonial revenues and monopolies. The empirical foundations for this claim, especially for Portugal, are fragile. Tilly (1994, p.21) compares early modern Portugal to today’s oil-exporting countries where, thanks to colonial revenues, the leaders have much autonomy vis-à-vis the general population because they do not need to broaden the tax base. This is wide off the mark as since the late fourteenth century the Portuguese tax state obtained three-quarters of its revenue from domestic sales taxes (Henriques, 2014). Overseas revenue seems to have mattered considerably during parts of the sixteenth century, but Lisbon customs did not exceed 15% until the seventeenth

---

<sup>1</sup>See also Rosenthal (1990)

Table A1: Per capita government revenue in day's wages for unskilled workers.

	China	Ott. Emp.	Russia	Poland- Lithuania	Austria	Prussia	France	Venice	Spain	Engl.	Dutch Rep.	Portugal
1500-1549	-	-	-	0.8	-	-	2.6	10.4	3.0	1.5	-	9.4
1550-1599	-	1.7	-	0.4	-	-	3.2	9.5	4.0	2.7	-	7.3
1600-1649	-	1.4	-	0.5	-	-	3.0	7.5	7.2	2.6	12.0	8.4
1650-1699	-	1.7	-	1.3	2.6	2.0	8.0	10.6	7.7	4.2	13.6	8.1
1700-1749	2.3	2.6	4.4	0.6	6.3	6.6	6.7	12.7	4.6	8.9	24.1	13.6
1750-1799	1.3	2.0	7.6	1.7	11.3	14.1	11.4	13.2	10.0	12.6	22.8	14.8
1800-1849	1.2	5.0	6.2	-	10.2	-	14.3	-	8.6	13.5	-	13.0

*Sources: For China, Brandt et al. (2014, p.69). For all other countries except Portugal, Karaman and Pamuk (2010), with 1500-1799 data presented in 50-year rather than 10-year intervals, following Brandt et al. (2014). We have updated Russia and added 1800-49 values using data kindly provided by Kivanç Karaman. For Portugal Costa et al. (2022); in this table, Portugal's revenues include the Crown's share of imperial revenues.*

century (Henriques, 2008).

The fiscal capacity shown by the peninsular states is perfectly compatible with the results of the measures of institutional quality presented in the main text. When kings need to establish a long-term operational fiscal system, they have to negotiate with the taxpayers and their representatives. If they require a credit system, monarchs need to show some level of commitment and respect for contracts in order not to alienate their lenders. Tudor exploits like the Great Debasement, the Dissolution of the monasteries, or arbitrary fines on wealthy noblemen or orphans were short-gap measures. Portugal and Spain built tax-states and had financial support from creditors. This required long-term commitments and negotiated institutions. Since the late fourteenth century Portuguese and Castilian/Spanish monarchs were vying for improving their geopolitical position, either in the Peninsula, in the Atlantic and (for Spain only) in Europe. The *damnosa hereditas* bequeathed to Spain by the Habsburg dynasty was especially demanding in terms of resources, and sent Charles V and his successors to the negotiation table with other economic agents. Habsburg geopolitical goals could not simply be met by ad hoc solutions. Likewise, the complexities of the Portuguese empire and the country's precarious position in Europe's geopolitical balance demanded resources, which in turn demanded long-term solutions and pacts with the tax-payers of the kingdom and the creditors. By contrast, up to the mid-seventeenth century, the English monarchy settled for temporary solutions for obtaining resources commensurate with the moderate geopolitical challenges of her insular position.

When Spain's bid for European dominance weakened, fiscal pressure and demand for

credit diminished. As Spain's institutions dwindled, interest rates stagnated, fiscally-motivated coinage manipulations became frequent, and the Cortes became a ceremonial institution. For Portugal, whose geopolitical position remained precarious given the border with Spain as well as the struggle with Netherlands in Africa, Brazil, and the East, this decline is not so evident. In sum, the quality of the institutions is sensitive to the geopolitical challenges. As these demand long-term resources, the monarchies need to obtain them in an effective form, which implies a partnership with the representatives rather than simple confiscation. Thus, the institutional measures drawn in the main text can be reconciled with the high fiscal capacity of the Iberian kingdoms.<sup>2</sup>

## A2. New executive constraints measures

According to (Acemoglu et al., 2005, p.563), “Political institutions [in England and the Netherlands] at the beginning of the sixteenth century ... [were] not as absolutist as in Spain and Portugal ... after the War of the Roses, Britain was never as absolutist as France, Portugal, and Spain”. Similarly: “[The] absolutist regimes of France, Portugal, and Spain clearly had much less constraint on the executive [than England or the Netherlands]” (Acemoglu et al., 2005, p.568-9). These statements are built upon a quantitative analysis of these countries' institutions. Acemoglu et al. (2005, p.563) claim to have looked for “the formal rules that constraint the executive in a way that matches the Polity criteria” (Acemoglu et al., 2002, p.59). As shown in Table A2 these authors attributed higher scores to England (and the Netherlands) than to Portugal and Spain. Also, they considered that by 1500 the two Iberian monarchies exerted “unlimited authority” (score 1), which is not supported by historical evidence. Acemoglu et al. (2005) only discuss their coding of institutions in detail in the working paper version of their article (Acemoglu et al., 2002, p.59-61). As the Polity IV database does not cover the period prior to 1800, these authors chose instead to code the most relevant of the component variables of the Polity index: “executive constraints” for the years 1500, 1600, 1700, 1800. This variable captures the accountability of the executive vis-à-vis an external group (such as the legislature or the party in a single-party system) and it is coded in a seven-category scale, which goes from 1 (Unlimited authority) to 7 (Executive Parity or Subordination). In the former, “there are no regular limitations on the executive's actions” whereas in the latter “accountability groups have effective authority equal to or greater than the executive in most activity”. A value of 3 means that “there are some real but limited restraints on the executive”, while a value of 5 indicates that “the executive has more effective authority than any accountability group, but [it] is subject to substantial constraints by them”.

---

<sup>2</sup>At the end of section A5 below, we provide a comparative discussion of the prerogatives of the three polities of the rulers of England, Spain, and Portugal (including a comparison of their extensive domains).

Table A2: Acemoglu-Johnson-Robinson main “constraint on the executive” Polity IV classification.

	England	Netherlands	Spain	Portugal	France	Italy	Poland
1400	3	3	2	2	2	3	3
1500	2	3	1	1	2	3	3
1600	3	5	1	2	1	2	3
1700	5	5	1	2	1	1	3
1750	5	5	1	2	1	1	3
1800	7	4	2	2	4	1	1

Source: *Acemoglu et al. (2002, p.86)*

Scores of 2, 4, and 6 are used for intermediate situations (Marshall et al., 2002, p.65).

Acemoglu et al. (2005) write:<sup>3</sup>

“The main source for this exercise was William L. Langer (1972), a classic historical encyclopedia, written with a focus on constitutional events. We supplemented this work with the more recent edition by Peter N. Stearns ... While there may be disagreement about the precise values used in particular years, the general level of constraint on the executive does not appear to be controversial. For example, the absolutist regimes of France, Portugal, and Spain clearly had much less constraint on the executive than did the Netherlands after independence or England after the Civil War”

A subjectively built Polity IV score based exclusively on Langer (1972) and Stearns (2001) is evidently an exercise with weak empirical foundations. Additionally, while Polity IV was designed to capture year-to-year formal changes, the exact coverage of the measurements displayed by AJR was left unexplained: do the years shown correspond to midpoints, to concrete years, or to centuries as a whole? The coding of historical regimes using Polity IV’s “Executive Constraints” is a useful exercise, provided that criteria are clear and objective and the empirical foundations are solid. For the present purposes, the benchmark years chosen by AJR are too rough to capture the most important changes, so we use 50-year benchmarks, which represent the end point of the changes in the half-century before the date. So, for instance, our code for “1500” reflects the constitutional

<sup>3</sup>They additionally claim that the “main difference in coding between following the Polity rules and using DeLong and Shleifer (1993) is that the Polity coding rules imply feudal regimes had a weak constraint on the executive” (Acemoglu et al., 2002, p.60)

Table A3: Our “constraint on the executive” Polity IV classification.

	England	Spain	Portugal
1400	5	5	5
1450	5	5	5
1500	4	4	4
1550	3	4	4
1600	3	3	2
1650	4	2	4
1700	5	2	3
1750	6	1	2
1800	7	1	1

Sources: our estimates (see text).

rules in place in that year. We now show, in Table A3, our own Polity IV classification, which unlike that of Acemoglu et al. (2005) is closely based on historical sources. In the paragraphs that follow, we present a detailed justification of our choice of scores.

By 1400, England, Portugal and Spain had broadly similar constitutions. Following the Polity IV criteria for “Executive Constraints”, the three monarchies had an “accountability group” in the shape of the representative assemblies, which had some formal powers over the executive branch (represented by the monarchs, their ministers and councils). In 1400, all the three ruling dynasties had seized power with parliamentary support: in Portugal, João I was chosen king by *Cortes* of Coimbra/1385, whose aptly-named “Act of Election” set a constitutional precedent (Henriques, 2019). In England, the confrontation between Richard II and his challengers started in the Wonderful Parliament of 1386 and culminated in the second session of the Parliament of Westminster/1397. In Castile, the new monarch, Enrique II, sought legitimization by the *Cortes* of Burgos/1366-7, who sanctioned his violent ascent to the throne, and did not forget to summon the assemblies more often than his predecessors (Serrano, 1987, p.406). Also, in the middle of the military and constitutional troubles of the later fourteenth century, the representative institutions won de facto roles in consenting to administrative reform, laws and changes in coinage. What (Harriss, 1996, p.510) says about the evolution of the Parliament of England up to the second half of the fourteenth century fits just as well its two Peninsular counterparts:

“Parliament emerged as an instrument of government for the common profit, but also as the institutional expression of the community of the realm. For that common profits - which under the pressure of war came to be identified with the preservation of the state from danger - the Crown could require

taxation from its subjects. Because the danger touched the whole realm, and Parliament represented the whole realm, Parliament alone could assent to the necessity and authorize taxation to meet it”

Thus, by 1400 the three polities developed a representative assembly with formal prerogatives in contrast to, say, contemporary France where historians see “a failure (...) to develop adequate system of representation” (Lewis, 1962, p.3). The two *Cortes* and the Parliament alone could grant extraordinary taxes and, hence, influenced the military projects of the executive (Harriss, 1996, p.510).<sup>4</sup> As such, the relationship between the respective monarchs and parliaments cannot be lower than 3 (“real but limited restraints on the executive”). The issue is whether by 1400 the three parliaments considered did or did not exert “substantial constraints” over the executive power and hence can reach the score of 5. In 1400, the answer is positive for all three. In all three cases, parliaments discussed plans, alliances, peace treaties and, crucially, how (and if) to obtain the resources for war. In Castile, the 1390s mark the heyday of its power (Triano Milán, 2019, p.80).

The period 1400-1450 did not see meaningful changes in England or Portugal. In Castile, however, the *Cortes* were cut short to only 17 municipalities (González Sánchez, 2017), as a response from complaints voiced by the municipalities themselves over the expenses caused by the frequent summoning of the *Cortes*. On the other hand, the Crown granted the *Cortes* the possibility to appoint fiscal officers for the taxes demanded. This concession opened up a very active phase for the *Cortes* in which they got the strength to discuss the issue of coinage and to demand fiscal reforms, even if they lost the initiative in foreign affairs (González Sánchez, 2017). The strong reductions in the sums asked in the 1430s and 1440s are a testament to the strength of the Castilian *Cortes* (Triano Milán, 2019, p.96-7).

By 1500, England, Portugal and Spain had broadly similar constitutions. Parliaments were then not consulted by the monarchs as much as earlier, but in this they were victims of their own success, since they had started to demand a certain measure of oversight over the taxes which they had advanced for one and half centuries. All three retained an “accountability group” in the shape of the representative assemblies, which all had some formal powers over the executive branch (represented by the monarchs, their ministers and councils). But by 1500 they had let go their century-old aspirations of controlling the expenditure by means of a permanent body (Keir, 1973, p.39), as it happened with the *Generalitats* emanating from the parliaments of Catalonia and Valencia under the Crown of Aragon.<sup>5</sup> Overall, around 1500 the Iberian *Cortes* and the English Parliament

---

<sup>4</sup>See also Serrano (1991, p.303).

<sup>5</sup>See also Russell (1990, p.12).

firmly held the keys to extraordinary taxes and, hence, to the military plans envisaged by the executive. The representative institutions had won and retained de facto roles in consenting to administrative reform, laws and changes in coinage and, in the case of England, the Parliament also doubled as a court. As such, the relationship between the respective monarchs and parliaments cannot be lower than 3 (“real but limited restraints on the executive”). By 1500, did the three parliaments did or did not exert “substantial constraints” over the executive power, hence reaching the score of 5? Taking 1500 as representative of the 1450-1500 period, the answer is negative for all three. While parliaments held a fiscal role, in none of the three countries could they, as they aspired to, control the expenditure (Keir, 1973, p.39). Nevertheless, the political role of the parliaments in the previous period shows that it could block some military initiatives and its counsel and consent were sought after when it came to legislate, reform, and issue coinage. As such, we have settled for the intermediate value between 5 and 3. In Castile, the period is divided between the Trastamara dynasty under which the *Cortes* had a major political role and ambitions, and the reign of Ferdinand and Isabella, which managed to bypass the Castilian *Cortes* between 1480 and 1498, and denied the *Cortes* its legislative and political ambitions (Zamora, 1988, p.52-6). Nevertheless, outside of Castile the monarchy remained tied to written constitutional pacts and had to share administrative and judicial powers with the *Generalitats* of Catalonia and Valencia. In Portugal, the king was more constrained. The strength of the *Cortes* is that it gathered the representatives freely chosen by hundreds of the municipalities within the kingdom, with elections which had different degrees of formality, ranging from tight elections with hundreds of voters to simple popular acclaim (da Silva, 1993; Domingues and Monteiro, 2018).<sup>6</sup> Also, the finances of the monarchy were bound by the *vedoria da fazenda*, which was not related to the *Cortes*. In both Iberian countries the king was free to legislate outside parliament but the laws issued “in the *Cortes*” could not be overruled by the king without consent of the that body (Hespanha, 1982, p.374).

By 1550, the strength of the position of the assemblies vis-à-vis the executive had not significantly changed in Portugal. In Castile, under Carlos I, the *Cortes* attained the long aspiration of having a permanent committee to oversee the taxes: the *Diputación* (Fortea, 2008, p.11). The municipalities also obtained an old aspiration: the fixation (*encabeza-*

---

<sup>6</sup>The earlier sources suggest that Portuguese elections were not made by counting votes but by popular acclaim (da Silva, 1993; Domingues and Monteiro, 2018). By contrast, late sixteenth- and seventeenth-century election records show that voters were listed and voted one-by-one. There are few surviving detailed records of electoral procedures, but the letters of municipalities attested that they elected by “the people”. By definition, in the case of the *procuradores* of the “petty people” or craftsmen, elections included everyone. Interestingly, in clear opposition to England, royal judges and officers could not be elected as representatives to the *Cortes* (Domingues and Monteiro, 2018, p.612), avoiding a conflict of interest.

mento) of the sums of the sales taxes (*alcabalas*). The *Cortes* of Toledo/1538-9 rejected the sales taxes known as *sisas*. At the same time, the *comuneros* revolt was violently put down, and the right to sit at the assembly remained restricted to 18 great municipalities (i.e. the previous 17 plus Granada) which were, however, increasingly represented in the *Cortes* by municipal rulers (*regidores*) appointed by the monarchy (Domínguez Ortiz, 1978, 196-8). In Portugal, the *Cortes*, although meeting infrequently, kept their formal powers, and the municipalities secured a major formal concession from the monarchy when the administration of the sales taxes was devolved to the municipalities in the *Cortes* of Torres Novas/1525, eleven year before the case in Castile (1536). Together with this long-term ambition, the *Cortes* also secured in 1525 the promise from King João III that they would meet every ten years in his reign, a promise that was not kept, as *Cortes* met in 1535 and 1544 and the king died in 1557. In England, the Tudors “debased” the legislative role of the Parliament (Keir, 1973, p.99) and exerted more royal control over the representatives (Keir, 1973, p.139).

By 1600, the Portuguese *Cortes* did not exert constitutional checks on the executive. The new king now resided in Madrid and ruled Portugal through an institution called *Consejo de Portugal* functioning in the Spanish capital and impervious to the petitioning and grievances of the municipalities and individuals. Although the Portuguese *Cortes* were not abolished during the dynastic union and the foreign kings occasionally summoned them, they did not play a relevant political role. The existence of the *Constituição de Tomar* approved in the *Cortes* of Tomar/1581 limited the role of royal prerogative, however; consequently, a score of 1 would be too low. The “bias towards absolutism” was also felt in England where constitutional historians speak of an “ascendancy of the Crown in government”, although the formal fiscal and legal competences of the Parliament were not affected (Keir, 1973, p.155-6).<sup>7</sup> In England, no major changes are observable, while in Castile the *Cortes* became more pliable after the death of Philip II (Gelabert González, 2003).

By 1650, the recovery of independence of Portugal since 1640 had important consequences. Wars with Spain and with the Dutch West India Company (WOC) breathed a new life into the Portuguese parliamentary institution. Renewed meetings of the *Cortes* and intense fiscal bargaining led the Crown to finally accept the creation of a permanent committee with the role of disbursing taxes and other fiscal revenues. This came in the form of the *Junta dos Três Estados* from 1643. This institution’s members were, for the rest of the century, appointed by the three estates present in *Cortes* (people, nobility and clergy), and it kept the oversight over new taxes approved in *Cortes*. Whereas

---

<sup>7</sup>See also Russell (1990).

the Castilian equivalent, the *Deputación* was locked within the *Consejo de Hacienda*, the *Junta* remained autonomous in the management of the fiscal resources. In England (unlike Castile) Parliament successfully opposed royal meddling in the elections of the representatives to the Commons (Keir, 1973, p.174-7). The stark opposition of Parliament against the unpopular foreign policy of Charles I and his fiscal devices created substantial constraints on the executive. While Later Stuart parliaments had a similar formal role to earlier periods, they secured from Charles II the few remaining fiscal prerogatives. In Castile, executive constraints continued to weaken, as exemplified by the inability of the *Cortes* to stop the major fiscally-motivated debasements of the coinage undertaken by the Crown.

In 1700, England was under the “Classical Age of the Constitution”, which took shape from the 1660s, and according to which sovereigns “could not legislate nor tax outside of parliament”, though the monarch retained executive powers. Both prior and after the Glorious Revolution of 1688-9, “parliamentary encroachment” was resisted by the Crown, which kept the veto on Parliament, although in fact it did not use it (Keir, 1973, 297-9). Nevertheless, the creation of the prime-minister as an established position with control over the expenditure and the annual budget with shutdown reversions marked the strength of Parliament vis-a-vis the Monarchy (Cox, 2016, p. 12). This warrants a score of 5. In Portugal, until 1698 Parliament continued to meet and kept its fiscal role. The *Junta* continued to exist (until 1791) and to manage the fiscal revenues approved by the *Cortes* of 1641, including the *décima*. It also extended its influence to new sources of revenue, but it was no longer elected by the *Cortes*, which did not meet, although they were not formally abolished. As shown in the discussions about the pros and cons of summoning them for obtaining funds in the 1710s and 1720s (Almeida, 1995), the *Cortes*, in theory, retained the keys to the extraordinary taxation. As such, constitutionally they still exerted influence on the executive decisions. But is clear that by not meeting, executive constraints were reduced relative to the prior period. Between 1700 and 1750, Spain under the Bourbon dynasty became more centralized. The *Cortes* met rarely and became essentially ceremonial. The *Cortes* of Castile were reformed so as to represent the whole of Spain (except Navarre) but they did not recover their fiscal powers. In fact, new kingdom-wide *servicios* were raised without their consent in 1703, 1710 and 1716 (Artola, 1982, p.475). The impact of the *Cortes* on the executive branch was null. This period coincides with the reigns of Felipe IV and Carlos II. Under the former, a royal decree in 1655 stripped the *Cortes* of their fiscal role. Accordingly, eleven kingdom-wide *servicios* were imposed outside the *Cortes* between 1667 and 1785 (Artola, 1982, p.175). Under Carlos II the *Cortes* never met and the municipalities negotiated directly with the monarch on an individual basis (Fortea (2008, pp.321-63)). Eventually, even the

*Deputación* was extinguished in 1698.

Unlike for earlier periods, Polity IV attributes numbers for 1800: 7 to England, and 1 to both Spain and Portugal (Marshall et al., 2002). We agree with these scores. Between 1750 and 1800, the formal constraints on the executive in the Iberian monarchies were very weak. In Portugal, the *Cortes* did not meet and the very principle of parliamentary consent to extraordinary taxes was denied in the second half of the eighteenth century (Albuquerque, 2012, p.303). In 1789, the *Junta dos Três Estados*, which had jurisdiction upon the old parliamentary-approved subsidies, was deprived of its oversight role (Cardim, 2005). In Spain, the situation was essentially the same as in the previous half century. In Britain, by contrast, the second half of the eighteenth century saw the emergence of a Parliament-appointed cabinet which was a “coherent entity independent of the Crown” and of a prime-minister who was the substitute of the king (Keir, 1973, p.379-381). Finally, with the Act of 1797, the Parliament would no longer be dissolved by the death of the person of the king (Keir, 1973, p.375). Hence the score of 7 given by Polity IV (Marshall et al., 2002) makes sense.

The previous paragraphs conclude our discussion of the Polity IV classification. As a comparison of Table A2 and Table A3 shows, our measures diverge significantly from those of AJR: we have shown that there was no noticeable political divergence before the seventeenth century. Acemoglu et al. (2005) have a second measure, “protection for capital”, claimed to be calculated independently (Acemoglu et al., 2002, p.60).<sup>8</sup> We show this second measure in Table A5. The sources used to built it are again vague and it does not differ much from their main measure, hence we do not discuss it further.

### A3. Replication of the Acemoglu-Johnson-Robinson results

We now repeat the AJR econometric analysis using our improved executive constraints measures. In their original paper, AJR argue that countries with good initial institutions who could take advantage of the Atlantic trade subsequently enjoyed economic growth and positive institutional change. To buttress their argument, they estimate a triple interactive effect between initial institutions, whether a country was an Atlantic trader, and the volume of Atlantic trade (Acemoglu et al., 2005, Table 7 on p.571). They find that this effect is positive and significant for three outcome variables: Urbanisation, log

---

<sup>8</sup>They write that: “limitations on the arbitrary use of power by the executive ... [are] presumably correlated with the security of property rights for merchants and the control over the monopoly of overseas trade” (Acemoglu et al., 2005, p.569). These authors recognize in passing that additional constraints on the executive are not necessarily better as they could occur as a consequence of the nobility having more power, and in a footnote acknowledge that “a number of significant constraints on monarchs were imposed by the nobles and did not necessarily serve to protect the rights of merchants”.

GDP per capita, and constraints on the executive. AJR interpret these findings as meaning that Atlantic traders with good initial institutions who took advantage of the trade opportunities overall achieved better economic and institutional outcomes.

We follow exactly the same specifications as AJR but update our measures of constraints on the executive for England, Spain and Portugal, based on Table A3. The results are shown in Table A4, whereby the key triple interaction as well as its t-statistic are highlighted in bold. The Table consists of three separate panels, each highlighting the results for a different dependent variable: urbanisation (panel a), log GDP per capita (panel b), and constraint on the executive (panel c). The triple interaction appears in twelve specifications (four in each panel). In contrast to the authors, we find that the triple interaction is statistically insignificant at the 5% level in nine out of twelve specifications, with t-statistics typically around 1. Moreover, in one specification (Column 4 of Panel c)), the effect is statistically significant but of the opposite sign of what the authors find. Moreover, the size of the two estimates that remain statistically significant and of the expected sign constitutes only a small fraction of the Authors' estimates.<sup>9</sup>

Thus, the authors' conclusions are driven by their flawed classification of English, Spanish and Portuguese institutions. Once corrected for these, the results do not arise even when using the author's own methodology. Beyond this, there are further issues with the approach of AJR which raise doubts over the validity of the results. The authors do not apply robust standard errors and do not account for the fact that they estimate a large number of empirical models (30 in their Table 7 alone), which increases the chance of coefficients that by chance appear as statistically significant. Moreover, their linear use of the "initial institutions" variable is problematic, as there is no intuitive sense why an increase in institutions from 3 to 4 should have the same effect as from 1 to 2.

It cannot be established, however, that this leaves the matter satisfactorily settled, given the doubts raised in the main text. Another solution would be a related index of the "protection of capital", also proposed by Acemoglu et al. (2005) on the grounds that the two measures are "presumably correlated" (p.569). For the four main Atlantic traders, they do in fact match almost perfectly across both tables, there being less than 10 cases out of 300 in which the "protection of capital" does not coincide with the "constraints on the executive" (Acemoglu et al., 2002, p.85-91).<sup>10</sup> The problems of subjectivity and

---

<sup>9</sup>In Acemoglu et al. (2005, Table 7 on p.571), Panel a) Columns 4 and 9 both yield coefficients of 0.21, while we find 0.007 and 0.005, respectively.

<sup>10</sup>Transatlantic trade would have been a better description because by 1492, Atlantic trade had been going on for decades. What started then was the 'trans-Atlantic trade'. Nevertheless, for convenience we bow to convention and use the term "Atlantic trade".

Table A4: Replication of Table 7 in AJR 2005 with updated constraints

Using Atlantic trader dummy as measure of Atlantic trade										
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Panel A: Dependent variable is urbanization										
	Panel, 1300- 1850	Panel, 1300- 1850	Panel, 1300- 1850	Panel, 1300- 1850	Panel, 1300-1850, unweighted	Panel, 1000- 1850	Panel, 1000- 1850	Panel, 1000- 1850	Panel, 1000- 1850	Panel, 1000-1850, unweighted
Atlantic trader dummy x volume of Atlantic trade		0.011 (0.002)	0.011 (0.002)	0.004 (0.004)	0.007 (0.008)		0.008 (0.002)	0.008 (0.002)	0.003 (0.003)	0.012 (0.007)
<i>p</i> -value for initial institutions x year (1600, 1700, 1750, 1800, 1850)	[0.06]		[0.5]	[0.28]	[0.96]	[0.13]		[0.08]	[0.02]	[0.46]
<b>Volume of Atlantic trade x initial institutions x Atlantic trader dummy</b>				0.007 (0.001)	0.003 (0.003)				0.005 (0.001)	0.001 (0.002)
<b>T-statistic</b>				5.388	1.208				5.145	0.291
<i>R</i> -squared	0.88	0.88	0.89	0.91	0.82	0.86	0.86	0.87	0.88	0.78
Number of observations	192	192	192	192	192	240	240	240	240	240
Panel B: Dependent variable is log GDP per capita										
	Panel, 1500- 1820	Panel, 1500- 1820	Panel, 1500- 1820	Panel, 1500- 1820	Panel, 1500-1820, unweighted	Panel, 1500- 1870	Panel, 1500- 1870	Panel, 1500- 1870	Panel, 1500- 1870	Panel, 1500-1870, unweighted
Atlantic trader dummy x volume of Atlantic trade		0.069 (0.016)	0.069 (0.016)	0.06 (0.025)	0.065 (0.043)		0.039 (0.017)	0.039 (0.017)	0.044 (0.027)	0.033 (0.041)
<i>p</i> -value for initial institutions x year (1600, 1700, 1750, 1800, 1850)	[0.4]		[0.31]	[0.33]	[0.55]	[0.66]		[0.64]	[0.64]	[0.49]
<b>Volume of Atlantic trade x initial institutions x Atlantic trader dummy</b>				0.004 (0.009)	0.007 (0.014)				0.002 (0.01)	0.01 (0.014)
<b>T-statistic</b>				0.463	0.455				0.199	0.729
<i>R</i> -squared	0.94	0.95	0.96	0.96	0.96	0.95	0.95	0.95	0.95	0.95
Number of observations	96	96	96	96	96	120	120	120	120	120
Panel C: Dependent variable is constraint on the executive										
	Panel, 1300- 1850	Panel, 1300- 1850	Panel, 1300- 1850	Panel, 1300- 1850	Panel, 1300-1850, unweighted	Panel, 1500- 1850	Panel, 1500- 1850	Panel, 1500- 1850	Panel, 1500- 1850	Panel, 1500-1850, unweighted
Atlantic trader dummy x volume of Atlantic trade		0.336 (0.067)	0.336 (0.067)	0.54 (0.104)	0.293 (0.174)		0.303 (0.053)	0.302 (0.053)	0.353 (0.085)	0.088 (0.137)
<i>p</i> -value for initial institutions x year (1600, 1700, 1750, 1800, 1850)	[0.61]		[0.54]	[0.45]	[0.95]	[0.76]		[0.72]	[0.70]	[0.76]
<b>Volume of Atlantic trade x initial institutions x Atlantic trader dummy</b>				0.004 (0.009)	0.007 (0.014)				0.002 (0.01)	0.01 (0.014)
<b>T-statistic</b>				2.534	1.538				0.775	0.31
<i>R</i> -squared	0.74	0.77	0.78	0.79	0.71	0.70	0.74	0.74	0.74	0.64
Number of observations	192	192	192	192	192	240	240	240	240	240

Source: following Acemoglu et al. (2002, p.86), but with updated measures of executive constraints from Table A3.

Table A5: Acemoglu-Johnson-Robinson main “protection for capital” measure.

	England	Netherlands	Spain	Portugal	France	Italy	Poland
1400	2	3	2	1	1	3	1
1500	2	3	1	1	1	3	1
1600	3	5	1	2	1	2	1
1700	5	5	1	2	1	1	1
1800	7	4	2	2	5	1	1

Source: Acemoglu et al. (2002, p.86)

Table A6: Activity index of Parliaments.

	15th century	16th century	15th to 16th c. average
Spain	38	32	35
Portugal	48	12	30
England	62	58	60
Netherlands	20	80	50

*Source: (van Zanden et al., 2011, p.7-8)*

empirical fragility remain, however, and are probably compounded given that the two procedures involved are practically the same. The results are close to those in Table A2, which is perhaps not surprising given that they suffer from similar construction defects.

To circumvent the above flaws, van Zanden et al. (2011) have brought forward a new methodology to evaluate institutional quality. These authors count the number of years in which parliaments in any country met during each century and thus measure directly the extent of “executive constraint”. The rationale seems intuitive. Parliament was the natural locus of the forces in the country which might be capable and inclined in these times to oppose the will of the monarch. This measure enjoys significant advantages over its predecessor: it is less subjective and does not suffer from the formalism of the Acemoglu-Johnson-Robinson method. Table A6 compiles the activity indexes of the parliaments of the Atlantic traders during the period 1400-1600, using the dataset by (van Zanden et al., 2011, p.7-8). Note that it is not clear how to interpret “initial institutions” in this context – that is those existing around 1500 – so we also add a column with the average meetings of parliaments in the fifteenth and sixteenth centuries, although this is a less than satisfactory solution.

Acemoglu et al. (2005) recognize that the early modern institutions of England and then Netherlands were in many ways not modern; for instance, the franchise was very limited. The van Zanden et al. (2011) index seems to support Acemoglu et al. (2005)’s view that initial institutions in England and the Netherlands were somewhat “better” than those of Iberia – but not by much as far as the fifteenth century is concerned. This small initial difference makes the view that Portugal and Spain were below a “critical institutional quality” threshold tautological.<sup>11</sup> But it is also the case that to reach that conclusion, two logical leaps are required.

<sup>11</sup>Furthermore, presenting the distribution by century obscures what is happening around 1500. It thus makes it difficult to assess Acemoglu et al. (2005)’s claim that “initial” Iberian institutions were already worse around the time of the opening of the Atlantic trade.

First, that a higher frequency of parliamentary meetings necessary means higher constraints on the executive. Is it really the case that meeting more often means “better” institutions or additional checks on royal authority? In order to reach that conclusion we must consider the reasons why parliaments met. At times of war, for instance, fiscal needs became more stringent and parliaments naturally met more often. Meetings often had nothing at all to do with constraints on the executive, instead being related to dynastic crises or the practical aspects of dealing with other emergencies, such as war. The frequent summoning of an acquiescent assembly that granted subsidies for foreign wars cannot be construed as a constraint on the executive.

Second, even if we could make the interpretation that the frequency of meetings meant higher constraints on the executive, it is important to discuss in detail whether a more “absolutist” state is necessarily worse for the economic performance of pre-modern economies. Even in times of peace, too much division of authority itself could reinforce the privilege of elites and be simply self-defeating, as Poland found out (Malinowski, 2019; Ogilvie and Carus, 2014).<sup>12</sup>

Are more constraints on executive power unambiguously good for the economic development of pre-modern economies? The key reference here is Epstein (2000), who successfully demonstrated that the vision which holds that more centralized, “absolutist” governments were necessarily more predatory than more representative systems ignores the fact that the former also had much more power to implement aggregate welfare-enhancing policies. This could happen in a Pareto-improving fashion, by successfully compensating losers through redistribution of the gains from implementing growth-enhancing policies, but in some cases, Pareto-efficiency is too strong a notion because there is no way to credibly compensate political losers (Acemoglu, 2003).

The Acemoglu et al. (2005) position is influenced by North and Weingast (1989),

---

<sup>12</sup>Ogilvie and Carus (2014) write that “The second serfdom was typically less restrictive in those societies in which the ruler had more power relative to the parliament, since this enabled the ruler to resist extremes of rent-seeking by noble landowners who were primarily represented in parliaments in those countries . . . Those Eastern European societies, such as Poland or Mecklenburg, which had very strong parliamentary organs representing the interests of wealth holders, were also those in which the second serfdom was most oppressive and economic growth most stifled”. They argue that parliament’s capture by the special interests of wealth holders is not specific to them being landholders. These authors give as an example the German state of Württemberg, where there were strong parliamentary constraints over the executive and most members of Parliament were “bourgeois wealth-holders drawn primarily from industrial and commercial occupations”. They used their parliamentary power to give privileges to themselves, which “contributed to the stagnation of the Württemberg economy throughout the early modern period”. A similar situation happened in the Dutch Republic after circa 1670. By contrast, with Württemberg or the Dutch Republic, in the more autocratic Prussia, “by the early 19th century the executive arm of government . . . became strong enough to withstand much more of the rent-seeking pressure exerted by parliaments manned by representative wealth-holders”.

which Clark successfully criticized, showing that secure private property rights existed in England “since at least as early as 1600, and probably much earlier” (Clark, 1996, p.565).<sup>13</sup> At the same time, the emerging consensus view on Spain’s early modern decline is not that it resulted from Crown absolutism but quite the opposite: early modern Spain was a “weak state” (Grafe, 2012), where the centralized government had to deal with a multitude of local power-bases and interests, with consequences for low fiscal capacity and market integration.

Finally, the van Zanden et al. (2011) data suggests that in the sixteenth century the comparative frequency of parliamentary meetings in England or the Netherlands was higher than in Spain and Portugal.<sup>14</sup> We show in the main text that this was true for Portugal but not Spain. Only by the last quarter of the sixteenth century is there a small but noticeable difference. Furthermore, many of the meetings may have had nothing to do with useful checks on executive constraints.<sup>15</sup>

#### A4. On Tudor despotism

Economic historians of earlier generations had no hesitations in writing about “Tudor despotism” (Fisher, 1957). In fact, following the Tudor centralization of power under Henry VII and, especially, Henry VIII – including massive expropriation of property belonging to the monasteries – it is hard to believe that royal rule was less forceful in England than in Spain or Portugal.<sup>16</sup> Despite long-held assumptions by some historians that the monarch had less power compared to elsewhere since the days of the Magna Carta, we need to consider that in 1500 England was witnessing the rise of the Tudor dynasty. A recent biographer of Henry VII, for instance, notices on how the Venetian ambassador was shocked at the ease with which the king was able to change laws to his pleasure with

---

<sup>13</sup>See, however, the response by Robinson (1998), who argues the adjustment in response to Crown default risk was done by rationing credit rather than through interest rate increases. The rationing hypothesis loses weight, however, in light of Drelichman and Voth (2014)’s evidence that lenders kept doing business with Philip II despite repeated defaults by the monarch. See also Cox (2016, p.74), who shows that Robinson’s account does not hold for England after the early 1700s, once the Crown could no longer unilaterally revise the terms of repayment.

<sup>14</sup>By focusing on the sixteenth century as the “initial moment”, we are putting the weight of the evidence against us. This is because the relative frequency of meetings is much more favorable for Iberia in the fifteenth century, which, unlike suggested by Acemoglu et al. (2005), is in fact when Atlantic trade truly began (the occupation of Madeira by Portugal started in 1419 and that of the Canaries by Spain began following its conquest beginning in 1402).

<sup>15</sup>Below, we also consider Tudor despotism, and “pactism”: the idea of negotiated contract between the Crown and the ruler, with each part assuming concrete responsibilities (sections A2 and A3).

<sup>16</sup>Under Henry VIII, prevailed “the old idea that sovereignty was primarily the right to give final decisions in justice, as evidenced by the famous preamble to Henry VIII’s Act in Restraint of Appeals which allows the king “plenary, whole and entire power . . . to render and yield justice and final determination to all matter of folk residents or subjects within his realm” (Strayer, 2005, p.102)

Table A7: Total summons of Parliaments and motives that justified them.

	Total sum- mons	Dynastic issues	% of total	Extraord. tax	% of total	Neither of the two	% of total
1385-1449							
Castile	42	6	(14%)	33	(79%)	6	(14%)
England	44	2	(5%)	31	(70%)	13	(30%)
Portugal	38	4	(11%)	20	(53%)	16	(42%)
1450-1499							
Castile	15	6	(40%)	9	(60%)	2	(13%)
England	18	5	(28%)	11	(61%)	2	(11%)
Portugal	19	1	(5%)	13	(68%)	5	(26%)
1500-1549							
Castile	21	1	(5%)	17	(81%)	14	(18%)
England	11	2	(18%)	6	(55%)	3	(27%)
Portugal	4	1	(25%)	4	(100%)	0	(0%)
1550-1599							
Castile	15	0	(0%)	15	(100%)	0	(0%)
England	15	1	(7%)	12	(80%)	3	(20%)
Portugal	5	3	(60%)	1	(20%)	1	(20%)
1600-1649							
Castile	11	1	(9%)	9	(82%)	1	(9%)
England	10	0	(0%)	9	(90%)	1	(10%)
Portugal	4	1	(25%)	3	(75%)	0	(0%)
1650-1699							
Castile	2	0	(0%)	2	(100%)	0	(0%)
England	30	5	(17%)	12	(40%)	15	(50%)
Portugal	5	5	(100%)	1	(20%)	0	(0%)
1700-1749							
Castile/Spain	4	4	(100%)	0	(0%)	0	(0%)
England	4	0	0%	1	25%	3	75%
Portugal	0	0	(-)	0	(-)	0	(-)
1750-1800							
Castile/Spain	2	2	(100%)	0	(0%)	0	(0%)
England	—	—	—	—	—	—	—
Portugal	0	0	(-)	0	(-)	0	(-)
1385-1700							
Castile/Spain	106	20	(19%)	85	(80%)	12	(11%)
England	128	15	(12%)	82	(64%)	40	(31%)
Portugal	75	15	(20%)	42	(56%)	22	(29%)

Sources: same as in Figure 2 of the main text. Notes: percentages can sum to more than 100%, because some parliaments were summoned for both dynastic and tax reasons. Since we are counting parliamentary summons in this table, the exercise no longer applies to the Parliament of Britain once it became permanent (1707). The category political and dynastic issues includes dealing with dynastic crises as well pledging the allegiance of the Cortes to the heir to the throne.

no respect for the “traditional English laws” (Penn, 2012) and comments extensively on Henry VII’s increasingly personal rule.<sup>17</sup> In subsequent pages, Penn describes how Henry VII continued to tighten his grip over London’s merchants: “[Crown officials] would tell the city what to do and when . . . they were being treated as a sub-department of the royal household, and would be required to foot a huge bill for the privilege” (Penn, 2012).

Table A8: Full list of Parliaments, with summoning motives indicated

Castile/Spain	England/Britain	Portugal
Valladolid/1385, Dynastic	WonderfulParl/1386, Dynastic, Tax	Coimbra/1385, Dynastic, Tax
Segovia/1386, Tax	Westminster/1388, Dynastic, Tax	Porto/1387
Briviesca/1387, Tax	Cambridge/1388, Tax	Braga/1387, Tax
Palencia/1388, Tax	Westminster/1390A	Lisbon/1389, Tax
Segovia/1389, Tax	Westminster/1390B	Coimbra/1390, Tax
Guadalajara/1390, Tax	Westminster/1391, Tax	Évora/1390-1
Madrid/1391, Dynastic	Westminster/1393, Tax	Viseu/1391, Tax
Burgos/1392, Tax	Westminster/1394	Coimbra/1394, Tax
Madrid/1393, Tax	Westminster/1395, Tax	Santarém/1396, Tax
Segovia/1396	Westminster/1397	Coimbra/1397, Tax
Madrid/1399, Tax	Westminster-Shrewsbury/1397, Tax	Coimbra/1398, Tax
Tordesillas/1401, Tax	1stHenIV/1399	Porto/1398, Tax
Toledo/1402	2ndHenIV/1401, Tax	Lisbon/1399, Tax
Toledo-Segovia/1406-7, Tax	3rdHenIV/1402, Tax	Coimbra/1400
Guadalajara/1408, Tax	Westminster/1404, Tax	Guimarães/1401
Valladolid/1409, Dynastic, Tax	Conventry/1404, Tax	Montemor-o-Novo/1402
Córdoba-Segovia/1410, Tax	Westminster/1406, Tax	Santarém/1402
Valladolid/1411, Tax	Gloucester/1407, Tax	Lisbon/1404, Tax
Guadalajara/1412, Tax	Westminster/1410, Tax	Santarém/1406
Madrid-Valladolid-Tordesillas/1419, Tax	Westminster/1411	Évora/1408

<sup>17</sup>“There was . . . a constant undertone of friction between the city [of London] which jealously guarded its political and economic liberties and a Crown which sought to control and manipulate them. Cracking down on . . . economic crimes indulged by the city’s merchants and financiers, Henry had made examples of prominent Londoners with a series of swinging fines . . . Henry’s embargo on trade with the Low Countries had wrecked London’s economy; with merchants unable to export goods to the great commercial centers of Bruges and Antwerp, a ban reinforced by sporadic harassment and intimidation by Royal officials. To the consternation of the city guilds, when trade officially restarted in 1496 Henry himself decreed the appointment of the new governor of the English merchant adventurers in Bruges, a privilege previously reserved to the city” (Penn, 2012, Chapter 2).

Valladolid/1420, Tax	Westminster/1413, Tax	Lisbon/1410
Ávila-Ocaña/1420-22	Westminster/1414, Tax	Lisbon/1412
Valladolid/1425	Westminster/1415, Tax	Lisbon/1413
Palenzuela/1425, Tax	Westminster/1416, Tax	Estremoz/1416
Toro/1426	9thHenV/1420	Lisbon/1417
Zamora/1427, Dynastic	10thHenV/1421	Santarém/1418, Tax
Valladolid/1429, Tax	11thHenV/1421, Tax	Lisbon/1427, Tax
Burgos/1429, Tax	1stHenVI/1422	Santarém/1430, Tax
Medina-del-Campo/1430, Tax	2ndHenVI/1423	Leiria-Santarém/1433
Salamanca/1430, Tax	3rdHenVI/1425	Évora/1436, Tax
Palencia/1431	4thHenVI/1426	Leiria/1438
Medina-del-Campo/1431, Tax	5thHenVI/1427	Torres-Novas/1438
Zamora/1432, Tax	6thHenVI/1429, Tax	Lisbon/1439
Madrid/1433, Tax	7thHenVI/1431, Tax	Torres-Velhas/1441, Dynastic, Tax
Madrid/1434-5, Tax	8thHenVI/1432, Tax	Évora/1442
Alcalá-Madrid-Toledo/1435-6, Tax	9thHenVI/1433, Tax	Évora/1444, Tax
Madrigal/1438, Tax	10thHenVI/1435, Tax	Lisbon/1446, Dynastic
Valladolid/1439-40, Tax	11thHenVI/1437, Tax	Évora/1447, Tax
Valladolid/1442, Dynastic, Tax	12thHenVI/1439-40, Tax	Santarém/1451, Tax
Burgos/1444, Tax	13thHenVI/1442, Tax	Lisbon/1455, Tax
Olmedo/1445, Dynastic, Tax	14thHenVI/1445, Tax	Lisbon/1456, Tax
Valladolid/1447, Tax	15thHenVI/1447, Tax	Lisbon/1459
Valladolid/1451, Tax	16thHenVI/1449, Tax	Évora/1460, Tax
Burgos-Portillo/1453, Tax	17thHenVI/1449-50, Tax	Guarda/1465, Tax
Córdoba/1455, Tax	18thHenVI/1450-1	Santarém/1468, Tax
Madrid/1457-8, Tax	19thHenVI/1453-4, Tax	Santarém/1471
Madrid-Toledo/1462, Dynastic, Tax	20thHenVI/1455	Coimbra-Évora/1472-3
Salamanca/1465, Tax	21stHenVI/1459	Lisbon/1473, Tax
Madrid-Ocana/1469, Dynastic	1stEdwIV/1461-2, Dynastic	Évora/1475, Tax
Santa-Maria-de-la-Nieva/1473, Tax	2ndEdwIV/1462-3, Tax	Montemor-o-Novo/1477, Tax
Segovia/1474, Dynastic	3rdEdwIV/1467, Tax	Santarém-Lisbon/1477, Tax
Medina-del-Campo/1475, Dynastic, Tax	22ndHenrVI/1470, Tax	Lisbon/1478, Tax
Madrigal/1476	4thEdw/1472-5, Tax	Évora-Viana/1481-2
Toledo/1480	5thEdw/1478	Santarém/1482, Tax
Toledo/1489, Dynastic	6thEdw/1483, Tax	Évora/1490, Tax
Ocana/1499, Dynastic	1stRicIII/1484, Tax	Lisbon/1498
Sevilla/1499, Tax	1stHenVII/1485, Dynastic	Lisbon/1499
Sevilla/1500-1, Tax	2ndHenVII/1487, Tax	Lisbon/1502, Tax

Toledo-Madrid-Alcala/1502-3, Tax	3rdHenVII/1489, Tax	Torres-Novas/1525, Tax
Toro/1505, Dynastic	4thHenVII/1491, Tax	Évora/1535, Tax
Salamanca-Valladolid/1506, Tax	5thHenVII/1495	Almeirim/1544, Tax
Madrid/1510, Tax	6thHenVII/1497, Tax	Lisbon/1562, Tax
Burgos/1511	7thHenVII/1504, Tax	Lisbon/1579, Dynastic
Burgos/1512, Tax	1stHenVIII/1510	Almeirim/1580, Dynastic
Burgos/1515, Tax	2ndHenVIII/1512, Tax	Tomar/1581, Dynastic
Valladolid/1518, Tax	3rdHenVIII/1515, Tax	Lisbon/1583
Santiago-Coruna/1520	4thHenVIII/1523-4, Tax	Lisbon/1619, Dynastic
Valladolid/1523, Tax	5thHenVIII/1529-36, Dynastic	Lisbon/1641, Tax
Toledo/1525, Tax	6thHenVIII/1536, Dynastic	Lisbon/1642, Tax
Valladolid/1527	7thHenVIII/1539-40	Lisbon/1645-6, Tax
Madrid/1528, Tax	8thHenVIII/1541-2	Lisbon/1653-4, Dynastic
Segovia/1532, Tax	9thHenVIII/1545, Tax	Lisbon/1668, Dynastic
Madrid/1534, Tax	1stEdw/1547-52, Tax	Lisbon/1673-4, Dynastic
Valladolid/1537, Tax	2ndEdwVI/1553, Tax	Lisbon/1679-8, Dynastic
Toledo/1538	1stMary/1553	Lisbon/1697-8, Dynastic
Valladolid/1542, Tax	2ndMary/1554	
Valladolid/1544, Tax	3rdMary/1554-5, Tax	
Valladolid/1548, Tax	4thMary/1555	
Madrid/1551, Tax	5thMary/1557-8, Dynastic, Tax	
Valladolid/1555, Tax	1stElizl/1559, Tax	
Valladolid/1558, Tax	2ndElizl/1563, Tax	
Toledo/1559, Tax	3rdElizl/1571, Tax	
Madrid/1563, Tax	4thElizl/1572-83, Tax	
Madrid/1566-1567, Tax	5thElizl/1584, Tax	
Cordoba/1570, Tax	6thElizl/1587, Tax	
Madrid/1573-1575, Tax	7thElizl/1589, Tax	
Madrid/1576-1578, Tax	8thElizl/1593, Tax	
Madrid/1579-1582, Tax	9thElizl/1597-8, Tax	
Madrid/1583-5, Tax	10thElizI/1601, Tax	
Madrid/1586-8, Tax	1stJam/1604-10	
Madrid/1588-90, Tax	2ndJam/1614, Tax	
Madrid/1592-98, Tax	3rdJam/1621, Tax	
Madrid/1598-1601, Tax	4thJam/1624, Tax	
Valladolid/1602-4	1stChar/1625, Tax	
Madrid/1607-11, Tax	2ndChar/1626, Tax	
Madrid/1611-2, Dynastic	3rdChar/1628-9, Tax	

Madrid/1615	4thChar/1640, Tax
Madrid/1617-20, Tax	LongParl/1640-53, Tax
Madrid/1621, Tax	Barebones/1653, Dynastic
Madrid/ 1623-1629, Tax	1stProtec/1654, Tax
Madrid/ 1632-1636, Tax	2ndProtec/1658, Dynastic
Madrid/ 1638-1643, Tax	3rdProtec/1659, Dynastic
Madrid/ 1646-1647, Tax	Convention/1660, Dynastic, Tax
Madrid/ 1649-1651, Tax	Cavalier1/1661-2, Tax
Madrid/ 1655-1658, Tax	Cavalier2/1663, Tax
Madrid/ 1660-1664, Tax	Cavalier3/1664
Madrid/ 1701, Dynastic	Cavalier4/1665
Madrid/ 1709, Dynastic	Cavalier5/1665, Tax
Madrid/1712-1713, Dynastic	Cavalier6/1667, Tax
Madrid/ 1724, Dynastic	Cavalier7/1668
Madrid/ 1760, Dynastic	Cavalier8/1669
Madrid/ 1789, Dynastic	Cavalier9/1671, Tax
	Cavalier10/1673, Tax
	Cavalier11/1673
	Cavalier12/1674
	Cavalier13/1675
	Cavalier14/1675
	Cavalier15/1678
	Cavalier16/1678
	Cavalier17/1678
	3rdCharII/1679, Tax
	4thCharII/1680-1
	5thCharII/1681
	1stJamII/1685
	1stWilliam/1689, Dynastic, Tax
	2ndWilliam/1690
	3rdWilliam/1695
	4thWilliam/1698, Tax
	5thWilliam/1700, Tax
	6thWilliam/1701
	1stAnne/1702
	2ndAnne/1705

---

*Notes: In the early eighteenth century, the Parliament of England became that of Britain and the Cortes began representing Spain (except Navarre), hence the denominations England/Britain and Castile/Spain*

*in the columns. The motives indicated in this table follow those of Table 3 of our main text, with “dynastic” standing for dynastic issues and “tax” standing for extraordinary tax requested by the ruler. If nothing is indicated, then “neither of the two” applies. Sources: same as in Figure 2 of the main text.*

Other books emphasize the brutal methods through which state centralization was achieved. A well-known Tudor historian, for instance, writes that “Fifteenth-century English rulers had been content to be partners of the nobility. For Henry VII, in comparison, the goal was a monarchy in which the nobility served the king” (Guy, 2000, p.12). He goes on to argue that “Henry VIII managed in an absurdly short space of time to erect a network of financial and administrative checks and blueprints, the records of which never left the hands of himself and the selected few and the methods of which were equally of their own devising ... these vital matters were dealt with only by the king and his inner ring. It was a system that owed nothing to Parliament ... it owed everything to the king himself, whose vigilance and attention to detail were invincible” (Guy, 2000, p.14).

Henry VII “launched direct attacks on the local, territorial powers of the nobles, if he felt that those powers had been exercised in defiance of perceived royal interests. Such attacks normally took one of two forms, either that of prosecutions and fines at law for misfeasance, or the more drastic resort of attainder and forfeiture” (Guy, 2000, p.15-16). Both punishments were forms of outright confiscation. As Guy emphasizes, fined nobles would usually plead guilty, as it was cheaper – they would surely be declared guilty anyway, which informs us about the lack of impartiality of the judiciary. Attainder and forfeiture, which were parliamentary statutes proclaiming the victim a traitor, always led to both execution and the total confiscation of the victim’s lands, though some, but by no means all, were usually later restored to the legal heirs. Tudor policy was especially harsh in this regard, and Henry VII realized he could abuse this power to augment the Crown’s absolute and relative power and income (Guy, 2000, p.17-18). Henry VII ostensibly forced the nobility to place penal bonds of considerable sums – these could range between £100 and £1,000<sup>18</sup> – “to enforce what he considered to be acceptable behavior on his subjects. These bonds aimed to hold the political nation, especially the nobility, at the king’s mercy, and to short-circuit due process of common law in the case of offence by the victims. If anyone was deemed to have misbehaved, he would simply be sued for debt on his bond – it was not possible to litigate over the nature or extent of the alleged offense. In other words, Henry VII used bonds to defeat the law” (Guy, 2000, p.18).

But for no other period was the “absolutism” of the English king so clear than for Henry VIII, which we may be reminded, achieved the remarkable feat of being able to

---

<sup>18</sup>£1,000 in 1500 is worth £750,800 in 2015 prices (using a retail price index; see Officer and Williamson, 2018).

expropriate church (monastic) property on a large scale. Under a series of legal and administrative rulings between 1536 and 1541 – the authority for which parliament gave him through the Act of Supremacy of 1534 which made him Supreme Head of the Church in England and eventually severed all ties to Papal authority – Henry VIII disbanded monasteries, priories, convents and friaries in England, Wales and Ireland, while appropriating their assets and incomes in the process. Yet Henry’s greed over Church property did not end here. As one authority puts it, further emphasizing the instrumentalization of calling parliament to start with: “In 1547, Somerset reissued Cromwell’s iconoclastic injunctions to the clergy . . . He summoned parliament four months later . . . [and] the chantries were dissolved. These minor foundations existed to sing masses for the souls of their benefactors; as such, they encouraged beliefs in purgatory and the merits of requiems, doctrines which Protestants denied. Somerset justified their abolition on religious grounds, but it is plain that he coveted their property even more to finance his Scottish campaigns . . . Shrines, and the jewels and plates inside them, were promptly seized by the Crown” (Guy, 2000, p.48). This episode provides a sober warning about interpretations of parliamentary meetings as a means of achieving checks to executive power.

After the short reign of Edward VI, in which protestant reforms in the spirit of his father continued, it followed the shorter reign of Mary Tudor (r. 1553-1558). All but the first year was of joint rule with Philip of Spain, who was already the regent of this country and would succeed Charles V as Philip II in 1556, inheriting as well the Habsburg lands in the Netherlands, Italy and the New World. While Mary’s intention to backtrack Protestant reforms meant that her rule was possibly the most constrained of all the Tudors, one authority, while recognizing at times she had to make concessions, still takes no issue in writing that “she was sufficiently strong a ruler to get her own way” (Guy, 2000, p.53).

It may also seem hard to believe that Philip II of Spain was willing to compromise, given that Acemoglu et al. (2005) mark him as totally unconstrained in Spain. Indeed, he was never willing to compromise in a significant manner in the northern Netherlands, as evidenced by the fact that the Twelve Year’s truce was only signed in the years following his death. Yet internally, in Spain, the matter was different; and in England, Mary’s attitude was often uncompromising. Shortly after marrying Mary Tudor “Philip was soon acting as king and sovereign on his own account” (Guy, 2000, p.54). So in England, at Mary Tudor’s request, Parliament “repealed Henrician and Edwardian religious legislation almost without comment, and re-enacted the heresy laws – all the time the sole condition was that the Church lands taken since 1536 should not be restored” (Guy 2000, p. 61). That status quo was respected because parliamentary members had benefited from the

redistribution of those lands. The situations in which Parliament did pursue executive checks, in particular in blocking Mary's intent to return Church property, were those in which their own lands were directly or indirectly at stake. The goal was not to protect private property in abstract, but instead "Parliament expanded its political horizons in defense of what it saw as the interests of the landowning establishment" (Guy, 2000, p.29, 62). This is why Parliament's program of attempting to limit Philip's power as well as protect Elizabeth's claim to the Crown was one and the same. Yet if we take a narrow North-Weingast view on executive checks, the Parliament's success was mild at best: for example, they were unable to prevent, in 1557, Philip's wish that England enter into war against France. As it was, Elizabeth "took a high view of her Royal prerogative, and held as robust a belief in the divine right of kings as her father and successor" (Guy, 2000, p.97). Her successor James I later emphasized the same, as we mention in the main text. As Sir Thomas Smith wrote in his 1565 *Republica Anglorum*, the English monarchs "hath absolutely in his power the authority of war and peace" (Elton, 1982, p.18).

This narrative overview confirms that the seventeenth century was the century of great constitutional change for England (Hoppit, 2017, p.18). Critical changes were already under-way by the mid-seventeenth century, as argued on a fiscal level by O'Brien (1988). Nonetheless, 1688-9 unquestionably represented a further break, as measured, for instance, by the volume of legislative output (Hoppit, 2017, p.43). Before then, matters were different. Consider the Star Chamber: a court that emerged from the King's Pivy Council and since 1487 dealt with an increasing number of cases, thus encroaching the Common Law courts. It represented an intrusion of the executive into the realm of justice, as contemporaries noticed (Zande, 2010). Consider additionally, the English Court of Wards: its extortion of underage heritors and their families in the sixteenth-century (North and Weingast, 1989, p.811-2) does not compare favorably with the independent decisions of the Portuguese Juizo dos Orfãos (Machado, 2010, p. 41).<sup>19</sup> The Star Chamber was abolished in the 1640s, and a post-Restoration attempt to re-establish its prerogative failed (Kishlansky, 1997, p.229). The Cavalier Parliament retained the excise (which would become a central piece of English state capacity) and confirmed the abolition of the the Court of Wards (Coffman, 2013, p.81) (initially abolished by Oliver Cromwell) and whose yield had been rising during the reign of Charles I (Kishlansky, 1997, p.120).

Finally, a few words on religion. Regardless of the actions of the Inquisition in Spain and Portugal, in England Catholics were frequently persecuted from the Reformation onwards, until religious tolerance increased over the second half of the 17th century.

---

<sup>19</sup>Recent research on the Court of Wards describes it, until Elizabeth I and the early Stuarts, as fiscal feudalism (Healy, 2015, pp.112-154).

Furthermore, it is well known that the Catholic Monarchs of Spain (Isabella I of Castile and Ferdinand II of Aragon) ordered the expulsion of the Jews from their kingdoms in 1492 (and a few years later Portugal did the same, under Spanish pressure). But this cannot be considered a mark of relative intolerance, at least by comparison with England or France. In England, King Edward I had expelled the Jews centuries earlier, in 1290, in the culmination of centuries of persecution. It was only Oliver Cromwell who permitted their return to England – in exchange for a generous payment – in 1657.<sup>20</sup> In France, Philip IV expelled all Jews in 1306, an event that followed earlier but not fully enforced expulsions since 1182. The announcement had been kept a secret, and the property of the Jews was confiscated and sold off by the French monarch. They were allowed to leave with only the clothes they were wearing and a small monetary sum. Upon the King's death, his son Louis reversed the decree in 1315, but this did not last long as by 1322 the Jews were banished again. The pattern of expulsion and return continued until a final expulsion in 1394. In sum, by the fourteenth century, the intolerance towards the Jews in both England and France contrasted with relative Iberian tolerance. The Inquisition had a negative effect for Spain and Portugal's economic development, but this was endogenous to their political institutions, and in particular to lack of executive constraints. For example, the University of Évora taught the notion of vacuum in the first half of the eighteenth century, prior to it having been closed by Pombal when he expelled the Jesuits in the mid-eighteenth century (Figure A3). The rooms where tiles such as these which illustrate vacuum using Magdeburg hemispheres were located were then turned into stables.<sup>21</sup>

Overall, England's profound religious fault lines may have played a part in the institutional improvement by dividing Parliament and the Crown. This avenue remains open for future research. Here, we focused on the timing of the changes and the thesis that we criticize is that English institutions exerted more powerful checks on royal prerogative than Castile or Portugal long before the Civil War. That is not borne by evidence. The middle of the seventeenth century proved a critical juncture as the Stuart prerogative rule (along with their diverging religious sensibilities) did not win over Parliaments, whereas the Cortes of the two countries lost their constitutional old role that had made them at least as constitutionally effective as their English counterpart.

---

<sup>20</sup>In England, during Queen Elizabeth I's reign the state condemned to death more than 600 Catholics, a larger number than the total number of individuals killed by the Portuguese Inquisition during 1536-1605 (Nuttall, 1971; Bethencourt, 1996). Additionally, the Iberian Inquisition operated as a court (with due process), while most English executions were ordered directly by the state.

<sup>21</sup>Another example is the case of Bento de Moura Portugal (1702-66), a member of the Royal Society of London who invented an early steam engine but was put in prison by Pombal. Note also that the Inquisition was instrumentalized by Pombal (who even replaced the head of the Inquisition by his own brother), suggesting the endogeneity of its nature to political institutions, i.e. the lack of executive constraints and checks and balances.

Figure A1: A tile (*Azulejo*) built in the 1740s, used for teaching at the University of Évora, illustrating the force of vacuum



Source: Vaz (2020)

## A5. Pacts and partnerships

Did Iberia commit the original sin of absolutism? Circa 1500, Portugal and Spain were two polities on their way to become large world empires. However, regardless of their grandiose imperial visions, the rule of these two monarchies in their home countries was restricted by principles and institutions. As the contemporary chronicler Hernando Del Pulgar wrote, the Catholic kings of Spain earned the support of the peasants by giving them the royal liberty [*libertad real*] (cited in Elliot, 1966). In the polities that constituted the Crown of Aragón, Isabella resented what she termed as the “arrogance” of their Parliament, the *Cortes*. The united Aragonese realms had permanent political institutions to which the monarchs were forced to devolve executive power: the *Generalitats* of Barcelona and Valencia. This sharing of powers between the monarchy and the people gave origin to the notion that peninsular political institutions were marked by the cooperation and mutual assistance between the two parts, which Spanish historians call *pactismo*. *Pactismo*, by contrast to “absolutism”, is a historian’s term that was minted in the 1950s to describe a limited monarchy, bound to respect the privileges and laws of its subjects (Baydal Sala, 2015). Naturally, under such a monarchy, the people were bound to obey the crown and provide it with the required resources. This theory matched well-known scholastic authorities like Aquinas, who claimed that the power belonged to the people which then transferred it to the monarch. However, this transmission was conditional and the people could re-assume it if the otherwise just power of the king decayed into tyranny. These political doctrines continued to be cited throughout the period studied here and in the seventeenth century inspired Portugal’s recovery of independence against Spain in 1640

(following 60 years of dynastic union), as well as the resistance to the encroachment of privileges by the Habsburg monarchy. As mentioned, in the Crown of Castile, the prerogative powers of the monarchy were far more concentrated than in Aragón. Nevertheless, political life in Castile circa 1500 has been described as the unresolved tension between absolutism and *pactismo* (Álvarez Palenzuela, 1991, p.81); see also Elliot (1966).

In this setting, the parliaments (called *Cortes* in Castile and Portugal) saw their role as one of partnership to the kings in government. The late fourteenth century in Portugal and Castile saw the ascent of bastard kings to both thrones. The Avis and Trastámara dynasties ruled with the support of the *Cortes*. João I of Portugal (reigned 1385-1433) was elected by the *Cortes* of Coimbra/1385, whereas Enrique II of Castile (reigned 1367-1379) summoned the *Cortes* of Burgos/1366 immediately after being proclaimed king by his faction. João I expected to legitimate his seizure of power before the proctors reunited in Parliament as a fight against a tyrant (Henriques, 2019). The Catholic Kings, likewise, regarded themselves as the embodiment of the interest of the community of the realm, against the feudal misrule that affected Castile under their predecessors. Accordingly, throughout the fifteenth and sixteenth centuries, in Spain and Portugal, the *Cortes* were often summoned as the arbiter of some thorny dynastic issues and called to support reforms instigated by the monarch but debated in the *Cortes* (in Portugal, *Cortes* of Évora-Viana/1481-2).

Figure A2: Example of laws enacted in the *Cortes* and published by the Crown



Source: Castilla (1558)

Also, the *Cortes* acquired legislative influence in the fifteenth century. For instance, laws were enacted in *Cortes* in response to grievances and problems presented by the municipalities (*povos*). Figure A2 presents an example. Monarchs could also dictate laws of their own (*pragmaticas*), while in England, all laws had to be assented by Parliament (Elton, 1982). Nonetheless, as elsewhere in Europe, Portuguese and Castilian *Cortes* were keen to remember that extraordinary taxation had to be granted by the parliaments to the monarch. In the *Cortes de Leiria-Santarém/1433*, the representatives claimed that *pedidos* could only be made in case of ‘great necessity and consent of the people’, a claim that the king did not challenge (Sousa, 1990, vol.2, p.314). This idea is also repeated often in the Castilian *Cortes*.

The partnership between rulers and ruler can be confirmed by analyzing legislative

activity. In fact, in all three cases concerned, the representative assemblies gave the ruler an opportunity to propose legal solutions for their concerns. Consequently, the share of law proposals that were effectively enacted by the ruler provides a useful indicator of the responsiveness of the sovereigns to parliament. A higher share of approved proposals indicates a stronger influence of parliaments over rulers.

In Westminster, the Commons and the Lords brought ‘bills’ that were read, discussed, and committed until they were accepted (‘engrossed’) by the two chambers. In theory, the ‘bills’ brought by the Commons reflected concerns of their constituencies but a considerable number of them was instigated by the monarch or by its subordinates. It was up for the sovereign to give his or her assent to them thus elevating them to statute.

In Castile and Portugal, the representatives brought with them “specific” petitions (*capítulos especiais*) written by the municipal aldermen asking the monarch to act on local issues. These were answered after parliament by the monarch and had no impact on fiscal negotiations. More importantly, during parliament, the representatives agreed in a few scores of ‘general’ petitions (in Portugal named *capítulos gerais*, in Castile, *peticiones* or *capítulos generales*). After the Cortes, the monarch “provided” a remedy for the problem (it gave *provisión*). The typical result was a law (in Castile, *pragmática*) that addressed the issue following the orientation given by the representatives. Alternatively, there was an executive instruction or a change in practice ordered by a proclamation (in Castile, *real cédula*), a special order directed to the state agencies and courts. A few times, the *capítulos* were printed along with the text of the laws and executive orders they gave rise to. The printing of these materials made clear that the ruler admitted the partnership with ruler in some areas.

The availability of sources conditions this exercise.<sup>22</sup> For Castile, the number of petitions delivered in parliaments can be known exactly, either in ad hoc printed books or in the minutes of the Cortes since the mid sixteenth century. The numerator of the number of petitions is not always as straightforward, as the distinction between a *provisión* and a simple support for the petition is not always clear-cut. In this exercise, we followed ‘conservative’ criteria and only considered a given answer to a petition as a *provisión*, if it expressly indicates that the matter required a new law or proclamation or a change in the *modus operandi* of the agencies. Thus, supportive answers indicating that the issue had to be taken seriously and/or referred to other players (like the Consejo Real or the Consejo de Hacienda) cannot be considered as a *provisión*. From 1619, the Cortes no

---

<sup>22</sup>For Portugal, the absence of a systematic collection of the surviving *capítulos gerais* for the post-1383 Cortes, let alone a collection the laws that responded to these, is for now an insurmountable obstacle.

longer presented *capítulos*, in part because the petitions became embedded in the conditions included in the *Escritura de Millones* as *provisi6ns*. These conditions were known as *condiciones de millones* and were also the result of a convoluted discussion between the king and the kingdom (the Reyno, as the representatives were collectively known). However, it is not possible to calculate the ratio between proposals and *condiciones*, making these incomparable. The addition of the *condiciones* would not significantly alter the results of the research since the practice of the presenting new conditions in exchange for granting a *servicio* disappeared with the *Cortes*.

For England, the measure is the number of statutes over public bills read at least once. Unlike Castile, there is no problem with the denominator for the period between 1547 and 1659. The number of public acts approved by year (when not by parliament) is straightforward. Jha (2015) and Firth and Rait (1911) provide the required data. For the subsequent period, Hoppit (1996) has already established the ‘success rate’ of parliament in converting proposals into laws. For the earlier period, this exercise faces one key challenge: estimating with reliability the number of bills originated in Parliament. The Parliamentary Journals, specially between 1585 and 1660, are not systematic. Most of the bills are not clearly named or described (many are simply recorded as “other bill”) and it not always clear at which stage they and whether these were public or private (Graves, 2014a, p.84). Another issue is the distinction between public and private bills. While this distinction was firmly established in the epoch, Parliamentary Journals do not systematically describe bills as such.<sup>23</sup>

The unsystematic nature of this source from the fifth Parliament of Elizabeth I onwards complicates these estimates. We counted bills with names and bills that were said to be read for the first time. Our method provided result close to those of two specialists. (Dean, 1984) estimated the total abortive bills in the reign of Elizabeth at 930. Given that the number of statues is 220, we can assume that the total bills in the Elizabethan parliaments was 1150. Given that the workable Parliamentary Journals of the 1562-1571 period indicate that parliaments received 366 bills, we can deduce from Dean’s estimates that the period 1575-1599 saw the remaining 784 bills. With our method, we counted 700 bills. Elton estimated the minimal figure of bills read between 1559 and 1581 at 885 bills (Elton, 1989, p.93), whereas we found 785. The data for the period 1625-1649 for England only include the 1625 and 1627 assemblies, because the journals of the Short, Long, Barebones and the Protectorate parliaments are too incomplete and do

---

<sup>23</sup>One of the Journals for the 8th Elizabeth Parliament (1593), written by Simonds d’Ewes, mentions that the Queen ‘gave the Royal assent to fourteen publick Bills and thirteen private Bills’ before dissolving the parliament Parliament, 1802, pp.513-21; for details see British History Online <http://www.british-history.ac.uk/no-series/jrnl-parliament-eliz1/pp513-521> [accessed 6 June 2022].

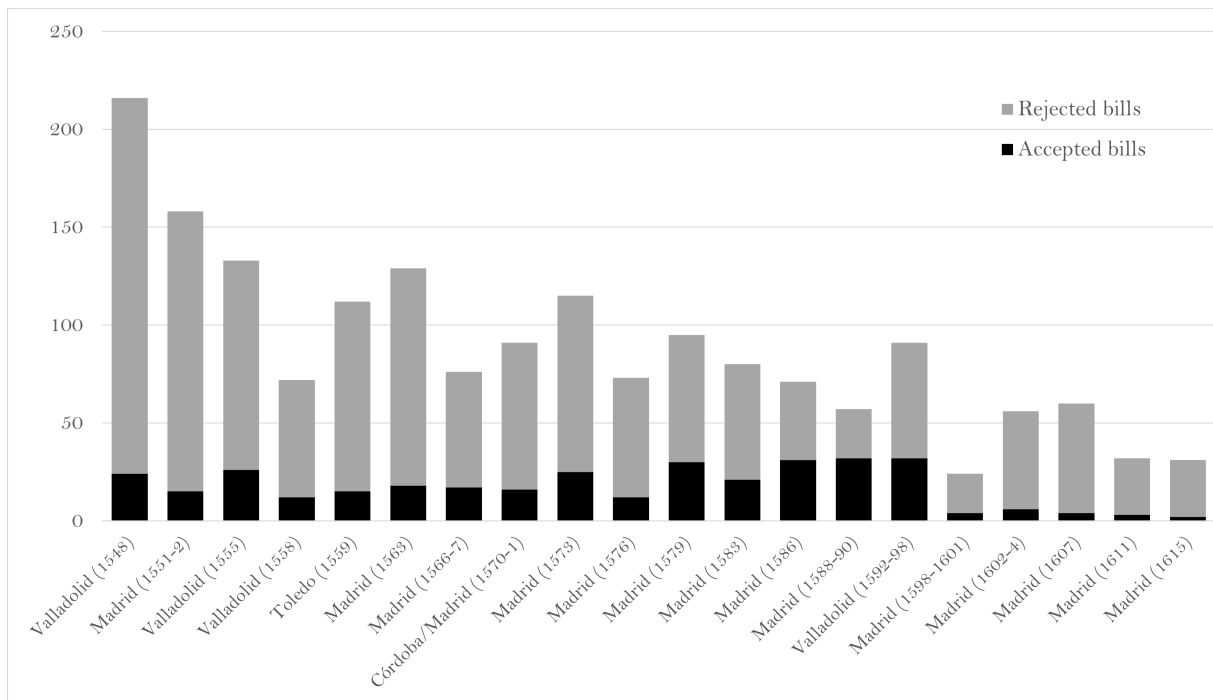
not even allow a ballpark estimate: the Short Parliament saw the issuance of 29 statutes but we could only locate 22 bills in the Parliamentary Journals. Likewise, for the Long Parliament, there are 1166 statutes, but we could only track 569 public bills. For the subsequent period, we take the success rate of legislative initiatives from Hoppit (1996).

The representatives in the Castilian *Cortes* pushed through for decades welfare-enhancing projects such as the *montes de piedad* (Dubet, 2003; Schwartz, 1996). The *montes* were pawnshops created to provide low interest rate credit for the poor, inspired by the *textimonti* that were prevalent in the Italian Peninsula. Invoking the gains for the common good, the 1601 Cortes made the concession of the subsidy (*servicio*) conditional to the establishment of these institutions, a deal that Philip III accepted. The intervention of the Cortes proved important again in 1623, when Philip IV's willful minister, Olivares, tried to turn the *montes* into monopolistic lenders of perpetuities and, insidiously, as providers of cheap credit to the state and municipalities. This device was discussed in the Cortes but was rejected by the cities who, again, yielded their power to not grant subsidies to prevent what amounted to yet another revenue-maximizing expedient (Dubet, 2003, p.14). Nonetheless, the power of the *montes* decreased over time in Castile, as Figure A3 shows. By contrast, while England's situation did not systematically improve until the Civil War (Figure A4), it dramatically improved afterwards (Figure A5).<sup>24</sup>

---

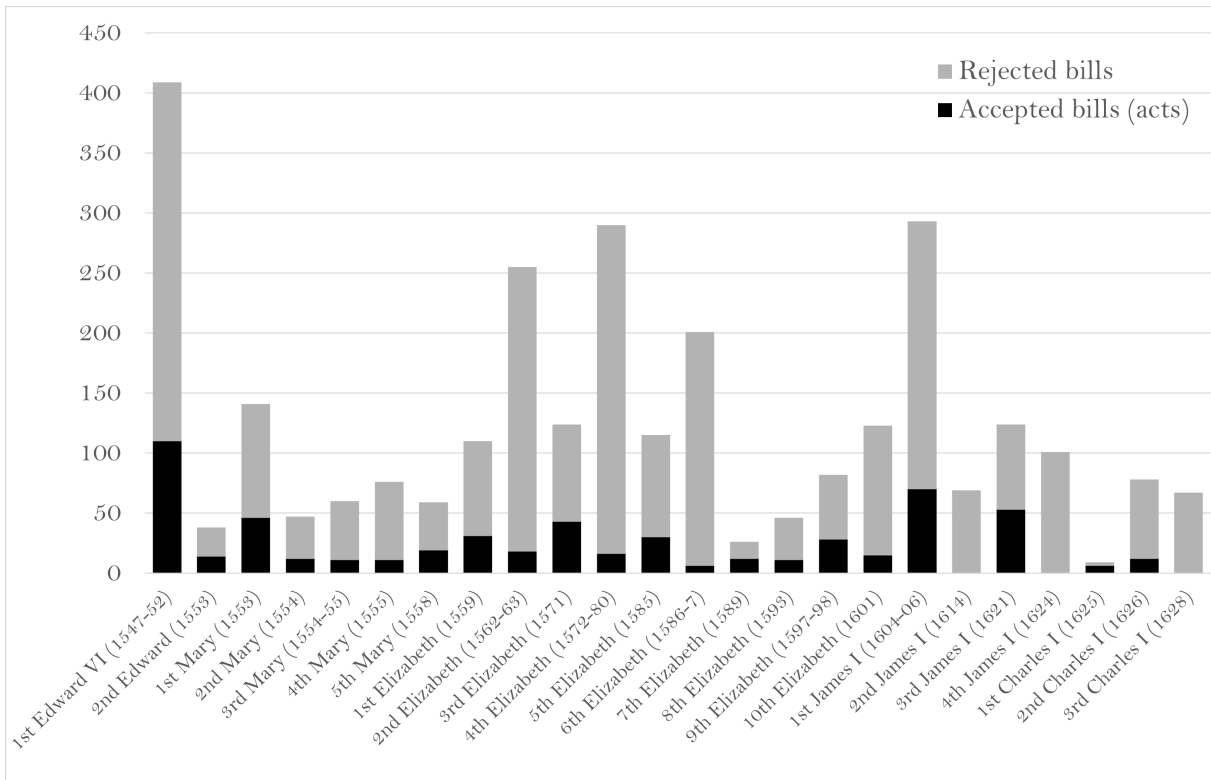
<sup>24</sup>In England, the difference between public and private bills was commonly accepted. For instance, in November 18th, 1601 (during the 10th Elizabeth Parliament), in the discussion of a bill discussed in a committee, we can read that "This Bill is both publick and private; publick because it is to do good unto the Subject; and private, because it doth no injustice to the particular Officer" (Commons, 1802). See: British History Online <http://www.british-history.ac.uk/no-series/jrnl-parliament-eliz1/pp622-660> [accessed 2 June 2022].

Figure A3: Percentage of law proposals approved by the rulers: Castile.



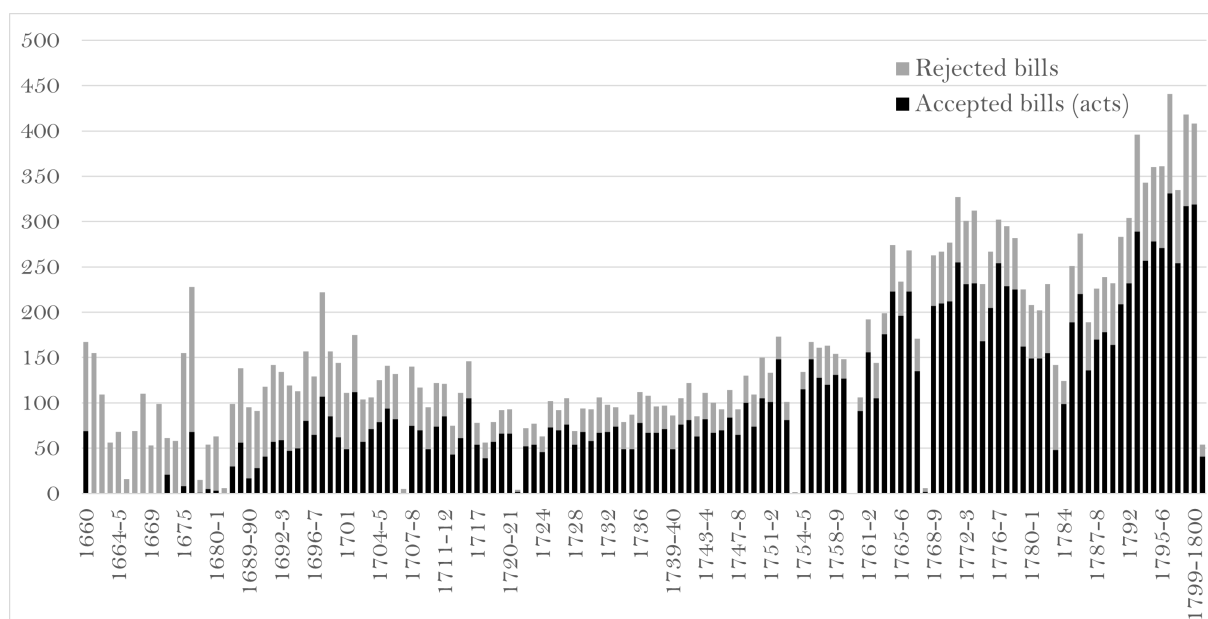
Source: See Figure 3 of the main text for the numerator. The percentage of law proposals approved corresponds to those *providas*, i.e. given legal remedy, by the ruler out of the collective petitions (*capítulos*), from Cortes (1862-2006); Castilla (1604, 1610, 1619). From 1619, the Cortes no longer presented *capítulos*.

Figure A4: Percentage of law proposals approved by the rulers: England until 1639.



Source: Our measure corresponds to public acts over public bills read at least once until 1639, from Commons (1802); the last parliament during this period happened in 1629 (3rd Charles I). For the Long Parliament and the Protectorate Parliament, we included Acts but not Ordinances in the numerator, in order to ensure comparability with Castile; for these years, we used Firth and Rait (1911) instead of Jha (2015). For parliaments that crossed over any of the above periods, we include the numbers in the earlier period. We start in 1547 because it is from this date onward that English Parliamentary Journals survive. The unsystematic nature of this source from the fifth Parliament of Elizabeth I onward complicates these estimates. Most of the bills are not clearly described (many are simply recorded as “other bill”) and it is not always clear at which stage they are recorded and whether these were public or private (Graves, 2014, p.84). We counted bills with names and bills that were read for the first time. Our method provided results close to those of two specialists. Dean (1984) estimated the total abortive bills in the reign of Elizabeth at 930. Given that the number of statutes is 220, we can assume that the total bills in the Elizabethan parliaments was 1150. Given that the workable Parliamentary Journals of the 1562-1571 period indicate that parliaments received 366 bills, we can deduce from Dean’s estimates that the period 1575-1599 saw the remaining 784 bills. With our method, we counted 700 bills. Elton estimated the minimal figure of bills read between 1559 and 1581 at 885 bills (Elton, 1989, p.93) whereas we found 785. The data for the period 1625-1649 for England only include the 1625 and 1627 assemblies, because the journals of the Short, Long, Barebones and the Protectorate parliaments are too incomplete and do not even allow a ballpark estimate: the Short Parliament saw the issuance of 29 statutes but we could only locate 22 bills in the Parliamentary Journals. Likewise, for the Long Parliament, there are 1166 statutes, but we could only track 569 public bills.

Figure A5: Percentage of law proposals approved by the rulers: England from 1660.



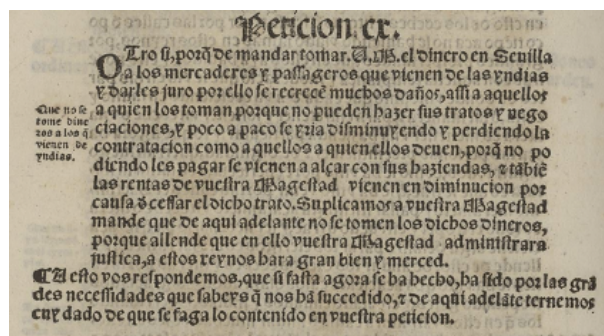
Source: *Success rate of legislative initiatives from (Hoppit, 1996)*. We merged same-year sessions discriminated by Hoppit into yearly totals.

In Portugal, the *Cortes* drove a harder bargain than Spain. In Castile, only twenty major municipalities were effectively represented in the *Cortes* and the considerable costs of their meetings were defrayed by the king. In Portugal, small towns with a few hundred inhabitants were also present. Consensus was harder, in theory. Consent to taxation, indeed, was not automatic and there are examples of refusal to the demands of the monarchy (Lisbon in 1459 and Santarém/Lisbon in 1477). The Portuguese *Cortes* also regarded that their role as the representatives of the realm meant that they could not be reformed according to the will of the king. The representatives, for instance resisted King João II's attempt to reform the *Cortes* and create a permanent commission united with the clergy and nobility. This attempt to “unite and rule” (Henriques, 2008) floundered in the said *Cortes* of Santarém/Lisbon in 1477. The result was that the Portuguese *Cortes* became less pliable than those of Castile. However, their relative obstinacy likely led to their being summoned less frequently in the sixteenth century and, possibly to lose some of their power over the executive. At the same time, as discussed in the main text, they remained relevant and elections were competitive until the late seventeenth century (see, for example, da Silva, 1993).

In the early seventeenth-century the Castilian Parliament checked several fiscal reforms. In the words of Thompson, the *Cortes* were able to “determine what would be taxed, how, and at what rates, leaving certain discretionary powers available to the towns

to accommodate local circumstances” (Thompson, 1982, p.36). Even under the forceful rule of the Count-Duke of Olivares (1621-43), when new political tracts were claiming that external wars justified taxation without consent, the *Cortes* were able to hold to their preferred taxation method (the *millones*) (Jago, p.320). The *Cortes* could and did voice their dissatisfaction at what they perceived as property rights violations, as exemplified by the cases of the expropriation or forced borrowing of private treasure by the monarch (Figure A6). As we show in the main text, their effectiveness gradually diminished from the second half of the sixteenth century onward.

Figure A6: The 1555 Castilian *Cortes* in Valladolid criticizing the King’s forced seizure of private remittances (*sequestros*)



Source: *Castilla* (1558, p.66)

The fiscal demands of the monarchy allowed the *Cortes* to obtain important concessions benefiting the general interest that were lacking elsewhere in Europe, including in England: the control of the expenditure by a parliamentary commission, and limitations on the sale of offices.

Since the fourteenth century (and until at least the second half of the seventeenth century), the English Crown enjoyed “unchallenged legal control of expenditure” (Cox, 2016, p.21). The discretion over the spending of the tax revenues fell entirely on royal, not parliamentary, officers. Parliamentary attempts to form commissions were not attended to by the monarchy. By contrast, in Castile, parliament-approved taxation (*the millones*) was to be administered by a commission (*Diputación de los Milliones*) formed by the municipal representatives since 1601 (Fortea, 2008, p.191-7). Given that the tax was granted by the “Kingdom” (*Reino*, as the collective of representatives called themselves), it was assessed, collected and disbursed by its representatives. In the terms of the contract, the commission had the administration of the tax (Fortea, 2008, p.193). This administrative innovation was imposed by the *Cortes* in 1601 in exchange for granting the *millones*, a tax

that Phillip II struggled to obtain from his Cortes (Jago, 1993, p.117-9). The commission assessed and collected the (sales) taxes according to the rates and quotas negotiated on parliament and transferred them to the adequate agencies. Given that the commission had judicial competences it was seen as encroaching on the royal justice system. This led to a division between the jurisdiction of the royal courts (*cobro por el menor*, litigation with taxpayers) and the *cobro mayor*, which related to the disputes on tax assessment and on the quotas among municipalities and with the king (Fortea, 2008, p.196). This commission thus bypassed the judicial and administrative systems of the monarchy.

A second set of reforms were those moderating the sale of offices. The issue of office venality (also known as “sale of office”, i.e. the sale or auctioning of a public office) affected most administrations in early modern Europe, including England (Swart, 1949; Peck, 2003). The Stuarts were no less venal than their continental counterparts in Europe, as the comparative work by Swart (1949, pp.51-61) indicates. This practice took many forms such as selling offices, creating purposeless offices to be sold, adding new offices to existing ones, and making life appointments inheritable in exchange for payment.

In the fifteenth century, the Cortes of Castile were staunch opponents to this. The laws approved in the Cortes of Toledo/1480 imposed several limitations on sales of offices among privates. The state refrained from resorting to sales of offices until 1543, when the financial urgency of Charles V led to the expansion of this practice. The sixteenth-century Cortes kept complaining against the sale of offices and demanded limitations (Fortea Pérez, 2017, p.360). It had limited success: it obtained a law in 1586 allowing municipalities to dispose sold offices in towns under 500 households. However, when the above mentioned *millones* were consented in 1601, the Cortes managed to impose two important limitations on the sales of offices: excessive offices would be extinct once their current occupiers died (to “consume” in the term of the time) and no further offices could be created (Fortea Pérez, 2017, p.362). Although challenged by the elites and by the monarchy this law was broadly observed (Fortea Pérez, 2017, p.364).

Late sixteenth- and early seventeenth-century Cortes checked several fiscal projects, perceived as detrimental to property rights and the functioning of markets. The Cortes were able to “determine what would be taxed, how, and at what rates, leaving certain discretionary powers available to the towns to accommodate local circumstances” (Thompson, 1982, p.36). Even under the forceful rule of Olivares (1621-43), when new political tracts were claiming that external wars justified taxation without consent, the Cortes were able to hold to their preferred taxation method (the *millones*) (Jago, p.320). The fact that extraordinary non-parliamentary taxation was only applied to Portugal

under Spanish rule, i.e. when its Cortes were seldom summoned, shows how far these institutions could check on tyranny while they operated.

In both fifteenth-century Castile and Portugal, monetary reforms sought the formal assent of the people throughout the *Cortes*. In Castile, the precedent for this was set in the *Cortes* of Toro-Valladolid in 1442, where the representatives claimed, against time-honored Castilian legal doctrine, that the issuing of bullion was not a prerogative of the prince and that no change of fineness or standard could be made without the assent of the *Cortes*, a function that the future *Cortes* and kings observed (Olivera Serrano, 1988, p.254). We do not find similar claims in Portugal, but clearly the monarchs sought to discuss monetary matters and make important decisions on matters of coinage in the *Cortes*, a move that provided added legitimacy to their policies. This contrasts starkly with the absolute power that the monarchs of England had on all matters monetary, as claimed by Sir Thomas Smith in his survey of the English Laws: *the prince useth also absolute power in crying and decreeing the money of the realm* (Elton, 1982, p.18).

Another area in which the personal will of the king's prerogatives were checked is state finances. In this period, finances were indeed "public", in the sense that their management was secured by an entity independent of the king: the (*vedores da Fazenda*). Portuguese budgets, or *estados de Fazenda*, were produced by this set of three officials, who assigned the standing payments to individuals and the monarch to the sources of revenue. These officials also acted as judges in all fiscal litigation between tax collectors, tax-farmers and taxpayers. In Castile, the *Consejo de Hacienda* had a similar profile. Thus, by 1500, budgeting was to some extent independent from the executive power of the monarchy, unlike with the intense personal intervention of Henry VIII of England (Schofield, 2008, p.207).

Given their role as providers of extraordinary funds, parliaments played an important military role. While in case of defensive wars their cooperation was ensured, the parliamentary representatives were typically not as keen in paying for military adventures abroad. Thus, a measure of the degree of pliability of parliaments is the share of offensive wars that were financed by parliamentary tax, since offensive wars were chosen by the sovereign. If a war was defensive, then calling parliament in order to raise taxes can be considered a check to executive power – it shows that the ruler had to ask permission even when national defense was at stake. However, when a war was offensive, the fact that the ruler was able to increase the tax burden in the name of personal or dynastic glory suggests that insufficient checks were in place.<sup>25</sup> In our calculations, England had

---

<sup>25</sup>Of course, there are gray areas. For instance, Habsburg Spain's wars in the Netherlands were con-

Table A9: Number of years with offensive wars and extraordinary taxes, 1385-1700.

	Portugal	Spain	England
Offensive war with extraordinary taxes	24	52	40
Offensive war with no extraordinary tax	116	166	107
Extraordinary tax with no offensive war	21	30	63
Extraordinary tax with civil wars	2	16	11
Extraordinary tax without any wars	18	16	62

*Note that for Spain and Portugal the exercise only makes sense until circa 1700 since from then onward parliaments rarely met, and lost their fiscal role. Sources: Henriques (2008), Rodger (1997), Rodger (2005), García Hernán (2009), Barata and Teixeira (2004), BCW (s.d.).*

the most ductile of the three parliaments, though the differences are not dramatic. If we divide offensive wars financed by parliaments by total offensive wars (until 1700), in England the figure stands at 17%; in Castile 34%; while in Portugal this was 27%. Another possibility is that there was a civil war. Table A9 shows this breakdown.<sup>26</sup>

A simpler measure is just a count of the taxes granted in years of offensive wars (Table A9). This provides an admittedly rough measure of the strength of the prerogative rule.<sup>27</sup> As dragging the resources of the realm to an avoidable war was seldom in the interest of the community, collecting a tax for an offensive war is an indicator of a distribution of power favoring the monarchy. Although parliaments sometimes voiced support, and occasionally even enthusiasm (Ormrod, 1994) for foreign adventures, none of the monarchs in these countries could expect total malleability.<sup>28</sup> But when the evidence is taken as a whole, the picture which emerges indicates that England engaged much more often than Portugal (though a little less than Spain) in the practice of imposing an extraordinary

sidered defensive from a Spanish point of view.

<sup>26</sup>The four categories in the table were constructed to reflect potential fiscal effort. We define Peace as the absence of civil, offensive or defensive effort, regardless of whether it was formal or not (i.e. we include truces). We ignored border feuds. We used the criteria Civil War only when actual military confrontation between two parties took place, with neither civil unrest nor the existence of a challenger to the throne counting. From the perspective of parliaments, the formal aspect of a given war mattered because it was politically more expedient for a ruler to request money from parliaments to fund wars that were construed as defensive (for instance, the English interventions in France during the Hundred Years war). Defensive War implies the defense of lands effectively held. The emphasis again is on the military and fiscal dimensions and not on diplomatic claims; for example, the defense of English-occupied territories in France in 1400 was considered a defensive war. Offensive wars comprise expeditions organized to conquer, plunder, or recover territory held by the enemy, even if they did not meet an enemy army or even if the rationale was a defensive one. There is, of course, a subjective element in these classifications. Figures A10 to A13 provide an overview of the military engagements of the three countries considered here.

<sup>27</sup>The vast majority of Portugal's offensive wars were also colonial wars against non-Christian peoples, which surely pursued a higher degree of legitimacy in the minds of Portuguese subjects than many of the intra-European wars carried by England or Spain.

<sup>28</sup>For instance, the stubbornness about his unpopular offensive wars was one factor that cost Charles I his crown and his head. His son Charles II was in turn unable to pursue his intended pro-French foreign policy due to Parliament not allowing him to do so (Kishlansky, 1997, p.262).

tax burden on its people in order to finance offensive wars. Importantly, England was the undisputed champion of peacetime extraordinary taxation (Table A9). The considerably higher intensity of this type of taxation relative to the Iberian countries clearly suggests that the English monarchs were less constrained in their fiscal demands.

An alternative interpretation is that the English Crown did not have as extensive a set of Crown lands to draw upon or other sources of non-parliamentary revenue, and was forced to ask for more taxes from Parliament so these requests reflect more constraints not less. The premise of this alternative is that the kings of Castile and Portugal had an extensive domain (Bonney, 1999), from which they could draw resources and hence could dispense with summoning parliaments. But, since the end of the fourteenth century, Castile and Portugal were tax states in which prerogative revenues were of secondary importance. Since the wars of the fourteenth century, the demesne and other prerogative rights, like mint profits or monopolies, accounted for a low and decreasing fraction of the total revenue: their share for Portugal was 25% in 1401 and 7% in 1473 (Henriques, 2008, 2014, p.60, note 8), whereas for Castile it was 8% in 1429 (Ladero-Quesada, 1999, p.183). Even after new monopolies and other prerogative sources of revenues were found overseas, the two states kept drawing essentially on their sales taxes – *sisas* and *alcabalas* respectively – rather than on the royal domain or non-fiscal revenues. The trajectory of England was different as it ceased to be a tax state between the Hundred Year War and the Restoration (Braddick, 1996, p.14). This led to frequent levies, forced loans and expedients like distraints of knighthood, ship money, monopolies, or mint profits under the Tudors and Early Stuarts.

In order to show this point more systematically, we considered an extensive array of secondary and primary sources and list the non-parliamentary subsidies and forced loans and other instances of prerogative taxation for the three countries in Figure 6 of the main text. On account of their unpredictability and their experimental nature, prerogative taxation and forced loans were more damaging to the markets than taxes negotiated and agreed in parliament. Figure 6 of the main text shows that such fiscal devices were more common in England than in Castile or Portugal until the mid-seventeenth century. Considering that England was not a tax state until that period, this finding can hardly be considered surprising. The same Figure 6 also shows that in Portugal, the loss of independence from 1580 to 1640 together with the reduction of the scope of the *Cortes* led to a surge of forced loans and non-parliamentary extraordinary taxes. This prerogative tax burden in this period without a native king is *a contrario* evidence of the constraining role of parliament (as is also suggested by the evidence of Figure 6 of the main text).

A convergent line of reasoning concerns the share of non-tax revenues. These were overall more important in England than in the two Peninsular polities. This can be regarded as the outcome of a less developed tax state in which state monopolies or the yields of the Crown lands matter comparatively more. During the late sixteenth century, the share of non-tax state revenues was as follows: in England, 34% (1560-1602); in Castile, 30% (1577-1599); and in Portugal, 12% (1557-1593). In the early seventeenth century, it was as follows: in England, 18%(1626-1640); in Castile, 26% (1613-1640); and in Portugal, 15% (1607-1641).<sup>29</sup> Our overall argument is that Parliament was not more formidable than the *Cortes* in imposing limitations on the kings' monetary prerogatives. In the fiscal history of Portugal and Spain, the *Cortes* brokered the deals between the monarchs and the taxpayers. Like in England, this was the outcome of constitutional conflicts with the Crown going back to the early thirteenth century. In Castile, the *Cortes* resisted the increase of the burden of *sisas* in 1538 and of the *arbitrios* in 1590. In Portugal, they wrestled the management of the sales taxes from the monarchy in 1525 and had refused the monarch on different occasions, as mentioned in the main text. Finally, the comparative evidence for which we have good quality data for all three countries, c 1640, shows that it was Portugal, not England, that was more reliant on parliamentary taxes. Indeed, the share of parliamentary taxes in total state revenue (circa 1640) was as follows: in England, 25% (1626-1640); in Castile, 33% (1640); and in Portugal, 42% (1641).<sup>30</sup>

## A6. Comparative representation in Parliaments

In this section we present additional information which complements the section on comparative representation in parliament in the main text. We also show that bringing to the fore municipal institutions and their relationship with parliamentary representation does not weaken our argument.

The third estate was entirely represented by self-ruling municipalities in Castile and in Portugal, whereas in the English Commons the representatives of municipalities were lumped together with those of the shires/counties. The latter were judicial and, to a lesser extent, administrative districts. Shires were not municipalities since the community did not exert “self-rule”, i.e. it did not choose its own executive officers – like the aldermen or mayors of the towns – and they did not apportion royal collective taxation (i.e. farm

---

<sup>29</sup>Sources: for Castile, Breakdown of Revenues of the Castilian Crown, 1577-1688 (in thousands of maravedis) from Andrés and Lanza; for England, Braddick (1996, p.12); for Portugal, Costa et al. (2022).

<sup>30</sup>Sources: for Castile: Total Revenues of the Castilian Crown, 1577-1688 and Millones, Alcabalas and Cientos. Revenue data, Castile, 1606-1700, from Andrés and Lanza; for England, Braddick (1996, p.12); for Portugal, Costa et al. (2022).

of the shire) nor man any autonomous municipal courts, like the boroughs did. To use the terminology of Maitland (1964, p.17), shires were not “corporations”. Yet, shires, not boroughs, were the main force within the English Commons.

While England was divided into judicial and administrative districts, the shires, the territory of Castile and Portugal was divided into municipalities, self-ruling organizations to which the administrative grid had to accommodate. In contrast, in both Portugal and Spain, municipalities were self-ruling communities, hence their common designation as “republics”: *respublicae*. (Sánchez, 2017) and Braddick (2009, p.47). Their self-rule was acknowledged by the Crown in the foundational charters and this was the foundation for summoning municipalities to the *Cortes*: the monarchy had to deal with self-ruling communities or republics. This is the reason why, in the Portuguese constitutional parlance there was no “third estate” (*povo*), or people, but instead *povos* – its plural. Every municipality was a *povo*, a self-ruling community which looked after its own interests, including via the concession and allocation of kingdom-wide taxation. This is why, weeks after the coup that placed him on the Portuguese throne, João IV (r. 1640-1656) summoned the *Cortes* and promptly cancelled all the taxes imposed by his Spanish predecessors. The *Cortes* considered these taxes illegitimate because they were not granted by a parliament (Cardim, 2005, p.115). In Castile, the ideas of kingship and state that underpinned the relationship between Monarchy and Parliament were similar. This was clearly manifest in the *Cortes* of 1595 and 1601 when the debate on taxation revolved around political economy and the different effects of sales taxes on wealth (Gelabert González, 2003, p.11, 17). This contrasts with the arguments put forward in contemporary England, where the doctrine of the divine right of kings was being developed (Russell, 1990, p.62). Although the theory of the divine right of kings was contested, it was nonetheless a factor in English politics: in March 1609 James I sought to fund his courtly expenses with duties on various kinds of merchandise and addressed both houses of Parliament stating that it was “sedition to dispute what a king may do”.

The Iberian *Cortes* were constituted by representatives of municipalities: these were entities which had their own budget, rules, paid officers, and administrative roles. Municipalities acted as a counterpart to the executive power which often needed their support, or at least acquiescence, to tax and to enforce central decisions. By contrast, the key constituency (shires) in the English parliament were judicial and fiscal districts, with very few autonomous institutions. As such, in constitutional terms, a knight of the shire did not represent a substantial institution, with autonomous capacity, but the population of a given district, which gave him free rein. In contrast, Iberian municipalities could pressure their representatives. In Castile (but not Portugal) the municipalities even had to confirm

the decisions of their representatives.<sup>31</sup> This has major consequences for the bargaining power of the representatives.

In Portugal or Spain, even rural municipalities with less than one hundred households exerted judicial, fiscal and executive functions.<sup>32</sup> When seating in the parliaments, the Castilian or Portuguese municipal proctors voiced the interests of an institutional body, with its own agents, resources and know-how. Their bargaining power was thus considerable. Conversely, the small numbers of royal agents in the shires meant that the MPs tended to be called into to act as tax officers for the aid granted by parliament. This was an incentive for the Commons to consent to taxation at the expense of the public they purported to serve. While the boroughs were part of the English Commons since the later thirteenth century, their relative influence was clearly inferior to that of the municipalities in Portugal or Spain. In fact, even if the “burgesses” (MPs for boroughs) were more numerous than the knights, it was the latter’s voice that was heard loudest in the parliament. The “knights of the shire” (MPs for shires/counties) were the dominant part in the works of Tudor parliament, as claimed by the specialists in the History of Parliament (Ball, 1995, p.117). The History of Parliament website mentions the “superiority of the shire knights among the Commons”.<sup>33</sup> This is in contrast to Spain, where neither the clergy nor the nobility took part in the discussion since the reign of Charles V and hence the *procuradores* of the municipalities were the only voice in the *Cortes*. However, this does not imply an absence of collective negotiation in the Castilian *Cortes* between the Crown and the relevant stakeholders. Note that while the representatives remained tied to their constituencies, they took part in the collective negotiations with the monarchy. This, hence, meant that the monarchy had to negotiate with the representatives of the municipalities, which together formed the “kingdom” (Fortea, 2008, p.181-3).

There are additional reasons why we cannot affirm that the English Commons represented the towns’ interests better than any of the two *Cortes*. One reason is that most

---

<sup>31</sup>This difference between *voto consultivo* and *voto decisivo* existed until 1632 (Fortea, 2008, p.245-61).

<sup>32</sup>Portuguese rules were flexible enough to accommodate ad hoc delegations from the so-called “petty people” (*povo-miúdo*). When seating in the parliaments, the Castilian or Portuguese municipal proctors voiced the interests of an institutional body, with its own agents, resources and know-how. Their bargaining power was thus considerable. Conversely, the small numbers of royal agents in the shires meant that the MPs tended to be called to act as tax officers for the aid granted by parliament. This was an incentive for the Commons to consent to taxation at the expense of the public they purported to serve. Given the limitations of the available sources, we do not know how often this happened (Sousa, 1990, p.193). Still, we know that “petty people” took part in the several *Cortes*: the freeholders outside of Porto in Santarém/1430, the petty people of Évora in Lisbon/1439, the freeholders of Coimbra, of Ponte de Lima and Torres Novas and the craftsmen of Santarém in Lisbon/1459 and the freeholders and petty people of Guarda/1465, the petty people of Estremoz and those of Elvas in Coimbra-Évora/1472-3 (Coelho, 2002, p.193), those of Elvas re-appeared in Lisbon/1498, while the laborers of Covilhã were represented in Lisbon/1641 (Beirante, 2014).

<sup>33</sup><https://www.historyofparliamentonline.org/volume/1386-1421/survey/vi-electoral-practice>

of the boroughs seating in the Commons fell short of full self-rule. To quote Rigby and Ewan (2000, p.292): “In England, only a minority of towns achieved the degree of autonomy enjoyed by royal towns such as York and Winchester, where the burgesses elected their own mayor and bailiffs to govern the town, to collect royal revenues and account for the fee-farm, and to administer justice in the borough court”. Thus, in England, municipal self-rule was the exception rather than the norm. The communal institutions of the English fifteenth-century boroughs were fragile and, hence, susceptible to outside influences. Rigby and Ewan (2000, p.311) declare that, for instance, the boroughs asked feudal magnates to appoint and pay the expenses of their MPs, a trait that continued up to the Era of the Civil War. Not even powerful municipalities escaped the invasion of the burgesses spots by the gentry from the fifteenth to the seventeenth century (Gruenfelder, 1981, p.xiv).

A related issue is that the identity between the English boroughs and trade and industry elites is not straightforward. Fiscal historians regard the fourteenth- and fifteenth-century parliament as representing the interests and the voice of the proprietary classes (Ormrod, 2008, 639-40). Specialists in the history of Parliament argue that the monarchy kept the boroughs largely to better control the Parliament (Ball, 1995). This was the rationale for Simon de Montfort to summon the towns that supported his faction in 1265 (McKisack, 2019). In the initial period, it seems logical for Edward I to widen parliamentary participation precisely because he needed the assent of the *villa mercatoria* (trading vills) for his wool subsidy (McKisack, 2019). Since then until the 1558 reform, the number of boroughs taking part in Parliament stabilized, despite the continuing “commercialization of England” (Britnell, 1996) and the rise of new towns and new industrial and trading sectors. A case in point was the very venue of parliament, Westminster, a major market town, which was only recognized as a borough in the later Tudor period (Rosser, 1984, p.92). Thus, the well-known mismatch between the economic importance and parliamentary representation that would result in the famous rotten boroughs of the eighteenth and nineteenth centuries, was already present by then. Thus, the boroughs in the Commons was essentially a tool for patronage or for royal meddling in local affairs.

Representation in England was not extensive to every single borough. In any country of this era, where small-scale self-ruling communities with a few dozens of households were common, extending political representation to all municipalities would be against the interest of all parties involved. It would have been utterly impractical for parliamentary works and unbearable for the municipalities themselves, as not all municipal budgets could sustain and pay the fees and expenses of two highly-educated representatives for a few weeks. This is why boroughs had to request help from the local lords to keep up with

the summons to the parliament. Thus, their influence in Parliament was contaminated by other interests.

Less than one-fifth of the boroughs were summoned to the Commons. Of the approximately five hundred English boroughs counted for 1348 – 554 according to Angelucci et al. (2017) – about one hundred had parliamentary franchise. This is roughly the same proportion that we find in Portugal: out of the 637 municipalities that existed in the census of the year 1527, 127 had parliamentary franchise (Dias, 1999). In contemporary Castile, where there were perhaps as many as 3000 municipalities in the 1540s Carretero Zamora (2008).<sup>34</sup>, the share of municipalities represented was infinitesimal, even if the eighteenth municipalities summoned were the most important (Zamora, 1988).<sup>35</sup>

Finally, we must not overstate the identity between the boroughs and the interests of the economic sectors because doing so would downplay the fact that the municipal representatives in the two *Cortes* were aligned with the interests of the municipal public and not from any specific sector (such as trade). Two major victories of the *Cortes* – the end of the *arbitrios* and the prohibition of the sales of offices in 1601 and 1607 – were construed as the defense of the “common good” rather than the good of one of the special interests: the merchants (Gelabert González, 1997, p.163-8). Although few Castilian *procuradores* were merchants, the grievances of this class were not absent from the parliament. In his analysis of the content of the grievances of the Castilian *Cortes* in the 1476-1516 period, Zamora (1988, p.296-9) points out that themes like the quantity of coinage, the fiscal burden, or the protection of merchants found their way into the *Cortes* and could work as a stumbling block for the demands of the executive. This was also true in the late sixteenth and early seventeenth centuries.<sup>36</sup> Since the fifteenth century, the Castilian *Cortes* voiced the markets’ preference for stable currency (Zamora, 1988, p.296-9). The representatives continued to present grievances relating to quality and quantity of the coinage in the sixteenth- and seventeenth-century assemblies.<sup>37</sup>

Finally, the process by which the *Cortes* of Castile became limited to 17 municipalities, each representing a large territory around them, until 1498 deserves further comment.<sup>38</sup> In that year, Granada became the eighteenth municipality to be represented (Zamora, 1988, p.3). This cannot be regarded as a direct consequence of the fiscal jurisdiction these towns

---

<sup>34</sup>We thank Angel Galán from the University of Malaga for this information.

<sup>35</sup>Perhaps a more telling denominator are the fiscal units in which the country was divided (75 *partidos* in the 1504 *servicios*). These *partidos* were unequal. For instance, the Kingdom of Murcia and the archbishopric de Santiago counted as one *Partido*, just as small villages of a few tens of taxpayers.

<sup>36</sup>See Thompson (1997, p.26) and Ortiz (1960, p.254-69).

<sup>37</sup>For examples for the early seventeenth century, see (Ortiz, 1960, p.253-8).

<sup>38</sup>For example the lands of Galicia were represented by the city of Zamora (Zamora, 1988).

gained over their surrounding territory. The reason for the limitation of the number of municipalities represented was that “the Crown (...) sought to streamline and expedite the processes of granting and apportioning the taxation” (Zamora, 1988, p.4). As such, in *Cortes* the 18 municipalities came to represent ad hoc “fiscal provinces”, composed of many fiscal units (the *partidos*). The only meaningful consequence of this was that the 18 cities had the power to distribute the burden (*quantidades repartidas*) of the taxes approved in *Cortes*. It did not amount to a full “fiscal jurisdiction” and the resulting link that was, in the words of Zamora (1988, p.17), “weak and irrelevant“ (*vínculo débil y irrelevante*). Fiscal litigation and complaints on taxation were directed to the monarch and to other central administration officers. The non-represented municipalities appealed directly to the Crown (Zamora, 1988, p.17) and not to their representative city: “Two facts are very clear: they [the municipalities] represented themselves (their town and its territory) and they acted as the head of a fiscal province, without conflating the former privilege with the latter” (Zamora, 1988, p.15).

To this effect, it is important not to conflate two separate issues: the set of municipalities and jurisdictions that were represented by one municipality (*Partido*) and the rural territory incorporated within the municipality (*alfoz*). Because of the Reconquest, the most important Iberian municipalities had jurisdiction over neighboring villages. This settlement model was different from the most of Europe, where the jurisdiction of the boroughs/burghs/bonne villes seldom went beyond the surrounding fields and the villages in the countryside were left to royal, feudal, and communal lords. The domination of the countryside by the municipal body should not be conflated with the representation of municipalities by other municipalities within the *Cortes*. These are indeed two separate issues.

It is true that unlike in England, none of the non-royal towns were among the 18 summoned in Castile. But there are no important consequences from this fact. Important royal cities were also left out of the *Cortes* and later tried (but failed) to be admitted in the seventeenth century: Badajoz, Coruna, Jerez, Malaga and Toro. Castilian non-royal municipalities were considerably less important than the 18 cities chosen.<sup>39</sup> At any rate, the liberties of England, like the county palatinates of Durham and Chester were not present in Parliament until 1542 and 1654. Additionally, in Portugal the right to representation was more widespread than in either Castile or England. In Portugal, municipalities that lived under the seignorial yoke, like Braga or Barcelos, were summoned

---

<sup>39</sup>Note that the eighteen cities which sent deputies (*procuradores*) to the Cortes did not only represent their own urban territory but were instead the administrative capitals of eighteen fiscal provinces (Thompson, 1994, p.145).

Table A10: Parliaments and their constituencies

	Constituencies	Number of representatives	Average Population per representative (in thousands)
Castilian <i>Cortes</i>	Large municip. (18)*	36	104
English	Counties (37), urban counties (12) and boroughs (98)**	296	7
Portuguese <i>Cortes</i>	Municipalities (127)***	254	4

*Notes:* \* in the Castilian *Cortes*, the number of municipalities represented stabilized at 17 during the fifteenth century, but in 1498 a new one (Granada) was introduced (Zamora 1988, p.3); \*\* the 1558 reform in England resulted in a total of 454 MPs standing in the Commons (mind that two of the new boroughs, Abingdon and Banbury could only send one MP each (Ball 1995, p.118). This increase in the number of representatives did not significantly alter the MP / population ratio; this ratio was at an all-time-low during the Long Parliament of 1640, for which 504 MPs were assembled (Ball, 1995, p.119); \*\*\* For Portugal, the number of constituencies entitled to take part in *Cortes* was not firmly set. The list of the *Cortes* of Lisbon/1502 contains 127 municipalities (Dias 2001, pp.83-86), but at least seven major municipalities with “right to seat” are missing from this list. Sousa (1990, p. 192) identifies 123 municipalities in the various *Cortes* held in the 1385-1490 period. The layouts for the *Cortes* of Évora-Viana/1481 (Dias), Lisbon/1535 (Sousa, 1990, p. 193), Lisbon/1619 (Cardim, 1998, pp.68-9) and Lisbon/1641 (Cardim, 1998, pp.68-9) contain, respectively 80, 120, 100 and 104 municipalities, but other municipalities are known to have taken part in some *Cortes* (Sousa, 1990, pp. 193, 212), including the overseas municipalities, which only showed up after 1641 (see section 3 of the main paper). The representation of the overseas territories, which we mention in the paper, is a consequence of the notion that self-ruling communities were the rightful constituencies of Parliament.

Sousa (1990, p.193).<sup>40</sup>

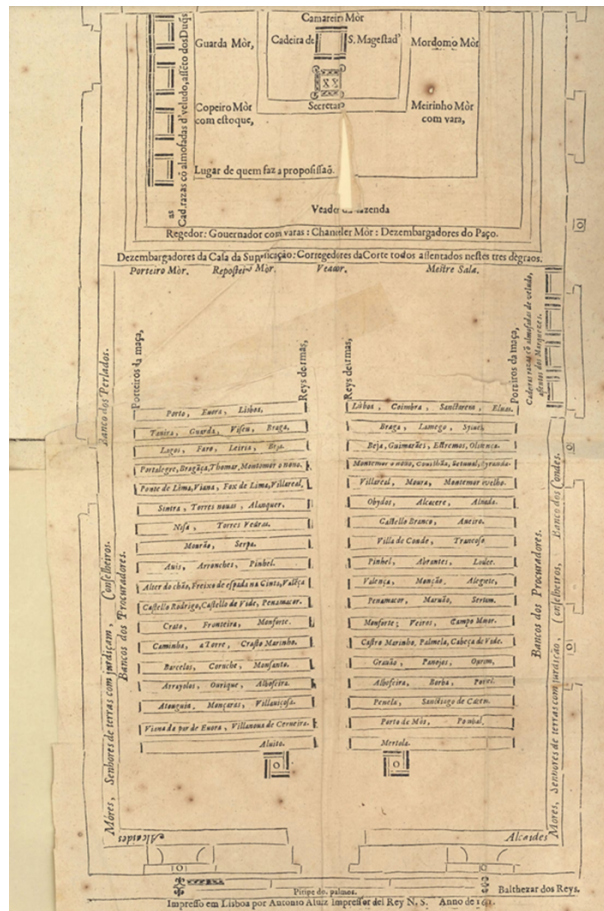
The overall differences that we found in the constituencies hence indicate that until the seventeenth century, the bargaining power of the Iberian *Cortes* vis-à-vis the monarchy was if anything stronger than that of the English Commons.

## A7. Parliaments and their representatives circa 1500

We now further discuss the issue of the independence of the parliamentary representatives vis-à-vis the Crown, briefly discussed in the main text in the context of Table 2. We break down the underlying information which allowed us to build Table 2 from the main text. In table A10 we give details about parliaments and their constituencies, and in Figure A7 we provide an example of the layout.

<sup>40</sup>Technically, Porto was also a seignorial city insofar as it received its charter from the bishop and started as a liberty of the bishop.

Figure A7: Layout of the 1641 Portuguese Parliament



Source: Lucena (1641, p.26)

In fifteenth-century England, burgesses were “elected” by the borough. In practice, the stronger boroughs, which could afford the fees of the MP, elected whoever they chose. Their aldermen, supported by guilds, voted the representatives internally, and were later acclaimed or confirmed by the crowds or, in the case of London, by representatives of each ward (McKisack, 2019, p.11-12). As a result, the elections in the late fourteenth century could state that “A and B were elected by the Mayor, Aldermen, Sheriffs, and the whole commonalty”. (McKisack, 2019, p.30). Nevertheless, as the municipal institutions became more oligarchic in character, so did elections, and the right to vote was restricted to a few tens of mayors, bailiffs, and officers. As such, in Tudor England, elections for MPs were very “obvious opportunities for the Crown to secure the return of its own servants to the House of Commons”.<sup>41</sup> These oligarchical traits lasted until the first quarter of the seventeenth century. “Newcastle-on-Tyne, Bristol, and Gloucester’s elections through

<sup>41</sup><https://thehistoryofparliament.wordpress.com/2015/04/27/electoral-independence-in-tudor-england/>

1628 were controlled by their oligarchies, men of similar economic backgrounds and often connected by marriage. Their urban elites dominated their town's economic and political life" (Gruenfelder, 1981, p.7). Thus, the Elizabethan period saw the gentry continuing to "invade" the borough seats, whereas "the electoral history of early Stuart England could be summarized as a story of patronage" (Gruenfelder, 1981, p.xiv). The results in the research of Russell (1990) and Gruenfelder (1981) are not much different for the early Stuart period. Only powerful municipalities like York, Bristol, Salisbury kept at arm's length the influence of royal favoritism or the patronage of courtiers. Gruenfelder (1981, p.124) notes that the Earl of Pembroke, a mighty figure in the court of Charles I, alone had his hands in about 88 elections for the 1614 and 1628 parliaments, ultimately choosing 98 MPs.

In fact, only in the middle of the seventeenth century do we find evidence that English boroughs started to prefer local men and resist the easy option of going for a well-connected creature of the county gentry. Empirical historians like Sir John Neale, Derek Hirst and John K. Gruenfeld established that elections contested became the norm in the 1640s and 1650s. As Gruenfelder (1981, p.8) argues, "The increasing fiscal demands of the early Stuarts, as Hirst has shown, strengthened the tie between a constituency and its members; local men could be kept responsible to the community's wishes more readily than a stranger". This process was far more advanced in the two Iberian *Cortes* rather than in the Commons. The changes in personnel of the Commons in the 1640s preceded the great constitutional struggle of the Civil Wars. These historians only see a breakthrough by 1640, when the boroughs started to fill their burgess-ships with local men. As such, Charles I had to face a marginally more independent parliament than his predecessors.

In Castile, each municipality developed its own method for choosing a *procurador*. The monarchy did not try to impose any form of uniformity nor did it intervene in the elections (Zamora, 1988, p.338). Castilian representatives started to be paid by the Crown in 1435 (Zamora, 1988, pp.4 and 342), but this was not entirely negative for the interests of the taxpayers and it is indeed aligned with modern practice whereby MPs are paid by the state (it is even an essential feature of democracy, as opposed to oligarchy, according to Pericles). Receiving allowances from the king for taking part in the Castilian *Cortes* did not deter Jeronimo de Salamanca, a merchant from Burgos who acted as its *procurador* to become the ringleader against the fiscal demands and foreign wars of Philip II. Salamanca's opposition ultimately resulted in failure to meet the king's demands (Thompson, 1997, pp.37-62). While from the standpoint of the Crown he "misbehaved" (de Arce, 2008, pp.268), his stance did not prevent him from collecting

his payment in the end and even obtain a grant for one of his sons who served as a captain of infantry in Flandres (Danvila y Collado, 1885, vol. V, p. 645). In spite of his “misbehavior” on the eyes of the king, Jeronimo de Salamanca was yet again elected by the municipal officers of Burgos to serve as their procurador in the important *Cortes* of 1601. These *Cortes* proved a major success for the public interest: the end of the *arbitrios*, the ad hoc, arbitrary expedients used to raise revenues by Philip II (Gelabert González, 1997, pp.151-2). Interestingly, the end of the *arbitrios* was supported on the grounds of equity and the Engel’s Law (Gelabert González, 2003). In fact, the peer pressure exerted by the municipal aldermen on the representatives was intense. Returning home from the *Cortes*, Castilian MPs were greeted with jeers, disdain and sometimes violence.<sup>42</sup> Finally, the wages of the *procuradores* were paid from proceeds of the taxes that they approved (Zamora, 1988, p. 37). This, as in England, created an incentive for *procuradores* to consent to tax demands.

This suggests that peer pressure and public opinion were powerful influences on MPs. Paying the fees of the *procuradores* had the intended effect of giving them an incentive to protract the meetings. In the case of Castile, the *Cortes* often lasted for years, whereas in England or Portugal the usual timespans were a few months or weeks. As a result, there were periods during which the *Cortes* of Castile were nearly permanent. For the executive, duration was a problem insofar as it meant that the requests took a lot of time to meet. But the long duration can also be taken as a measure of the strength of the *Cortes’* resistance to the royal persuasion. The fact that representatives were paid by the Crown in Castile ensured a longer duration of parliament and as a result favoured the negotiating position of the *Cortes*. It also meant that in Castile only a small minority of *procuradores* were from noble stock (Zamora, 1988, p.262-7), while in England nobles and aristocrats commonly served as MPs (McKisack, 2019, p.262-7).

As in England, in fifteenth-century Portugal, representatives were “elected” by the community. As the monarch sent the summons the municipality to the *Cortes*, the municipal ruling body (*vereação*) caused it to be read out loud to the people, often conveying the population in order to read its content; see examples from 1389 to 1580 in Domingues and Monteiro (2018, p.603). In Loulé, in 1385, i.e. at very beginning of the period covered in our paper, the *vereação* met and called “the good men of the said town and most of the poor” to elect the representatives (Domingues and Monteiro, 2018, p.605). Though there

---

<sup>42</sup>See Thompson (1984, p.131) and Thompson (1997, p.58). In one well-documented case for 1520, an MP from Burgos was lynched by the angered locals who did not want to pay the tax that this representative had agreed to and also burned the summons and the MP’s formal appointment letter. This peer pressure gave rise to the custom in place between the 1590s and the 1630s that tax decisions of Castilian representatives had to be confirmed by the municipalities (Fortea, 2008, p.161-189).

are no sources detailing the actual proceedings of these elections, complaints to the king about the non-participation in the elections shows that in the fourteenth and fifteenth centuries the right to take part in the election was very wide and clearly not restricted to the local oligarchs or *homens bons* Sousa (1990, pp.120-1). The monarchy consulted widely so that the municipalities could not allege that the *procuradores* were elected by a representative section of the Parliament Cardim (1993, p.64). The earliest extant voting list, dated 1498, records the name of only 34 voters but adds that there were “many others from the people who are not written here because I, the clerk, ignore their names” (Dias, 2001, p.25-27).

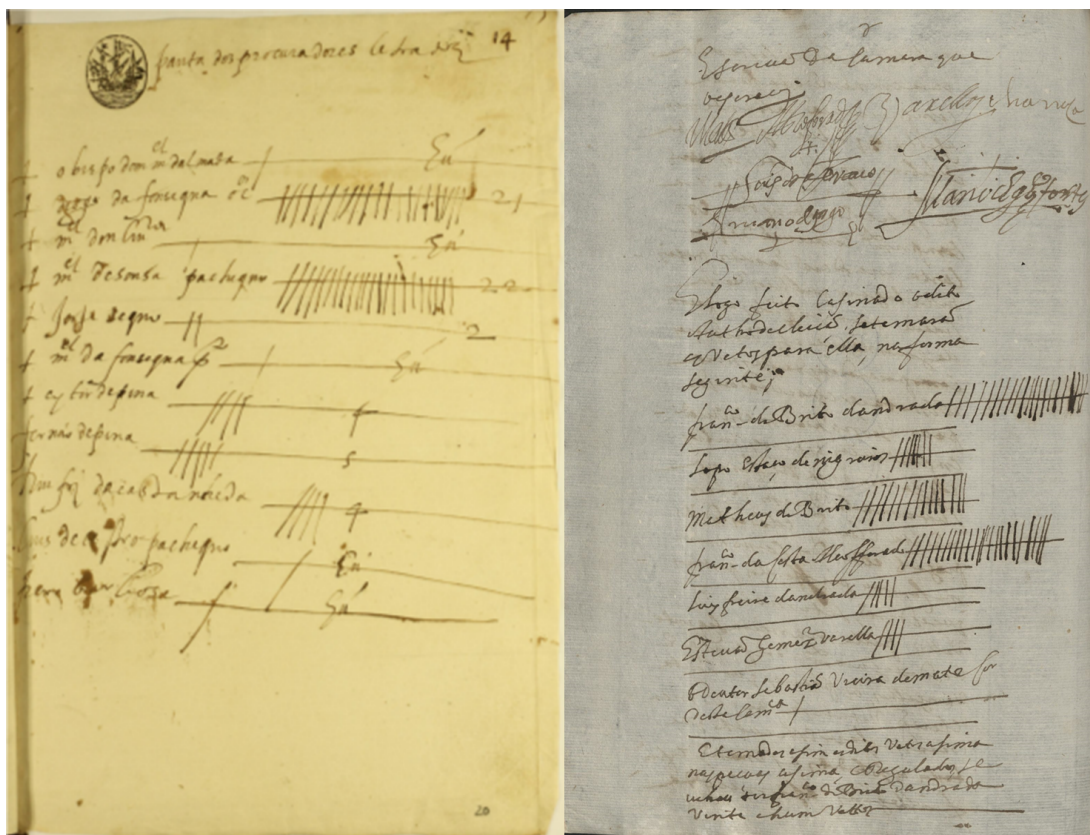
The Portuguese monarchy sought that elections were as widely participated as possible, so that the legitimacy of the *procuradores* to the *Cortes* could not be challenged (Sousa, 1990, p.121). In fact, the summons made clear that the entire municipality, including the craftsmen and farmers, had to take part in the election. Even if we assume that elections were pre-cooked by the *vereação*, they would not be legitimate without popular acclaim. The confirmation by the people was not a formality. Failure to obtain popular acclaim would imply a bad choice and, considering the judicial evidence and sources quoted below, the members of the ruling *vereação* could not be indifferent to the general sentiment.

The workings of the system are relatively well-documented for sixteenth-century Lisbon and seventeenth-century Porto. Instead of merely summoning the *vereação*, the electoral franchise became more restricted over time: by 1580 there was an electoral college of nearly one hundred people, comprising 48 representatives from the different guilds, the ten or so members of the *vereação* and some major municipal judges and officers. Tight electoral results are directly comparable to the English case. In fact, the working assumption of the English historiography is that “contested elections” are a mark of independence of the boroughs vis-à-vis external influences (Hirst, 2005, pp.1-2). The surviving elections lists for 1579-1619 contain close to one hundred votes and show contested elections for both the *procurador* slots. Figure A8 provides an example concerning Lisbon. The near-complete seventeenth-century records of the secret voting in Porto also show very competitive elections: the number of voters for the seventh-century *Cortes* averaged 128 and nearly all of the victories were won with small margins, with the winners getting one-third of the votes.

In Portugal, parliamentary representatives (*procuradores*) were not paid by the Crown but instead by the very municipalities they served. They were elected by their peers and were expected to voice their grievances and positions. As there is no evidence of royal interference in these elections, peer pressure applied. Portugal’s MPs were tightly aligned

with the public whose interests they were supposed to defend. Also, many of the cities and towns represented in the *Cortes* depended upon the prosperity of trade, including the most influential ones who sat in the *primeiro banco*, i.e. the “front row” (Cardim, 1993, p.67-8). Also, and uniquely in the three cases compared, in Portugal craftsmen could, and did, feature as representatives in the *Cortes* (Domingues and Monteiro, 2018, p.605-6). In the *Cortes*, likewise, the monarch received the delegations of the “petty people”.

Figure A8: Tight election examples: voting record for one of the two Lisbon representatives for the *Cortes* of 1579 and the Beja representatives for the *Cortes* of 1645. In the first case, the elected candidate won by only one vote; in the second case a representative was elected by only a small difference of votes.



Sources: Livro Dois de Cortes, fol. 14, Arquivo Histórico Municipal de Lisboa and Actas de Vereações, Livro 48, Arquivo Distrital de Beja. For details about the latter case, see also <https://adbja.dglab.gov.pt/eleicao-de-francisco-da-costa-alcoforado-para-procurador-das-cortes/>

As Table 2 of the main text suggests, the English Commons were more aligned to the king than the municipal representatives in the Portuguese or Spanish *Cortes* were to theirs. Although English MPs were indeed paid by their constituencies (as in Portugal), they were less tied from their interests and, arguably, more dependent vis-à-vis the monarch than their Castilian or Portuguese counterparts. A key problem is that MPs were not

drawn from the population of the boroughs and shires they were supposed to represent (unlike what happened in Portugal and Spain). The monarch encroached local elections by presenting his or her favourites, especially in the boroughs. For example, in the 1470s, in southwest England, the monarchs got to choose every single borough representative (Kleineke, 2004). Lords also managed to impose members of their affinity as “knights of the shire” or “burgesses” from boroughs. Also, among the fifteenth- and sixteenth-century MPs, carpet-bagging or parachuting was very common. The famous Paston Letters document the pressure exerted by the gentry to control the representatives of the shires and the boroughs within (McKisack, 2019). A case presented in 1604 to James I about a MP who three years earlier, still in the reign of Elizabeth I, represented two different boroughs in the same parliament.<sup>43</sup>

The parliamentary career of the fifteenth-century political theorist Sir John Fortescue is telling. His high opinion of the Parliament expressed on the *De Laudibus Legis Angliae* is at the root of the notion of intrinsically better English institutions in modern comparative institutional analysis. Coming from an ancient Gloucestershire family, he served as a judge on the King’s Bench and had a distinguished career as a carpet-bagging MP for four different constituencies: he came as a “burgess” from three boroughs in Devon and a “knight” from the county of Wiltshire, where he did not live nor held property. Did he represent their interests? Possibly. Being a legal expert, he certainly came in handy for these constituencies in the ordinary judicial aspects of Parliament. However, Fortescue and his ilk had their careers in the service of the king. As such, their well-paid, temporary allegiance to a given borough would not matter much for their alignment in the great constitutional and fiscal issues. Table A11 summarizes the comparative situation around 1500.

Note that the forty-shilling threshold in England was a relatively low-bar franchise. As (Maddicott, 2016, p.348) observes, this threshold was set in 1429 aiming to limit the “excessive” numbers of electors and the ensuing turmoil. Ultimately, however, by making these elections less competitive, this made elections more permeable to parachuting MPs and cleared the way for patronage and clientelism, even in large boroughs like York until the Civil War (Russell, 1990, p.44).<sup>44</sup> Likewise, in Castile (Zamora, 1988), and Portugal (Sousa, 1990; Domingues and Monteiro, 2018), elections also became somewhat more

---

<sup>43</sup>From the Parliamentary Journals: “Anno 43 Elizabethae also, a Burgess was chosen Burgess for Two Boroughs (...) of which Kind of Precedents there are many other, wherewith we spare to trouble Your Majesty.” Commons (1802). As such, the alignment between the interests of burgesses and the boroughs they represented was not necessarily tight.

<sup>44</sup>According to Thomas Scott, a MP for Canterbury in the 1626 Parliament, favor, patronage and interference meant that about two hundred (out of 454) MPs were illegitimate representatives Clark (1978, p.16).

Table A11: Parliaments and their representatives, circa 1500

	Socio-professional status of MPs	Appointment of MPs by the Crown	Method for choosing MPs	Wages	Parachute MPs
Castilian <i>Cortes</i>	96% <i>Regidores</i> (Municip. councilors), only 3% of which were noblemen.	Rare	Voting, selection by lot, by consensus, rotation among families (varying across municip.)	Paid by the Crown (75%) and municip.	Not allowed
English Commons	Knights, legal professionals and others	Frequent	Election by local property owners above an income threshold of the 40 shillings (in shires); appointment by the Monarch	Paid by the constituencies and/or local lords	Frequent
Portuguese <i>Cortes</i>	<i>Vereadores</i> (municip. councilors; noblemen & legal professionals in the late 16th c.)	Not practiced	Election within the municipality, either by the other councilors or “the people”	Paid by the municipalities	Very rare

*Sources: Castile from Zamora (1988, p.338, 351-71); Portugal from Sousa (1990, p.338, 251-71) and Domingues and Monteiro (2018), England from (McKisack, 2019). Notes: For Castile, Zamora (1988, p.262) provides a sample of 418 procuradores for the period 1476-1515, of which 93% were from the municipal government and only a minority was from noble stock (Zamora, 1988, p.262-7). The most important of the MPs, the Speaker of the Commons, was chosen by the king and paid directly by the Crown (Hawkyard, 2010, p.46), like in Castile (Zamora, 1988, p.40). The Speaker had to be a knight of the shire, which was the rule until 1542 (Hawkyard, 2010, p.35-6) and nearly all of the Tudor Speakers were well legal experts who served in different branches of the royal administration (Hawkyard, 2010, p.23).*

restrictive over the fifteenth century. In these countries, franchise was left to local custom. In Portugal, as we explain in Table 2 of the main text, this meant elections happened “within the municipality, either by the municipal councilors or by ‘the people’.”

## A8. Comparative independence of their municipal institutions and jurisdiction over the surrounding countryside

The origins of the English boroughs are distinct from their counterparts in the Iberian Peninsula. Born out of the *Reconquista*, Portuguese and Spanish municipalities had their militias, with cavalrymen, which were a major part of the royal host, up to the fourteenth century. In fact, these municipalities started their corporative life in the late eleventh century as “societies organized for war” (Powers, 1988) whereas the most important, though certainly not all, boroughs represented in the English Commons were dominated by mercantile oligarchies. The military role of municipalities strengthened their bargaining position vis-à-vis the executive in the *Cortes* and elsewhere. The military strength of the towns and the strategic concerns of the kings loomed large in the origins of the large Castilian municipalities summoned to the *Cortes*. This might well be a factor in the early summoning of the towns for municipalities in Castile 1250, León 1188, and Portugal 1254. At any rate, the key issues discussed were not military in essence: in all three cases, the origins of the municipal participation in the *Cortes* were tied to the stability of the coinage. This was an issue which concerned the urban elites, military or not. In the sixteenth century, the military nature of the Portuguese and Spanish municipalities vanished, as the military efforts of the two countries were in non-adjacent countries, far beyond the scope of the militia.

There are no implications to our argument resulting from this different twelfth- and thirteenth-century origins of the municipalities. As the frontier with the Moors receded, merchant families became part of the fabric of the ruling class of the municipalities. In Portugal, the conversion of the municipal cavalryman into a merchant and the recycling of their warhorse as a pack animal is documented in the charters that founded the municipalities in the south of the country (Cunha, 1988). Thus, the first (1251) charter of recently-conquered Seville (1248) was addressed to the ruling oligarchy, described as “knights, as well as merchants and seamen”, cited in Rucquoi (1995, p.361).

While debating Castilian urban oligarchies from the fourteenth to the fifteenth century, Rucquoi (1995, p.360) mentions the “paradigmatic” case of Burgos, “whose patriciate was constituted from the start by merchants who became knights”. Comparable cases occurred in Zamora, Murcia, Cuenca, Seville (Rucquoi, 1995, pp.360-5). In Castile there were four paradigms of oligarchies: a merchant-based one in Burgos; a knight-based one in Valladolid; an aristocratic one with merchant support in Toledo; and two separate

oligarchies – the mercantile and knightly – in Seville (Luis, 2018).

As for Portugal, research finds comparable models: Lisbon which had a considerable military role in the *Reconquista* was ruled in the fourteenth century by an oligarchy that combined “a large group of merchants and a handful of law professionals” (Farelo, 2009, p.306). Eventually, the corporations of Lisbon, Porto and Évora also acquired a say in the municipal decision-making with the foundation of the *Casa dos Vinte e Quatro*, where two representatives of the twelve larger guilds sat. Thus, in the largest Portuguese municipalities, the craftsmen had a say in the decisions that concerned their trade (even though their role was subsidiary to the mercantile and legal elites).

All in all, the differences between the institutional origins of the English and Iberian constituencies cannot lead us to ignore the stark similarities in the social fabric of the municipality institutions in all cases concerned. Historians of English boroughs (Liddy, 2017, pp.3-7), Portuguese municipalities (Farelo, 2009; Serra, 2018), and Castilian ones (Rucquoi, 1995; Menjot, 2002) agree that the boroughs and municipalities were becoming increasingly oligarchical in the fourteenth and fifteenth centuries. In the three cases, this was the result of weeding out a popular element and incorporating some families from the local nobility. Oligarchic coalitions were not rigid and some proved flexible enough to incorporate the guild hierarchy in their structures. As a consequence, circa 1500, trading cities like Bristol, Porto or Seville defended roughly the same interests in Parliament. With more or less external influence, their electors chose representatives suitably identified with the aims of the oligarchy or indeed the community itself. The difference is that the voice of the burgesses of Bristol would not have the same strength relative to the remaining constituencies as Porto or Seville had. The *Cortes* evolved to respond to the interests of self-ruling municipalities, whereas in the English Commons, the dominant force was the gentry of the shires, not the aldermanic elite of the boroughs.

## A9. Comparative overview following the Cox model

In the following table, we provide a comparative overview of the three polities considered here following the logic of Cox (2016).<sup>45</sup> The evidence supports the viewpoint that English political institutions were not comparatively superior to those of Castile and Portugal until the seventeenth century. But while in England, parliamentary control was gradually achieved over the seventeenth century, with monopoly on the rights to sell sovereign promises in place after the Glorious Revolution, the opposite trend took place over time in Castile and Portugal.

---

<sup>45</sup>Note that purveyance means forced purchase at below-market price of provisions for the army or the royal household. In England, it ended altogether in 1660 (Cox, 2016, pp.88-90).

Table A12: Summary of the post-1500 evidence, following the Cox model

	Purveyance	Contestab. of rents	Protection of foreign trading rights	Consent to taxation	Authority over spending	Control over executive finances	Constraints on debasements
England	Discontinued at the Restoration	Improved after 1688 (statues needed)	After the Restoration, and further after the Act of Settlement (1701)	Parliament	See Table 8 of the main text	Since 1667 by Treasury and Parliament	No formal constraints until the late 18th c.
Castile	Goods bought in the open market since the 16th c., and by <i>asientistas</i> since then	Contestation via high courts and the <i>Cortes</i> ; weakened from the 17th c.	Few restrictions except during war	Parliament (while it met)	See Table 8 of the main text	From 1476, by the <i>Contadores Majores</i> ; from 1523 to 1593, <i>Consejo de Hacienda</i>	No formal constraints but successfully opposed by the <i>Cortes</i> until the 1620s
Portugal	Contested in the 1370s by the <i>Cortes</i> ; goods bought in the open market by public agencies such as <i>Casa de Ceuta/Mina</i> since the 15th c.	Contestation via high courts; weakened in the second half of the 18th c.	Few restrictions until the second half of the 18th c.	Parliament (while it met)	See Table 8 of the main text	From at least 1367 to 1591 by the <i>Vedoria da Fazenda</i> , and from the 1640s to 1688 by the <i>Junta dos Três Estados</i>	No formal constraints

Sources: Cox (2016, pp.7, 87-88, 93-4, 107), Dickson (1993), (Roseveare, 2021), Ysern (2007), Hop-pit (2014), (Gelabert, 1993), Stein and Stein (2000), Madureira (1997), Salvado (2019). Notes: Unlike in Iberia, in England the municipalities did not cover the entire country: shires covered most of the country but are not included in the last column. In Iberia, the few restrictions on foreign trading included bans on exports of weapons and trading with Muslims. In Portugal, the existence of a budget matching expenditure with revenues used by a entity outside of the executive was organized by the overseer of finances (*Vedoria da Fazenda*) from at least 1367, but under the Spanish rule this office was abolished, and replaced by the *Conselho da Fazenda* which was less independent from the Crown. After the 1640 Restoration, the *Conselho Ultramarion* and (in 1643) the *Junta dos Três Estados* were created. These were appointed by the *Cortes* and responsible for expenditure out of the parliamentary taxation. From 1761 they ceased functioning. In Castile, the *Consejo de Hacienda* continued to exist after 1593, but due to the reforms of Philip II it lost its preeminence vis-a-vis the branches of the executive, which also became *Consejos*. Higher Courts consisted of *Audiencia* and *Consejos*, while the Overseer of finances was called *Consejo de Hacienda*. In Portugal, Higher Courts consisted of *Desembargo do Paço* and *Suplicação*, while the overseer of finances was called *Vedoria da Fazenda*.

## A10. Complete list of forced loans and money requests

Table A13 considers the comparative incidence of forced loans, loan requests, money requests, and non-parliamentary taxes over time across the three polities.<sup>46</sup> As the Table shows, Castile and Portugal performed better than England overall did until the mid-seventeenth century, though there was a clear reversal afterwards. In England, the prerogative courts – such as the Court of the Exchequer, the Court of Chancery, and the Court of the Star Chamber –, which gave discretionary powers to the sovereign, had been abolished by 1660. Henceforth, it was no longer viable for the Crown to raise taxes or forced loans by royal prerogative (Cox, 2016, p.22). See also Roseveare (2021, p.22).<sup>47</sup>

## A11. Data on annuities

Life annuities played a minor role in the sovereign credit of the countries compared here. Still, their like-to-like maturity provides a comparable indicator of the state's commitment to debt service. These were initially sold in many European countries using the 14.25% (or 1:7) rate that was advised by the canonists and in use in Venice since the fifteenth century. As some numerate observers realized when analyzing mortality tables (Turnbull, 2017), this rate was very rewarding for investors. As such, the rates fell almost everywhere in Europe, a trend that is only belatedly observable in England. The interest rates charged to the government of Holland were on par with Castile in 1580-1599 and slightly above those of Portugal in 1600-19, but performed better after that period (Table A14).

---

<sup>46</sup>An additional category which we could have considered would have been forced (unilateral) haircuts and loan decreases, of which there were several, for example, in eighteenth-century Portugal (Costa, 1883).

<sup>47</sup>Jurisdiction over patent litigation was also transferred to the common law at the Restoration (Cox, 2016, p.23).

Table A13: Forced national-level loans and money requests from rulers, 1380-1800

	England	Castile	Portugal
Forced loans	1397, 1402, 1405, 1410, 1416, 1419, 1421, 1426, 1428, 1430, 1431, 1434, 1436, 1439, 1442, 1444, 1446, 1449, 1453, 1455, 1496, 1522(*), 1523(*), 1542, 1544, 1544(**), 1597(*), 1626, 1639, 1640, 1643, 1643(**), 1645, 1645(**)	1381, 1383, 1384, 1386, 1410, 1429, 1556, 1557, 1558, 1566, 1577, 1583, 1587, 1590, 1596, 1620, 1621, 1625, 1629, 1630, 1635, 1637, 1641, 1642, 1647, 1649, 1651, 1713, 1720, 1721, 1722	1406, 1416
Loan requests	1556, 1557, 1562, 1569, 1588, 1590, 1604, 1611, 1625, 1626, 1628, 1643	1449, 1523	1477, 1544, 1619, 1624(**), 1627, 1631, 1643, 1644, 1658(**), 1661, 1705, 1712, 1766, 1775, 1792
Money requests	1474, 1481, 1491, 1525, 1543, 1545, 1614, 1626	1526, 1596, 1604, 1625, 1629, 1632, 1635, 1640, 1643(**), 1649, 1654, 1655, 1662(**), 1664, 1671(**), 1674(**), 1676(**), 1684(**), 1690(**), 1707, 1709, 1710, 1713, 1781, 1793, 1798	1444, 1620(**), 1622(**), 1624(**), 1627(**), 1630(**), 1632(**), 1635(**), 1636(**), 1756(**), 1762(**)
Non-parl. tax	1401, 1546, 1609, 1612, 1620, 1628, 1634, 1635, 1636, 1637, 1638, 1639 (twice), 1642 (twice), 1643, 1645, 1647, 1649, 1650, 1655	1667, 1667, 1679, 1685, 1691, 1691, 1697, 1703, 1710, 1716, 1722, 1728, 1734, 1740, 1746, 1752, 1758, 1764, 1770, 1776, 1782, 1788, 1794, 1800	1612, 1629, 1660, 1661, 1704, 1762, 1797

Sources: For England, all from *The National Archives E 179* except for the 1640 forced loan, from Challis (1992) and Craig (2011); for Castile, forced loans (including seizure of private remittances from the American treasure fleets, known as *secuestros*) from Collantes de Terán Sánchez (2009); Sardone (2017); Sanz and Belén (1998); Álvarez Nogal (1999); Ortiz (1956), loan requests from Serrano (1991), money requests from Jiménez (1998); Gil Martínez et al. (2015); Pimentel (2020); Núñez (2009), and non-parliament taxes from Roel (2004); for Portugal, forced loans and loan requests from Henriques (2019), Oliveira (1891), (Costa, 1883), and Rodrigues (2019, 2021) money requests and non-parliamentary taxes from Oliveira (1891) and Hespanha (2013). Note: With regards to forced loans, (\*) later defaulted, (\*\*) evidence available for London, Seville, or Lisbon only, some of which were partially paid back later. Notice that even in the case of non-defaulted forced loans, interest and capital losses via inflation were not compensated. In the case of Castile, we ignored a few seizures of private remittances from the American treasure prior to 1556 due to their small value. By contrast, a total seizure took place in 1557 and 1558. The seizure data is only complete for the reigns Charles V, Felipe II and Felipe IV. Often, *secuestros* consisted of an forced swap of treasure for public debt titles. Loan requests (which in England include privy seal loans) differ from forced loans because they were personal requests from the rulers to individuals, corporations, or cities. In the latter case, the municipalities had to collect a tax to meet the sum demanded. We did not consider clerical subsidies for none of the three polities. In the case of Portugal, information about several loan requests has not been systematized or was destroyed with the 1755 earthquake, but have included known *secuestros* in this category. With regards to ad hoc money requests, these were demanded from specific individuals or corporations and were known in England as *benevolences*, and in Castile and Portugal as *donativos*. In the case of Castile, we do not include money requests only collected in part of its empire. In the case of England, non-parliamentary taxes include "contributions", ship money, aids, and the 1655 decimation. In Castile, they correspond to *servicios* not approved by the Cortes. In Portugal, they correspond to *fiatas*, to the 1661 *imposto sobre a moagem*, to the 1772 *subsídio*, the 1660 and 1797 *papel selado* and to increases in the income tax (*décima*) not approved by the Cortes.

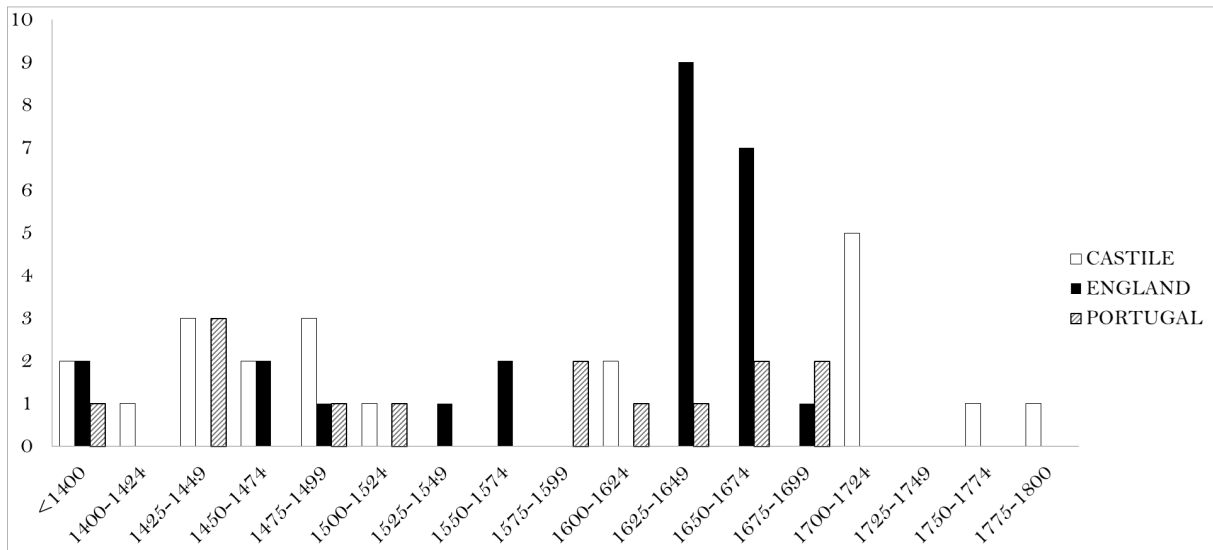
Table A14: Nominal and real interest rates paid on public lifetime annuities.

	Holland, nomi- nal	Holland, real	Portugal, nomi- nal	Portugal, real	Castile, nomi- nal	Castile, real	England, nomi- nal	England, real
1540-59	13%	11%	-	-	-	-	14%	10%
1560-79	-	-	-	-	14%	12%	-	-
1580-99	14%	12%	-	-	14%	12%	-	-
1600-19	11%	11%	10%	11%	13%	12%	-	-
1620-39	9%	8%	-	-	13%	12%	-	-
1640-59	-	-	14%	14%	-	-	-	-
1660-79	9%	9%	-	-	-	-	-	-
1680-99	9%	9%	-	-	-	-	12%	12%
1700-19	9%	10%	-	-	-	-	-	-
1720-39	-	-	-	-	-	-	-	-
1740-59	-	-	-	-	-	-	13%	13%

Sources: For Holland, Homer and Sylla (2005, p.116), Gelderblom and Jonker (2011), Bovers (2009, p.36, 57, 68); for Portugal, (Costa, 1883, p.45-46); for Castile, Álvarez-Nogal (2010); for England, Dickson (1993), Turnbull (2017). Inflation corrected as in Figure 5 of the main text. Approximations: Mid-points were used for the nominal interest rate of Holland 1660-79, which varied between 7.14 and 10.00%, Castile 1560-79 and 1580-99 which varied between 14 and 14.30%, and England 1680-99 which varied between 10.00 and 14.00%.

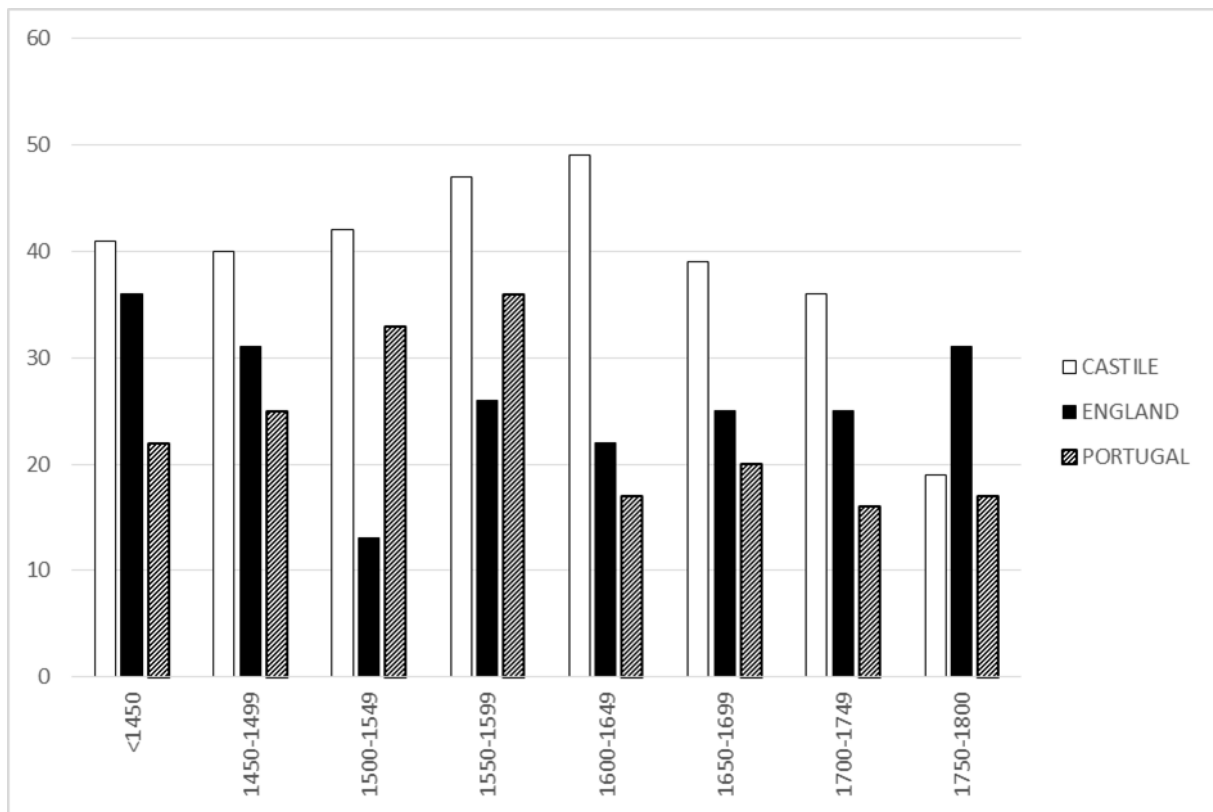
## A12. Additional figures

Figure A9: Years with parliaments dealing with dynastic issues, 1385-1800



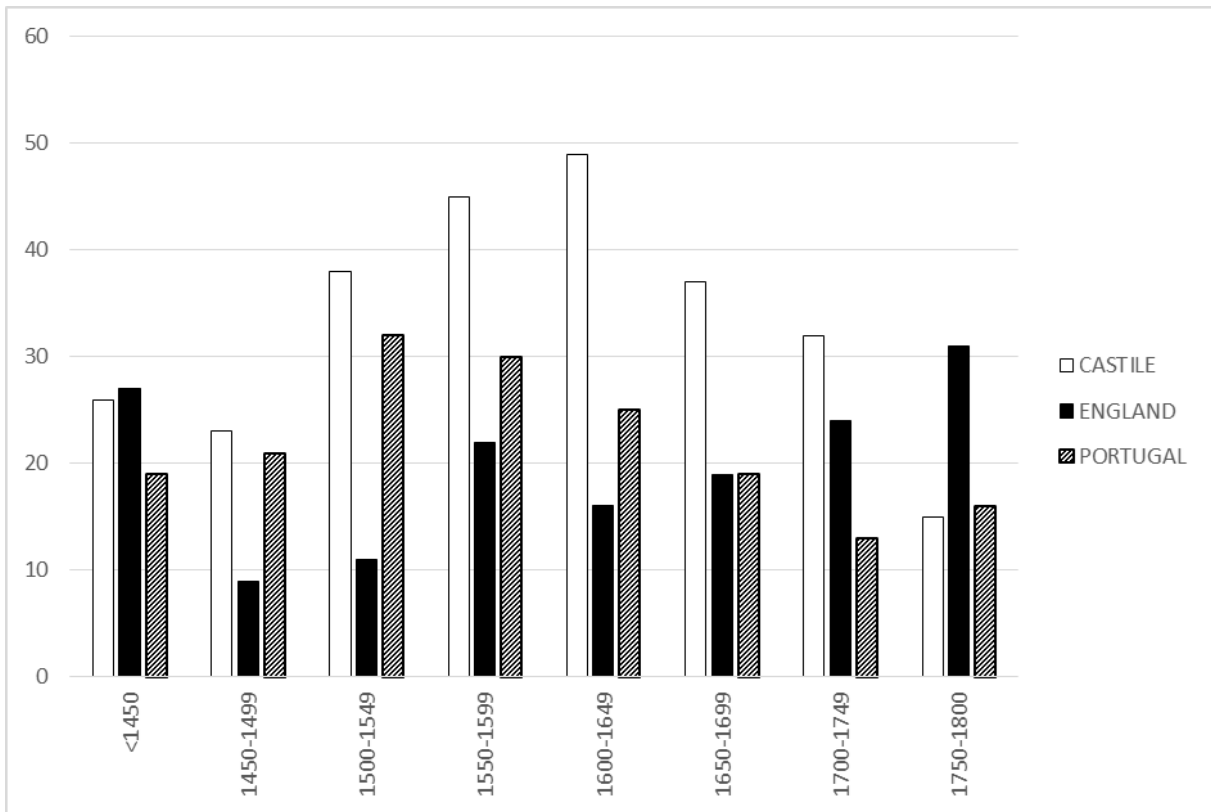
Sources: as in Figure 2 of the main text.

Figure A10: Total number of wars.



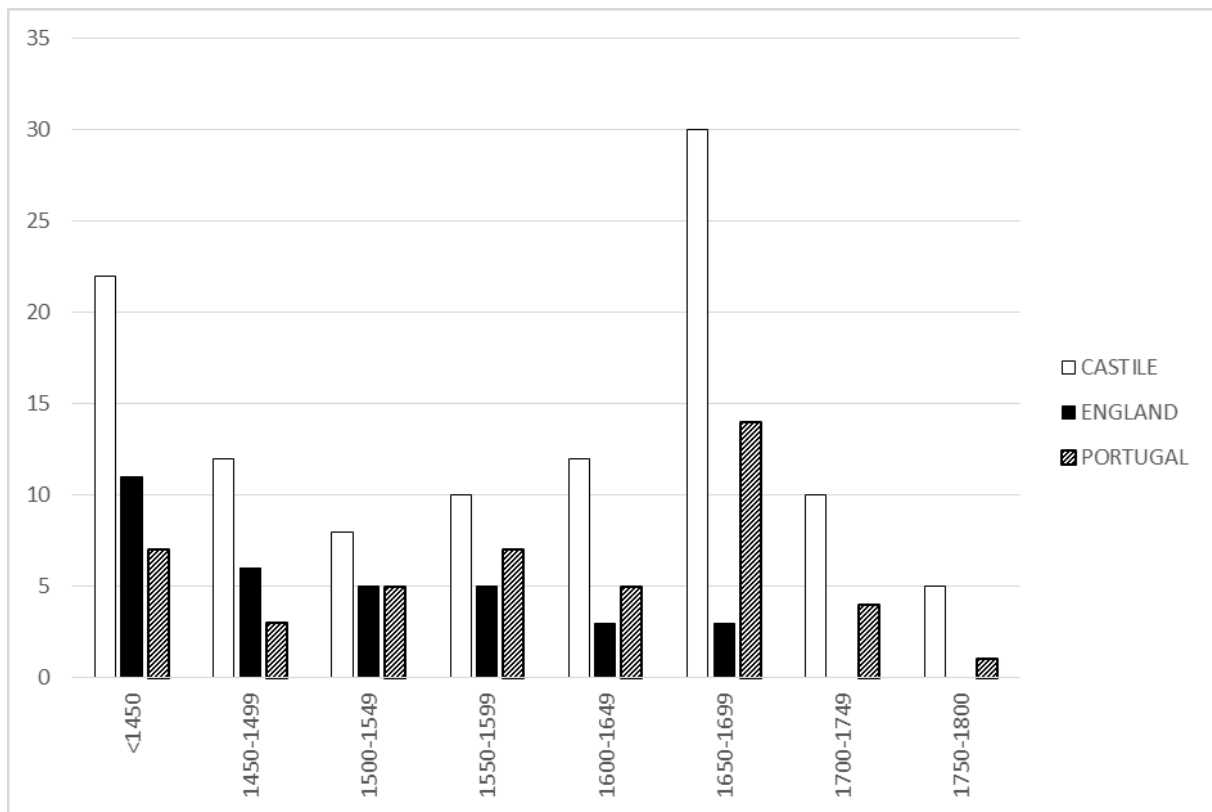
Sources: Table A9.

Figure A11: Offensive wars.



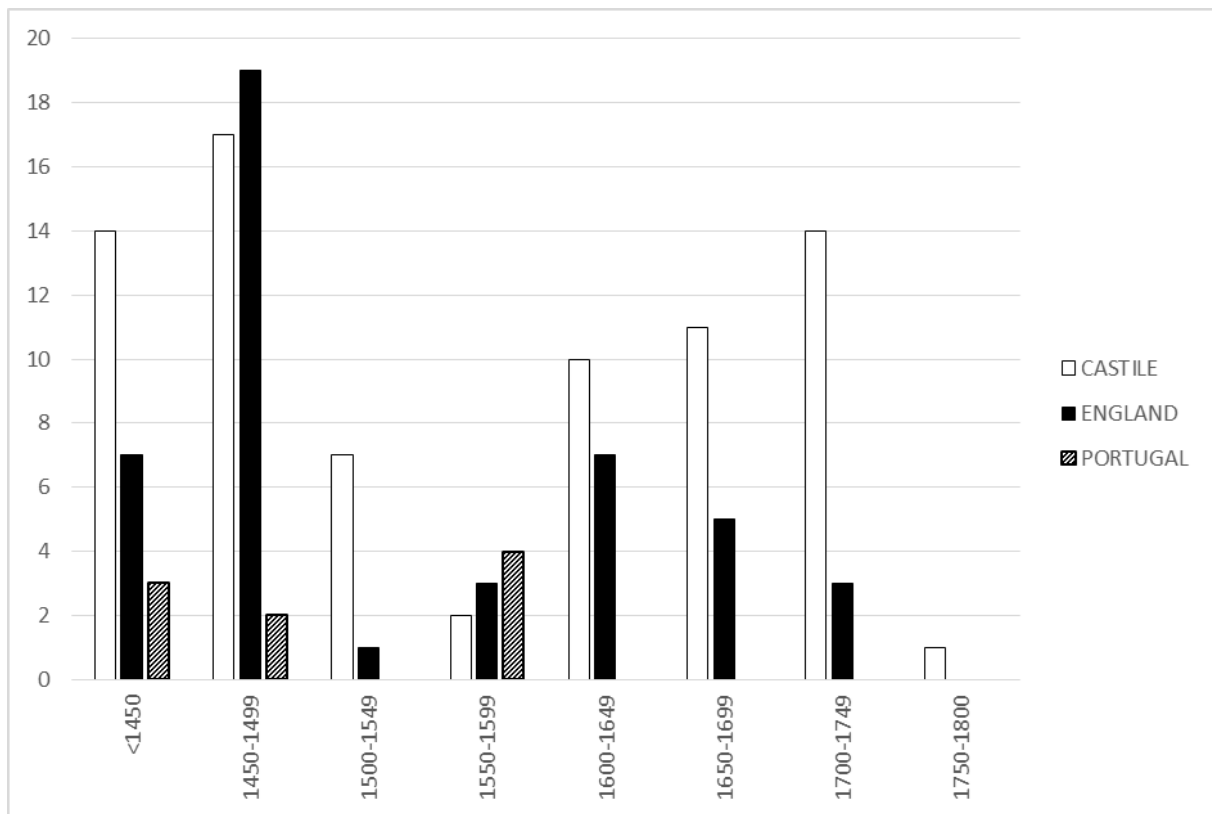
Sources: Table A9.

Figure A12: Defensive wars.



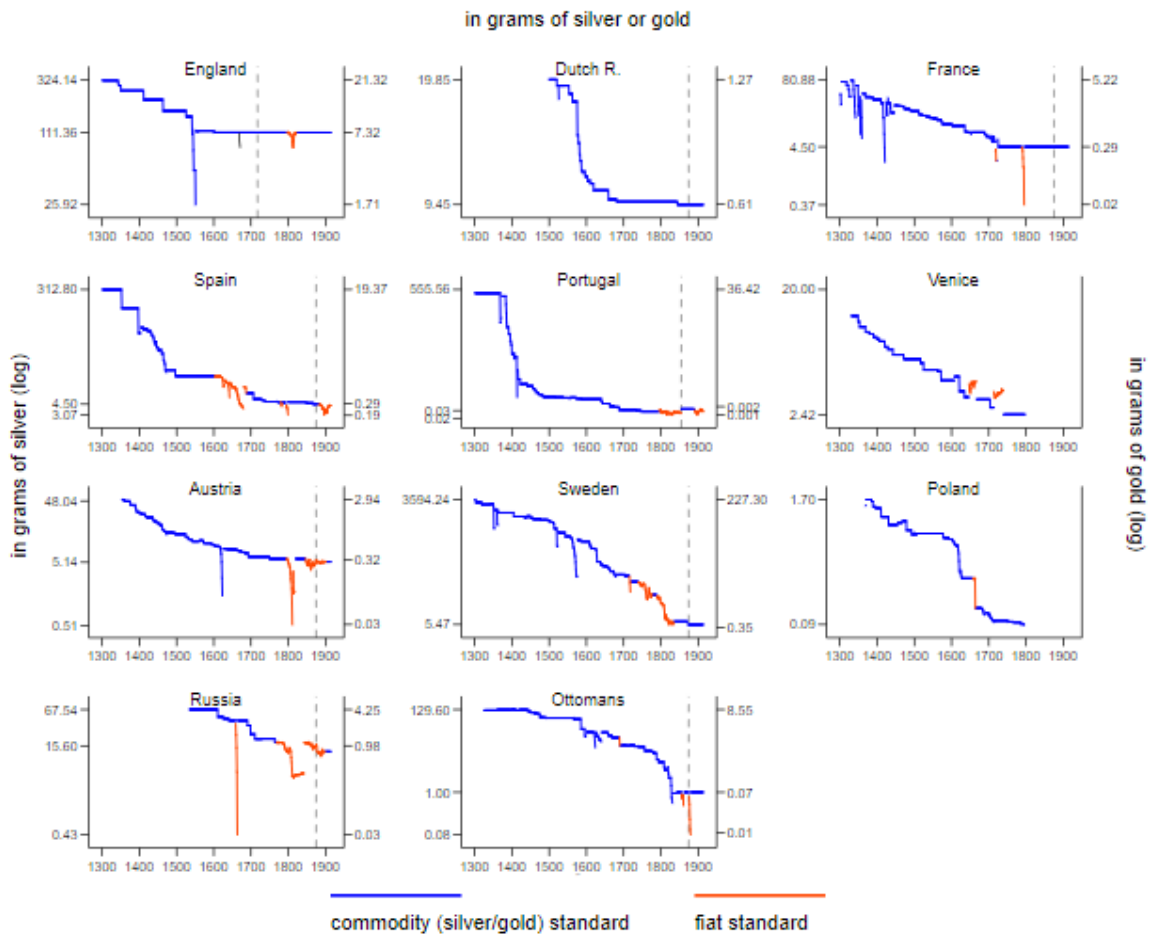
Sources: Table A9.

Figure A13: Civil wars.



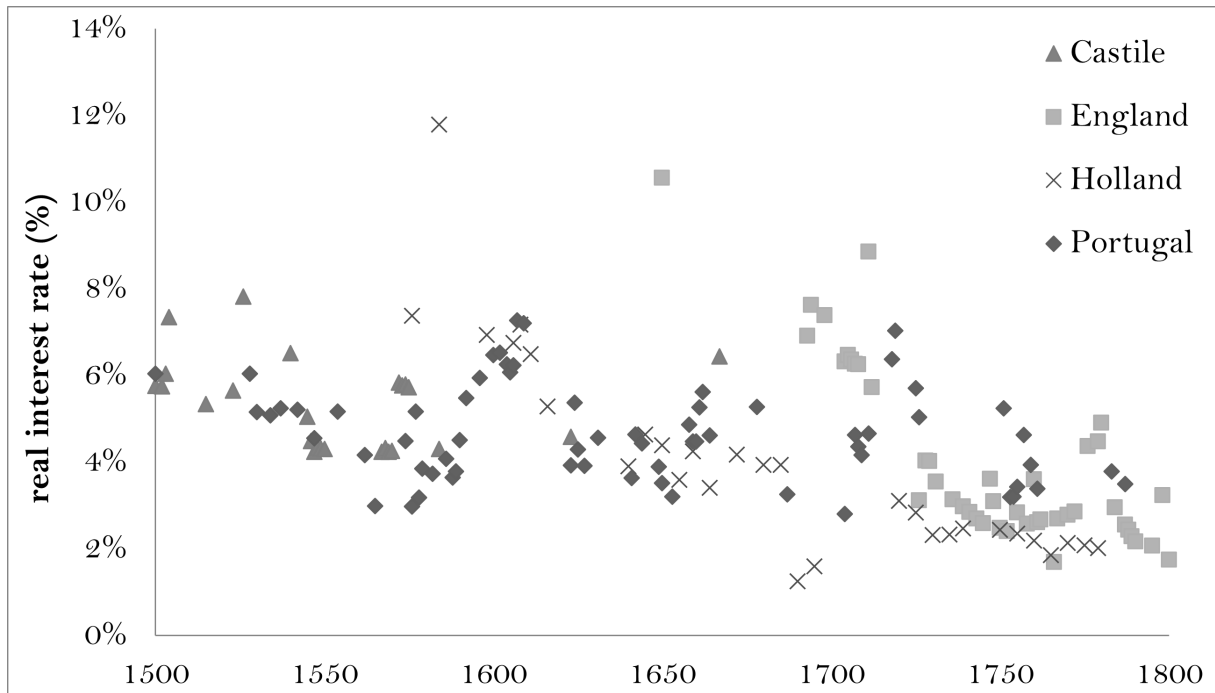
Sources: Table A9.

Figure A14: Full set of monetary stability series.



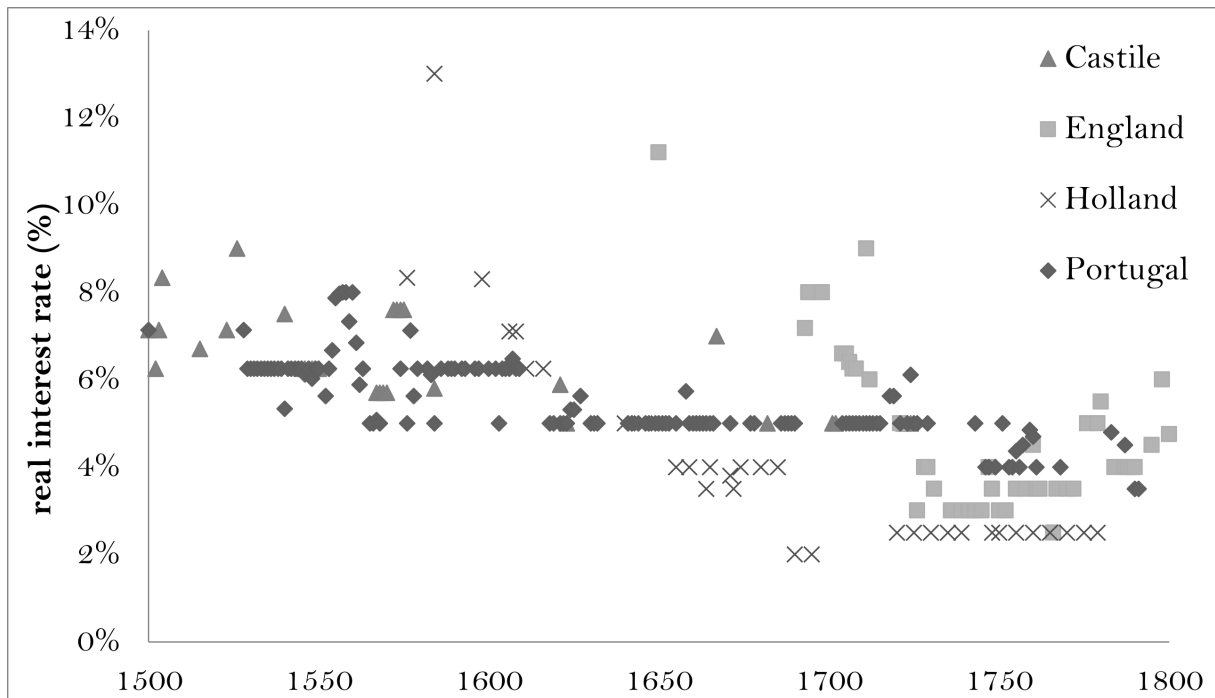
Source: Karaman et al. (2020)

Figure A15: Real interest rates of new issues of long-term public debt



Sources: same as Figure 7 from the main text, with the exception of the inflation series for England, here based on Clark (2019)'s Retail Price Index (RPI). As in the main text, we exclude here Holland's 20% nominal interest rate corresponding to 1574.

Figure A16: Nominal interest rates of new issues of long-term public debt



Sources: same as Figure 7 from the main text. Holland's 20% interest rate from 1574 not shown.

## 2. APPENDIX B

### B1. Additional discussion: value of coinage

As mentioned in the main text, the monarchs of England had absolute powers on all matters monetary, as explained by Sir Thomas Smith in his 1562-3 survey of the English Commonwealth: “the prince useth also absolute power in crying and decreeing the money of the realm” (Elton, 1982, p.18). Interestingly, 1500 is roughly halfway between two aggressive debasements, by Edward IV in 1464 and the Great Debasement of 1542-55. The latter led to an overall reduction of 83.1% of the intrinsic content of one penny and a price increase of 123% (Munro, 2010). In both cases, the motivation was fiscal. The ensuing mint profits were impressive, reaching roughly one-third of the total revenue for the years 1542-53 (O’Brien and Hunt, 1993). The memory of the Great Debasement called for restraint but not for constitutional change. The “Crown’s absolute rights” (Mayhew, 2021, p.393) on matters of coinage were reaffirmed by Elizabeth I and James I. Charles I also considered debasing coinage multiple times instead of summoning Parliament but he did not go ahead due to political (not constitutional) considerations (Mayhew, 2021, p.394). Given that ship money, distraints of knighthood, the rents of royal lands, tonnage and other revenues were defined in nominal terms, any debasement would hurt the real value of the Crown’s gains.

By contrast, in sixteenth-century Castile monetary reforms were doomed without the formal assent of the people through the *Cortes*. The precedent for this was set in the *Cortes* of Toro-Valladolid/1442, where the representatives claimed that the issue of bullion was not a prerogative of the prince and that no change of fineness or standard could be made without the assent of the *Cortes* (Olivera Serrano, 1986, p. 254). In the *Cortes* of Ocaña/1469, King Enrique IV of Castile negotiated with the *Cortes* the framework of a wide reform of coinage that was approved with the agreement of the representatives from the *Cortes* in a statute issued two years later (Olivera Serrano, 1986, p.137 and 154). This statute limited the quantity of mints and the profits of seigniorage of coinage issued, charging only a small sum for the production cost (brassage). For the Crown, this amounted to forgoing a useful source of revenue. Until the reign of Carlos II (1665-1701) kings observed this limitation and had to negotiate with Parliament in order to change the metallic content of coinage (Motomura, 1994). The *Cortes* kept their bargaining power with the monarchy, as shown in the meetings of 1608, 1619, and 1626. In all these cases, the *Cortes* did not consent to changes in the issue of money, even if they had to pay a tax to compensate for this refusal (Motomura, 1994, p.118).

The monetary powers of fifteenth- and sixteenth-century Portuguese kings were also

influenced by the *Cortes* as in Castile. After one century of enforced stability under a strict monetary constitution (1261-69), Kings Fernando I (1369-83) and João I (1385-1433) saw it as their right to change the coinage at will, and did so. The drastic debasements ordered by João I (1385-1433) for military purposes did not meet opposition from the *Cortes*, which regarded it as necessary evil in the context of the ongoing independence war. Mint revenues were not negligible as a share of revenue, 6% in 1401 (Henriques, 2008, p.161). But from 1435 the Crown did not look to the mint as a source of seigniorage revenue. While the monarchs did not share their monetary prerogative with the *Cortes*, they were often reminded of their role as protectors of the currency as a public good (Henriques, 2008, p.198). The Portuguese kings made some debasements in the first half of the sixteenth century in response to two interrelated problems highlighted by the *Cortes*: the outflows of gold and silver and the scarcity of coins with small denominations. These were defensive devaluations and were even responding to complaints formulated by the *Cortes* in 1525 and 1535, as acknowledged by the king (Peres, 1957, p.27). Aggressive or fiscal debasements, absent since the first half of the fifteenth century, only resumed after 1640 when the *Cortes* explicitly consented them because the country was in a life-or-death war with Spain (Santarém, 1828, p.94).

In sum, when the English public was struggling with the Grand Debasement conjured by Henry VIII, Portuguese and Spanish monarchs did not exploit coinage as a significant source of revenue. In both countries, the monetary policy was, at least, coherent with grievances aired in their parliaments about the circulation of monies. In Castile and Portugal, the *Cortes* even kept a role in setting the policy. Hence in this respect, England and the Dutch Republic both fare worse than Iberia during the sixteenth century. Figure 5 in the main text illustrates the trajectory of the three states considered here.<sup>48</sup> English coinage only became stable in value over the second half of the sixteenth century. In the Dutch Republic, stability came even later – only during the seventeenth century.<sup>49</sup> By contrast, Portuguese coinage was approximately stable from 1500 to 1800, with some adjustments along the way. Spanish coinage was stable in the sixteenth century, though it did experience considerable instability over the seventeenth (Karaman et al., 2020).

---

<sup>48</sup>Each index calculates the cumulative depreciation rate. When, after a debasement, the state issued a new coin with higher silver content (i.e. a redenomination), the index does not go up because people holding the old debased coin did not usually get compensated. In Figure A14 we show the full series from 1300 and for a larger set of countries. Our three polities all had considerable debasements during the fourteenth and fifteenth century, associated with the late medieval bullion famine (Day, 1978) and with various independence wars.

<sup>49</sup>Much of the Dutch Republic's poor performance with regards to monetary stability until the mid-seventeenth century can be explained in the context of fiscal pressure due to its ongoing independence war. This is analogous to Portugal's situation during the seventeenth century.

## B2. Additional discussion: comparative public debt

Circa 1500, our three states had varying degrees of involvement in the financial markets. Under Spain's Catholic Kings, Castile sold perpetuities payable from ordinary tax revenues. Originally, these "rights" (hence, *juros*, from Latin *jus*, *juris*) were granted as a reward for military services or as alms for church institutions. But the reliability of the tax administration of the Crown made them an attractive proposition to investors; thus emerged the *juro al quitar*, a redeemable perpetuity paid out of tax revenues. It became the mainstay of the Spanish public credit system. The overall sums involved in this early phase were modest and redemptions of *juros* were common in the early sixteenth century (Gálvez, 2015). When, under Charles V, Spain became entangled in European imperial wars, demand for credit soared. In 1521, Charles V had to simultaneously fight against France on three fronts (Flanders, Italy, and Spain), quell the Castilian rebellion of the *Comuneros* and pay for the expenses of his imperial election two years earlier. All these cases demanded not only the advance of the required funds on *time* (as in any credit contract) but also their transport to a *place*. The need to provide the means of payment in diverse locations in Europe led to the emergence of the *asientos*, a credit contract that combined currency exchange and the transport of money to a specific place (Drelichman and Voth, 2014; Álvarez-Nogal and Chamley, 2018). In this context, the *juros* were used to provide collateral to the lenders of *asientos*. The *juros* were tradable and there was a lively secondary market for these titles, both in Spain and Genoa (Álvarez-Nogal, 1997). The combination of *asientos* and *juros* was in effect an efficient risk-sharing device that gave some assurance for the external lenders to the Spanish Crown. Despite Spain's reputation as a serial defaulter, its bankruptcies were until 1620 orderly affairs in which the lenders agreed to convert their short-term contracts into *juros*. In fact, the notorious debt repudiations by Philip II, Philip III and Philip IV did not shut the credit market altogether (Álvarez-Nogal, 1997, 2003; Drelichman and Voth, 2014). These renegotiations contrast with Tudor and Stuart England, where rulers used their prerogative powers to extend ex post the maturity of loans, or to even take forced loans without interest – essentially an arbitrary tax for which no parliamentary consent was given (Ashton, 1960, p.114).

Portugal followed the Castilian example in selling *juros* in 1500. Like their Spanish counterparts, the Portuguese *juros* were redeemable and assigned to the country's buoyant fiscal revenues (Henriques, 2008). Very few of these were issued until João III needed a ready source of cash to buy the Spice Islands from Charles V in 1535. A decade later, in 1544, the same monarch sought to refinance his floating debt in Antwerp and sold a large quantity of *juros* to domestic capitalists and noblemen (Costa, 1883, p.39). The

Restoration War (1640-68) and the War of the Spanish Succession led to new large-scale sales of *juros*, while the middle decades of the eighteenth century saw redemption of the *juros* on a massive scale (Costa, 1883, p.40).

The credibility of the public debt system rested on the state's fiscal capacity and indirectly of the approval of taxes by the Parliament. The taxes approved by the *Cortes* determined the ceiling for the service of public debt (Álvarez-Nogal and Chamley, 2014, p.194). The monarchs had thus to negotiate with the cities of Castile, whose representatives in the *Cortes* were interested in the “defending the stability of the system in the long run” against potential monarchical confiscation (Álvarez-Nogal, 2009, p.116). Both *Cortes* opposed the use of extraordinary parliamentary taxation for servicing new issuances. For instance, the *Cortes* of Castile in 1632 imposed as a condition for granting the new *servicios* that “there would be no haircut on the *juros* and that they would be paid in the original coinage” (Cortes, 1862-2006, vol. 51, p.398).

The credibility of public debt also depended on the soundness of the administration. In Portugal, budgeting was in the hands of an office called *Vedoria da Fazenda*, which was headed by three *vedores*, who rotated between the office's three main functions: judging fiscal litigation, holding the auctions for the tax-farmers, and budgeting. The king's treasury had its revenues assigned to a given source of revenue, just like any owner of a *juro* or of another claim on state revenues. The *vedores* also judged the pleas against the Crown (Cruz, 2001). Tellingly, with the Portuguese loss of independence to Spain, the *vedoria* lost its budgeting role. In Spain, the management of public debt fostered the creation of an equivalent institution: the *Consejo de Hacienda*, which had to allocate the debt service. As the example of late seventeenth-century England shows, the credibility of public debt also depended on the soundness of the administration (Cox, 2016, p.49). For the reliability of their performance, the Portuguese and Spanish *juros* were traded at par in the secondary market, an indication of their credibility; see (Costa, 1883) and Toboso (1987, p.91).<sup>50</sup>

Likewise, the low risk premia observed for Portugal in the sixteenth century are an indication of the reliability of the *Vedoria*. By contrast, pre-Restoration English administrative framework was dominated by the “cumbersome machinery” of the Exchequer

---

<sup>50</sup>Despite the balance between state and private rights that these institutions imply, the management of credit in both Portugal and Spain was not flawless. Wars, in particular, disrupted the debt service (Costa, 1883, p.46) and led to reductions of the actual yield by means of haircuts or (temporary) taxes on the interest paid. However, Holland, which provided the financial model for England, did exactly the same. Dutch history during the sixteenth century includes plenty of episodes of outright government expropriation of the public such as forced loans which were never paid back or other similar measures; see De Vries and Van der Woude (1997, 87) and Gelderblom and Jonker (2011, p.16, 22).

(Roseveare, 2021; Braddick, 1997, p.115). Until 1667, Parliament seldom exerted any accountability on the spending of the revenues it granted. The expenditure of the extraordinary taxes was made through a Great Wardrobe, a “notoriously lax” institution (Roseveare, 2021). Finally, the offices in the financial administration were tied to a web of patronage and clientelism that affected the reliability of the payments (Roseveare, 2021). This started to change in 1660 when, lacking credibility for lending and with little room for getting taxes in Parliament, Charles II followed Cromwellian practice and appointed a Treasury Commission instead of appointing a high-ranking noble as the Great Lord Treasurer (Roseveare, 2021). This new commission was charged with earmarking the expenses in the revenue streams and issue commensurate sums in Treasury Orders, i.e. credible orders of payment that became tradable titles. The personnel of the Commission did this with an agility that the Exchequer did not have. This new-model Treasury brought English state finances machine closer to Portugal’s *Vedoria da Fazenda* or Castile’s *Consejo de Hacienda*. Like in Iberia, where the arcane audit institutions were sidelined, the Exchequer lost its “primacy”. In 1667, Treasury acquired the de facto power to perform any expenditure and when the Treasury and Parliament started to collaborate and, hence, wrestled expenditure from the king’s hands (Roseveare, 2021, pp.24-6).

In contrast to their Iberian rivals, the Tudors and Stuarts could not count on a system of public debt. Given the frequency and magnitude of taxes granted by Parliament (together with the low commitment perceived by investors), the rulers of England had little incentive to develop one. Prior to the Civil War, rulers enticed merchants, goldsmiths and the city of London to lend using a variable combination of coercion, commercial privileges, and interest payments. For instance, when war with Spain broke out in 1625, “Charles sought to raise money without parliament by means of a forced loan. Direct pressure was applied to individuals, and those who refused to pay risked having troops billeted to them, or imprisonment” (Braddick, 2009, p.45). Forced loans were common until the Civil War. The last English forced loan took place during the exceptional circumstance known as the 1672 “Stop of the Exchequer”, when Charles borrowed at 6%, which was below what he usually paid (Homer and Sylla, 2005, p.122-124). Overall, the key underlying factor which differentiated public from private loans was that “the royal immunity from the ordinary legal processes which were open to any lender in claiming redress from a defaulting debtor undoubtedly reduced the attractiveness of royal securities as a financial investment” (Ashton, 1960, p.10).

Figure 6 of the main text shows a comparison of forced loans, loan requests, ad hoc money requests, and non-parliamentary taxes over time across our three polities. Until the

mid-seventeenth century, England was the most common offender.<sup>51</sup> After the Civil War, however, we observe no more instances of either forced loans, loan or money requests in England (despite the Stop the Exchequer of 1672 which was a default), while they became increasingly common in Castile and Portugal, as did non-parliamentary taxes.

Given these commitment problems, maturities for public debt were short. Lack of credibility meant that England could not organize a debt system based on long-term lending until the 1730s.<sup>52</sup> In the seventeenth century, it was unclear for how long a dynasty would last, and whether the next would default on the debts of the previous one. Life annuities and perpetuities paid on Crown lands were the only exception to short-term lending. A proper “national debt system” with long-term maturities and secured by revenues, like the one that existed in Portugal and Spain, only emerged with the financial experiments of the 1690s (Dickson, 1993, pp.48-49, 60). There was an “absence of an effective market in which lenders could sell their claim on the state” (Dickson, 1993, p.36). The secondary market for English long-term debt remained “extremely illiquid” until 1720 (Sussman and Yafeh, 2006).

The link between constitutional change and the credibility of the English state as a debtor inspired a substantial debate that is still ongoing (Stasavage, 2003; Sussman and Yafeh, 2006; Bogart and Richardson, 2009, 2011; Cox, 2012; Macdonald, 2013; Jha, 2015; Murrell, 2017; Dimitruk, 2018; Li, 2019). The initial thesis was that after the Glorious Revolution, the markets started to regard a debt title signed by the king as a credible commitment (North and Weingast, 1989). Clark (1996) showed, however, that private interest rates did not manifest great changes while Epstein (2000) found that nominal interest rates were not lower in England and the Netherlands than in countries with supposedly worse institutions.<sup>53</sup> In fact, the fall in English interest rates after the Glorious

---

<sup>51</sup>English forced loans could be large. For example, in London, there was a forced loan of 20,000 pounds sterling in 1544 (The National Archives E 179, N.558); see also Archer (2001). This happened at a time when London’s population was around 100,000 and unskilled building laborers earned 2.435p per day (Harding, 1990; Clark, 2005). Hence (ignoring distributional matters), this corresponded to 20 days of work.

<sup>52</sup>One simple measure of the lack of state credibility is the number of external defaults. Between 1300 and 1550, Spain and Portugal never defaulted, while England did so twice (in 1340 and 1472). We are here relying on (Reinhart and Rogoff, 2009)’s definition of default. These authors additionally consider Henry VIII’s 1544-51 “epic debasement” as amounting to a default. There was another default in 1594, though there is uncertainty about whether this was an internal or external default (Reinhart and Rogoff, 2009, p.87). By contrast, Spain’s first default was in 1557 (after which others followed), and Portugal’s only default in the early modern period was in 1560.

<sup>53</sup>Stasavage (2011, p. 143-9) argues that Dutch and Spanish political institutions were similar, but that the greater geographical scale of Castile meant that “The Spanish monarchy paid significantly higher interest rates than the Dutch Republic on its loans”. The evidence we present here supports the view that Castilian institutions were not worse (until the mid-seventeenth century) but our data shows that the Spanish monarchy did not usually pay higher interest rates than the Dutch Republic. Our viewpoint that the deterioration of Spanish institutions can only be noticed in the seventeenth century is supported

Revolution can be seen as the belated convergence to the frontier of the international financial markets (Coffman and Neal, 2013).<sup>54</sup> Macdonald (2013) argues that the break towards a modern public debt system only occurred in 1710, when the change in cabinet did not lead to a default.

Figure 7 of the main text fits the evidence previously shown in this paper. In the sixteenth and early seventeenth centuries, Castile and Portugal display a considerable advantage hinting at higher credibility and less fear of expropriation. By contrast, England was unable to borrow long-term prior to the mid-seventeenth century. By the early eighteenth century, however, England and Holland were paying lower interest rates than Portugal, and Castile was unable to issue long-term debt.<sup>55</sup> Finally, note that the Iberian head start in terms of interest rates relative to England and Holland does not manifest in different rates paid on life annuities (Table A14). Given the much shorter maturities of annuities, this evidence suggests that the higher rates paid by England on long-term borrowing until the second half of the seventeenth century reflect different perceptions about the long-term credibility of different regimes (which did not manifest themselves in short-term borrowing).<sup>56</sup>

The credibility of public debt also depended on the soundness of the administration. In Portugal, budgeting was in the hands of an office called *Vedoria da Fazenda*, which was headed by three *vedores*, who rotated between the office's three main functions: judging fiscal litigation, holding the auctions for the tax-farmers, and budgeting. The king's treasury had its revenues assigned to a given source of revenue, just like any owner of

---

by the fact that “through the 1590s, juros traded at near par on the secondary market, but after the 1630s ... this was no longer the case” (Stasavage, 2011, p. 145); see also Thompson (1984). Stasavage (2011, p. 146) recognizes that a difference is only noticeable from the 1630s, but his argument that the key factor was the greater size of Castile relative to the Dutch Republic seems hard to square with the case of Portugal, which was also a small state.

<sup>54</sup>The level of interest rates have often been interpreted as a proxy for the efficiency of premodern capital markets (van Zanden, 2009).

<sup>55</sup>For Castile's inability to borrow long-term after the mid-seventeenth century, see Álvarez-Nogal, 2003, p.42, who writes that for the Castilian Crown, “[a]fter 1650 ... the game of credit was over”. It was only more than a century later, in 1769 that lifetime annuities known as *fondo vitalicio* were issued with a nominal interest rate of 9%, and again in 1782 with a nominal interest rate of 8%. Finally, annuities with a maturity of 20 years known as *vales reales* were issued in 1780 with a nominal interest rate of 4% (Torres Sánchez, 2008). By contrast, Portugal's Crown continued to borrow during the eighteenth century. However, the interest rates paid by Portugal's monarchs in the eighteenth century would have been considerably higher were it not for the fact that from 1698 a legal maximum of 5% interest was imposed on all private perpetuities. Additionally, from the 1770s the Portuguese Crown forbade the country's largest charitable foundation (*Misericórdia de Lisboa*) – which doubled as a bank – from lending to the private sector (Rodrigues, 2019). This considerably increased, by force, the liquidity which could be absorbed by public borrowing at an artificially low interest rate.

<sup>56</sup>In the case of Holland prior to 1600-19, and Portugal over 1640-59, the geopolitical situation (independence wars) was largely responsible for the high level of interest rates observed; but note that Portugal in the early seventeenth century faced real rates which were comparable to those of Holland.

a *juro* or of another claim on state revenues. The *vedores* also judged the pleas against the Crown (Cruz, 2001). Tellingly, with the Portuguese loss of independence to Spain, the *vedoria* lost its budgeting role. In Spain, the management of public debt fostered the creation of an equivalent institution: the *Consejo de Hacienda*, which had to allocate the debt service.

### 3. APPENDIX C

#### C1. Archival sources of interest rates

Footnote 64. Archivo General de Indias, Indiferente, 423, L.19, F.280R-280V, Archivo Histórico de la Nobleza, Frias, C.284, D.1-2, Archivo Histórico de la Nobleza, Luque, C.343, D.32, Archivo Histórico de la Nobleza, Osuna, C.328, D.6, Archivo Histórico de la Nobleza, Toreno, C.10, D.7, Archivo Histórico Nacional, Universidades, 751, N.35, pp.295-302. This has been necessary as only a few contracts with interest rates (which we also use) were previously available, from Casalilla (1985); García Rámila (1952); Martín (1991), and Barrassar (2019, p.262-264). Archivo Histórico Nacional, Universidades, 751, N.33, fols.218-233, 249-282; 752, N.8 (bis), N.58; 753, N.4, N.31, N.35; L. 1098, N.8, L.1098, N.8, Archivo Histórico Nacional, Sección Clero, L.18751, fol.147; L.5519, N.19, Archivo Histórico de la Nobleza, Bornos, C.794, D.2, Archivo Histórico de la Nobleza, Frias, C.284, D.3; C.284, D.14 (bis), Archivo Histórico de la Nobleza, Luque, C.411, D. 5-7, D.49-51, Archivo Histórico de la Nobleza, Osuna, C.76, D.13-14 (bis); C.70, D.87-88; C.233, D.3; C.233, D.6; C.1555, D.1-5, Archivo Histórico de la Nobleza, Ovando, C.3, D.154; C.3, D.155; C.91, D.4224, Archivo Histórico de la Nobleza, Torrelaguna, C.7, D.3, D.6, Archivo Histórico Provincial de Álava, Protocolos Notariales, 21247, 21807, 26763.

Footnote 65. Arquivo Distrital de Leiria, Silva Atayde e Costa, M.13, D.22, Arquivos Nacionais/Torre do Tombo, Convento de Santa Clara do Funchal, 16, M.2, D.2, Arquivos Nacionais/Torre do Tombo, Hospital de São José, L. 2, fols.111-126, Biblioteca Pública de Évora, Pergaminhos Avulsos, P.11, D.23, D.85; P.23, D.89.

Footnote 66. Arquivos Nacionais/Torre do Tombo, Núcleo Antigo, 826, Arquivos Nacionais/Torre do Tombo, Corpo Cronológico, 1, M.57, D.93; 2, M.247, D.1, Arquivos Nacionais/Torre do Tombo, Casa de Abrantes, C.89, D.4948, Arquivo Distrital de Leiria, Silva Atayde e Costa, M.13, D.22, D.61; M.14, D.83, D.150, Arquivo Distrital de Portalegre, Convento de Nossa Senhora da Luz de Arronches, M.8, D.17, Biblioteca Pública de Évora, Pergaminhos Avulsos, P.15, D.34, D.1.

Footnote 68. Arquivo Distrital de Aveiro, Orden Terceira de São Francisco de Aveiro, M.1, D.38, Arquivo Distrital de Braga, Convento de S. Bento de Barcelos, D.8 (bis), Arquivo Distrital de Leiria, Silva Atayde e Costa, M.1, D.62, D.65, M.12, D.61, D.84, Arquivo Distrital de Leiria, Convento Santo Agostinho de Leiria, M.12, D.61, D.84, Arquivo Distrital de Portalegre, Convento de Santo António de Sousel, M.4, D.3, M.18, D. 2, Arquivo Distrital de Portalegre, Convento de Nossa Senhora da Luz de Arronches, M. 18, D.3, M.21, D.1, Arquivo Distrital de Portalegre, Convento de S. Domingos de Elvas, M.54,

D.3, M.61, D.499, M.75, D.5, M.90, D.4, Arquivo Distrital de Portalegre, Convento de S. Paulo de Elvas, M.2, D.34, M.4, D.14, D.15, Arquivo Distrital de Portalegre, Mosteiro de S Bento de Portalegre, M.4, D.4, M.34, D.1, M.39, D.3, M.64, D.4 (bis), Arquivo Distrital de Portalegre, Convento de Santa Clara de Portalegre, M.3, D.49, Arquivo Municipal de Moura, Santa Casa de Misericórdia de Moura, M.2, D.12, Arquivos Nacionais/Torre do Tombo, Casa de Abrantes, C.3, M.7, D.94, C.4, M.9, D.124, C.32, D2055, Arquivos Nacionais/Torre do Tombo, Feitos Findos, Administração de Casas, M.96, D.34, D.41; M.98, D.56, Arquivos Nacionais/Torre do Tombo, Feitos Findos, Diversos, M.34, D.20, Arquivos Nacionais/Torre do Tombo, Família Saldanha e Castro e Falcão Trigoso, M.119, D.41, Arquivos Nacionais/Torre do Tombo, Marqueses de Olhão, M.32, D.594, Arquivo do Paço de Calheiros, Gestão Patrimonial, M.62, D.47.

## UNPUBLISHED PRIMARY SOURCES

Actas de Vereações, Livro 48, Arquivo Distrital de Beja.  
Archivo General de Indias, Indiferente.  
Archivo Histórico de la Nobleza, Bornos.  
Archivo Histórico de la Nobleza, Frias.  
Archivo Histórico de la Nobleza, Luque.  
Archivo Histórico de la Nobleza, Osuna.  
Archivo Histórico de la Nobleza, Ovando.  
Archivo Histórico de la Nobleza, Toreno.  
Archivo Histórico de la Nobleza, Torrelaguna.  
Archivo Histórico Nacional, Sección Clero.  
Archivo Histórico Nacional, Universidades.  
Archivo Histórico Provincial de Álava, Protocolos Notariales.  
Arquivo Distrital de Aveiro, Orden Terceira de São Francisco de Aveiro.  
Arquivo Distrital de Braga, Convento de S. Bento de Barcelos.  
Arquivo Distrital de Leiria, Convento Santo Agostinho de Leiria.  
Arquivo Distrital de Leiria, Silva Atayde e Costa.  
Arquivo Distrital de Portalegre, Convento de Nossa Senhora da Luz de Arronches.  
Arquivo Distrital de Portalegre, Convento de S. Domingos de Elvas.  
Arquivo Distrital de Portalegre, Convento de S. Paulo de Elvas.  
Arquivo Distrital de Portalegre, Convento de Santa Clara de Portalegre.  
Arquivo Distrital de Portalegre, Convento de Santo António de Sousel.  
Arquivo Distrital de Portalegre, Mosteiro de S Bento de Portalegre.  
Arquivo do Paço de Calheiros, Gestão Patrimonial.  
Arquivo Municipal de Moura, Santa Casa de Misericórdia de Moura.  
Arquivos Nacionais/Torre do Tombo, Casa de Abrantes.  
Arquivos Nacionais/Torre do Tombo, Convento de Santa Clara do Funchal.  
Arquivos Nacionais/Torre do Tombo, Corpo Cronológico.  
Arquivos Nacionais/Torre do Tombo, Família Saldanha e Castro e Falcão Trigoso.  
Arquivos Nacionais/Torre do Tombo, Feitos Findos, Administração de Casas.  
Arquivos Nacionais/Torre do Tombo, Feitos Findos, Diversos.  
Arquivos Nacionais/Torre do Tombo, Hospital de São José.  
Arquivos Nacionais/Torre do Tombo, Marqueses de Olhão.  
Arquivos Nacionais/Torre do Tombo, Núcleo Antigo.  
Biblioteca Pública de Évora, Pergaminhos Avulsos.  
Livro Dois de Cortes, fol. 14, Arquivo Histórico Municipal de Lisboa.  
The National Archives E 179. 260-879.

## PUBLISHED PRIMARY SOURCES

Castilla, R. *Capitulos y leyes discedidos en las cortes que su Mag. del Emperador n[uest]ro señor ma[n]do tener, y se tuuiero[n] en la villa d[e] Madrid el año q[ue] passo de 1552, Co[n] los capitulos q[ue] se determinaro[n] y pueyeron en las cortes q[ue] por su ma[n]dado se tuuiero[n] en esta villa de Vall[adol]id el año q[ue] passo de 1555, Ju[n]tame[n]te co[n] los q[ue] agora vltimame[n]te se determinaro[n] en las cortes q[ue] por ma[n]dado de la Mag. real del Rey do[n] Phelippe n[uest]ro señor se ha[n] tenido en esta villa d[e] Vall[adol]id este p[re]se[n]te año de 1558 años a suplicacion de los procuradores d[e]stos reynos que a todas las dichas cortes vinieron.* Sebastian Martinez, 1558.

- Castilla, R. *Capitulos generales de las Cortes del ano de mil y quinientos y nouenta y dos, fenecidas en el de nouenta y ocho : y publicadas en el de seyscientos y quatro*. Luyz Sanchez, 1604.
- Castilla, R. *Capitulos generales de las Cortes del año de mil y seyscientos y dos, fenecidas en el de seyscientos y quatro, y publicadas en el de seyscientos y diez*. Iuan de la Cuesta, 1610.
- Castilla, R. *Capitulos generales de las Cortes celebradas en la villa de Madrid, en los anos de seiscientos y siete, onze, y quinze, Prematicas, y Cedula Real, publicadas en la dicha villa à veinte y dos dias del mes de Agosto de mil y seiscientos y diez y nueue anos*. Iuan de la Cuesta, 1619.
- Commons, J. o. H. *Volume 1: 03 April 1604*, in: *Journal of the House of Commons Volume 1, 1547-1629*, available in *British History Online* <http://www.british-history.ac.uk/commons-jrnl/vol1/pp162-165> [accessed 24 June 2021]. Originally published by His Majesty's Stationery Office, London, 1802.
- Cortes. *Actas de las Córtes de Castilla: publicadas por acuerdo del Congreso de los Diputados, á propuesta de su Comisión de Gobierno Interior*. Imprenta Nacional, 1862-2006.
- Costa, J. G. d. *Collecção de leis da dívida pública portuguesa, coordenada e publicada pela Junta do Crédito Público. Primeira Parte – Dívida Interna.*, volume 1. Imprensa Nacional, 1883.
- Firth, C. H. and Rait, R. S. *Acts and Ordinances of the Interregnum, 1642-1660*, volume 3. HM Stationery Office, 1911.
- Lucena, F. d. *Avtos do Levantamento e Ivramento, que por os grandes, titulos seculares, e ecclesiasticos, e pessoas que se acharao presentes, se fez a el Rey Dom IOAM o IV. nosso Senhor, na Coroa e Senhorio destes Reinos, e do que Elle fez as mesmas pessoas na Cidade de Lisboa, em os quinze dias do mes de Dezembro do Anno de 1640*. Antonio Alvarez, impressor, 1641.
- Oliveira, E. F. d. *Elementos para a história do município de Lisboa*. Typographia Universal, 1891.
- Parliament. *Journal of the House of Commons*. His Majesty's Stationery Office, 1802.
- Santarém, V. *Memoria para a historia e Theoria das Cortes Geraes que em Portugal se Celebraram pelos Tres Estados do Reino.*, volume 2. 1828.

## SECONDARY SOURCES

- Acemoglu, D. Why not a political Coase theorem? Social conflict, commitment, and politics. *Journal of Comparative Economics*, 31(4):620–652, 2003.
- Acemoglu, D., Johnson, S., and Robinson, J. The Rise of Europe: Atlantic Trade, Institutional Change and Economic Growth. NBER Working Papers 9378, National Bureau of Economic Research, Inc, December 2002. URL <https://ideas.repec.org/p/nbr/nberwo/9378.html>.
- Acemoglu, D., Johnson, S., and Robinson, J. The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth. *American Economic Review*, 95(3):546–579, June 2005.
- Albuquerque, M. d. *O poder político no Renascimento português*. 2012.
- Almeida, L. F. d. O absolutismo de D. João V. *Páginas dispersas: Estudos de História Moderna de Portugal*. Coimbra: Faculdade de Letras, 1995.
- Álvarez-Nogal, C. *El crédito de la Monarquía hispana en el reinado de Felipe IV*. Junta de Castilla y León, 1997.
- Álvarez Nogal, C. Las remesas indianas desde 1621. 1999.
- Álvarez-Nogal, C. The role of institutions to solve sovereign debt problems: the Spanish monarchy's credit (1516-1665). Working Paper 03-08, Economic History and Institutions Series 04, Universidad Carlos III de Madrid, 2003.

- Álvarez-Nogal, C. *Oferta y demanda de deuda pública en Castilla. Juros de alcabalas (1540-1740)*. Number 55 in Estudios de Historia Económica. Banco de España; Estudios de Historia Económica, December 2009.
- Álvarez-Nogal, C. *La demanda de juros en Castilla durante la Edad Moderna: los juros de alcabalas de Murcia*. Banco de España, 2010.
- Álvarez-Nogal, C. and Chamley, C. Debt policy under constraints: Philip ii, the Cortes, and Genoese bankers. *The Economic History Review*, 67(1):192–213, 2014.
- Álvarez-Nogal, C. and Chamley, C. Refinancing short-term debt with a fixed monthly interest rate into funded juros under Philip II: an asiento with the maluenda brothers. *The Economic History Review*, 71(4):1100–1117, 2018.
- Álvarez Palenzuela, V. Á. La corona de Castilla en el siglo XV: la administración central. *Espacio, tiempo y forma. Serie III, Historia medieval*, 4:79–94, 1991.
- Andrés, J. and Lanza, R. Data on Spanish Crown finance. Available at: <http://www.esfdb.org/table.aspx?resourceid=12151>.
- Angelucci, C., Meraglia, S., and Voigtländer, N. How merchant towns shaped parliaments: From the Norman conquest of England to the great reform act. Technical report, National Bureau of Economic Research, 2017.
- Archer, I. W. The burden of taxation on sixteenth-century London. *The Historical Journal*, 44 (3):599–627, 2001.
- Artola, M. *La hacienda del Antiguo Régimen*. Alianza Editorial, 1982.
- Ashton, R. *The Crown and the money market, 1603-1640*. Clarendon Press Oxford, 1960.
- Ball, N. Representation in the English House of Commons: The New Boroughs, 1485–1640. *Parliaments, Estates & Representation*, 15(1):117–124, 1995.
- Barata, M. and Teixeira, N. *Nova história militar de Portugal*, volume 5. Círculo de Leitores, 2004.
- Baydal Sala, V. Los orígenes historiográficos del concepto de "pactismo". *Historia y política: Ideas, procesos y movimientos sociales*, 34:269–295, 2015.
- BCW. British Civil Wars, Commonwealth, Protectorate, 1638-1660, s.d. Website: <http://www.esfdb.org/table.aspx?resourceid=12151>.
- Beirante, M. A. Ao serviço da República e do bem comum: os vinte e quatro dos mesteres de Évora, paradigma dos vinte e quatro da Covilhã (1535), 2014.
- Bennassar, B. *Valladolid au siècle d'or: une ville de Castille et sa campagne au XVIIe siècle*, volume 4. De Gruyter Mouton, 2019.
- Bethencourt, F. *História das Inquisições: Portugal, Espanha e Itália*. Temas e debates, 1996.
- Bogart, D., Drelichman, M., Gelderblom, O., and Rosenthal, J. State and private institutions. In *The Cambridge Economic History of Modern Europe, Volume I: 1700-1870*. Cambridge University Press, 2010.
- Bogart, D. and Richardson, G. Making property productive: reorganizing rights to real and equitable estates in Britain, 1660–1830. *European Review of Economic History*, 13(1):3–30, 2009.
- Bogart, D. and Richardson, G. Property rights and parliament in industrializing Britain. *The Journal of Law and Economics*, 54(2):241–274, 2011.
- Bonney, R. *The rise of the fiscal state in Europe c. 1200-1815*. Clarendon Press, 1999.
- Bovers, R. Government-market interaction: Holland's loan issuing policy during the Dutch war. Master's thesis, University of Utrecht, 2009.
- Braddick, M. *God's Fury, England's Fire: A New History of the English Civil Wars*. Penguin, 2009.
- Braddick, M. J. *The nerves of state: taxation and the financing of the English state, 1558-1714*. Manchester University Press, 1996.
- Braddick, M. J. Resistance to the royal aid and further supply in Chester, 1664–1672: Relations

- between centre and locality in restoration England. *Northern History*, 33(1):108–136, 1997.
- Brandt, L., Ma, D., and Rawski, T. G. From divergence to convergence: Reevaluating the history behind China’s economic boom. *Journal of Economic Literature*, 52(1), 2014.
- Britnell, R. H. *The commercialisation of English society, 1000-1500*. Manchester University Press, 1996.
- Cardim, P. Cortes e procuradores do reinado de d. João IV. *Penélope: revista de história e ciências sociais*, (9):63–72, 1993.
- Cardim, P. Entre o centro e as periferias: A assembleia de cortes e a dinâmica política da época moderna. In: Cunha, Mafalda Soares and Fonseca, Teresa (eds.), *Os municípios no Portugal moderno: dos forais manuelinos às reformas liberais*. pages 167–242, 2005.
- Cardim, P. A. *Cortes e cultura política no Portugal do Antigo Regime*. Lisboa: Livros Horizonte, 1998.
- Carretero Zamora, J. M. La averiguación de la corona de Castilla 1525-1540. *Los pecheros y el dinero del reino en la época de Carlos V*, 1:154, 2008.
- Casalilla, B. Y. Aristocracia, señorío y crecimiento económico en Castilla: algunas reflexiones a partir de los Pimentel y los enriquez (siglos XVI y XVII). *Revista de Historia Económica- Journal of Iberian and Latin American Economic History*, 3(3):443–471, 1985.
- Challis, C. E. *A new history of the Royal Mint*. Cambridge University Press, 1992.
- Clark, G. The political foundations of modern economic growth: England, 1540-1800. *Journal of Interdisciplinary History*, 26(4):563–588, 1996.
- Clark, G. What were the British earnings and prices then? MeasuringWorth, URL: <http://www.measuringworth.com/ukearnncpi/>, 2019.
- Clark, G. The condition of the working class in England, 1209–2004. *Journal of Political Economy*, 113(6):1307–1340, 2005.
- Clark, P. Thomas Scott and the growth of urban opposition to the early Stuart regime. *The Historical Journal*, 21(1):1–26, 1978.
- Coelho, M. H. d. C. A Guarda em Cortes nos séculos XIV e XV. 2002.
- Coffman, D. M. Credibility, transparency, accountability, and the public credit under the long parliament and commonwealth, 1643-1653. In Coffman, D., Leonard, A., and Neal, L., editors, *Questioning credible commitment: Perspectives on the Rise of Financial Capitalism*. Cambridge University Press, 2013.
- Coffman, L. A., D. M. and Neal, L. *Questioning Credible Commitment*. Cambridge University Press, 2013.
- Collantes de Terán Sánchez, A. El empréstito en la Sevilla bajomedieval. *Historia, Instituciones, Documentos*, 36, 137-160., 2009.
- Costa, L. F., Henriques, A., and Palma, N. Anatomy of a premodern state. Unpublished manuscript. 2022.
- Cox, G. W. Was the Glorious Revolution a constitutional watershed? *The Journal of Economic History*, 72(3):567–600, 2012.
- Cox, G. W. *Marketing sovereign promises: Monopoly brokerage and the growth of the English state*. Cambridge University Press, 2016.
- Craig, J. *The Mint: a history of the London Mint from AD 287 to 1948*. Cambridge University Press, 2011.
- Cruz, M. L. G. d. *A Governação de D. João III: a Fazenda Real e os seus Vedores*. Centro de História da Universidade de Lisboa, 2001.
- Cunha, M. C. A. Forais que tiveram por modelo o de Évora de 1166. 1988.
- da Silva, F. R. O Porto e as Cortes no século xvii ou os concelhos e o poder central em tempos do absolutismo. *História: revista da Faculdade de Letras da Universidade do Porto*, 10, 1993.
- Danvila y Collado, M. *Cortes de Castilla de 1576*. 1885.
- Day, J. The great bullion famine of the fifteenth century. *Past & Present*, (79):3–54, 1978.

- de Arce, D. C. Entre la teoría y la práctica de las razones de estado católica: Las últimas cortes de Felipe II. *Res Publica: revista de filosofía política*, (19):263–274, 2008.
- De Vries, J. and Van der Woude, A. *The first modern economy: Success, failure, and perseverance of the Dutch economy, 1500-1815*. Cambridge University Press, 1997.
- Dean, D. M. Sir symonds d'ewes's bills of "no great moment". *Parliamentary History*, 3:157, 1984.
- DeLong, J. B. and Shleifer, A. Princes and merchants: European city growth before the industrial revolution. *The Journal of Law & Economics*, 36(2):671–702, 1993.
- Dias, J. J. A. Gentes e espaços. edição crítica do numeramento de 1527-1532. dicionário corográfico do Portugal Quinhentista, 1999.
- Dias, J. J. A. *Cortes Portuguesas: Cortes de 1499. Reinado de D. Manuel I*. Centro de Estudos Históricos, Universidade Nova de Lisboa, 2001.
- Dias, J. A. Um documento financeiro do século XVII, volume = 3-4, year = 1985. *Nova História*, vol. VII,.
- Dickson, P. *The Financial Revolution in England: A Study in the Development of Public Credit, 1688-1756*. Routledge: Reprint of the 1967 edition, 1993.
- Dimitruk, K. "I intend therefore to prorogue": the effects of political conflict and the Glorious Revolution in parliament, 1660–1702. *European Review of Economic History*, 22(3):261–297, 2018.
- Domingues, J. and Monteiro, M. Sistemas eleitorais e democracia representativa no limiar do constitucionalismo português. *Historia constitucional: Revista Electrónica de Historia Constitucional*, (19):593–639, 2018.
- Domínguez Ortiz, A. *El antiguo régimen: los Reyes Católicos y los Austrias*. Alfaguara:, 1978.
- Drelichman, M. and Voth, H. J. *Lending to the borrower from hell: debt, taxes, and default in the age of Philip II*. Princeton University Press, 2014.
- Dubet, A. Reforma financiera y negociación política. los erarios públicos y montes de piedad en tiempos de felipe iv (1622-1628). In *Reforma financiera y negociación política. Los erarios públicos y montes de piedad en tiempos de Felipe IV (1622-1628)*, volume 2, pages 927–965. Universidad de Murcia, 2003.
- Elliot, J. H. *Imperial Spain: 1469-1716*. Mentor Books, New York, 1966.
- Elton, G. R. *The Tudor constitution: documents and commentary*. Cambridge University Press, 1982.
- Elton, G. R. *The Parliament of England, 1559-1581*. Cambridge University Press, 1989.
- Epstein, S. R. *Freedom and Growth: The Rise of States and Markets in Europe, 1300-1750*. Routledge, 2000.
- Farelo, M. S. d. S. A oligarquia camarária de Lisboa: (1325-1433). Tese de doutoramento em História (História Medieval), Universidade de Lisboa, Faculdade de Letras, 2009.
- Fisher, F. J. Commercial trends and policy in sixteenth-century England. *The Economic History Review*, 10(2):95–117, 1957.
- Fortea, J. I. *Las Cortes de Castilla y León bajo los Austrias: una interpretación*. Valladolid: Junta de Castilla y León, 2008.
- Fortea Pérez, J. I. El debate en torno a la venta de oficios concejiles en castilla bajo los austrias (1601-1630): algunas reflexiones. 2017.
- Gálvez, F. Reforma y consolidación de un activo financiero. Los juros al quitar en la tesorería de lo extraordinario de juan y alonso de morales (1495-1504). *En la España Medieval*, 38: 99–134, 2015.
- García Hernán, E. *Historia militar de España. Estudios historiográficos, glosario y cronología*, volume 6. Ministerio de Defensa, 2009.
- García Rámila, I. Del Burgos de antaño: dos testamentos de Alonso de Astudillo Mazuelo, el fundador del" Colegio y Capilla de San Ildefonso", en el desaparecido Monasterio de la

- Trinidad. *Boletín de la Institución Fernán González*. 4<sup>o</sup> trim. 1952, Año 31, n. 121, p. 307-321, 1952.
- Gelabert, J. E. Sobre la fundación del consejo de Hacienda. 1993.
- Gelabert González, J. E. La bolsa del rey. Rey, reino y fisco en Castilla (1598-1648). *Barcelona, Grijalbo*, 1997.
- Gelabert González, J. E. La bolsa del rey y la vida de los súbditos, 1550-1650. *Estudis: Revista de historia moderna*, (29):7–20, 2003.
- Gelderblom, O. and Jonker, J. Public finance and economic growth: the case of Holland in the seventeenth century. *The Journal of Economic History*, 71(1):1–39, 2011.
- Gil Martínez, F. et al. De la negociación a la coerción: la recaudación del donativo de 1635. 2015.
- González Sánchez, S. Las cortes durante la minoría de Juan II de Castilla. *Espacio, Tiempo y Forma. Serie III, Historia Medieval*, 30:387–454, 2017.
- Grafe, R. *Distant Tyranny. Markets, Power and Backwardness in Spain, 1650-1800*. Princeton University Press, 2012.
- Graves, M. *Elizabethan Parliaments 1559-1601*. Routledge, 2014.
- Gruenfelder, J. K. *Influence in early Stuart elections, 1604-1640*. The Ohio State University Press, 1981.
- Guy, J. *The Tudors: A Very Short Introduction*. Oxford University Press, 2000.
- Harding, V. The population of london, 1550–1700: a review of the published evidence. *The London Journal*, 15(2):111–128, 1990.
- Harriss, G. L. *King, parliament, and public finance in medieval England to 1369*. Oxford: Clarendon Press, 1996.
- Hawkyard, A. The Tudor speakers 1485–1601: Choosing, status, work. *Parliamentary History*, 29(1):22–48, 2010.
- Healy, S. M. *Crown revenue and the political culture of early Stuart England*. PhD thesis, Birkbeck, University of London, 2015.
- Henriques, A. *State finance, war and redistribution in Portugal, 1249-1527*. PhD thesis, University of York, 2008.
- Henriques, A. The rise of a tax state: Portugal, 1371-1401. *E-journal of Portuguese History*, 12 (1):49–66, 2014.
- Henriques, A. C. Taming Leviathan: Constitution, representation and taxation in fifteenth-century Portugal. *População e sociedade*, n. <sup>o</sup> 31, 2019, p. 69-82, 2019.
- Hespanha, A. M. *História das instituições: épocas Medieval e Moderna*. Gulbenkian, 1982.
- Hespanha, A. M. As finanças Portuguesas nos séculos XVII e XVIII. *Cadernos do Programa de Pós-Graduação em Direito-PPGDir./UFRGS*, 8(2), 2013.
- Hirst, D. *The representative of the people?: voters and voting in England under the early Stuarts*. Cambridge University Press, 2005.
- Homer, S. and Sylla, R. *A History of Interest Rates*. Wiley Finance, 4th edition, 2005.
- Hoppit, J. *Britain's political economies: Parliament and Economic Ideas 1660-1800*. Cambridge University Press, 2017.
- Hoppit, J. Patterns of parliamentary legislation, 1660-1800. *Historical Journal*, pages 109–131, 1996.
- Hoppit, J. Howard Linecar lecture 2013. economical reform and the mint, 1780–1816. *British Numismatic Journal*, 84:177–90, 2014.
- Jago, C. H. *The American Historical Review*, (2):307–326.
- Jago, C. Parliament, subsidies and constitutional change in castile, 1601–1621. *Parliaments, Estates and Representation*, 13(2):123–137, 1993.
- Jha, S. Financial asset holdings and political attitudes: evidence from revolutionary England. *The Quarterly Journal of Economics*, 130(3):1485–1545, 2015.

- Jiménez, M. E. Los donativos de la ciudad de Sevilla durante el reinado de Carlos II. *Espacio Tiempo y Forma. Serie IV, Historia Moderna*, (11), 1998.
- Karaman, K. and Pamuk, S. Ottoman state finances in European perspective, 1500–1914. *Journal of Economic History*, 70(3):593–629, 2010.
- Karaman, K. K., Pamuk, Ş., and Yıldırım-Karaman, S. Money and monetary stability in Europe, 1300–1914. *Journal of Monetary Economics*, 115:279–300, 2020.
- Keir, S. D. L. *The constitutional history of modern Britain since 1485*. Black, 1973.
- Kishlansky, M. *The Penguin History of Britain: A Monarchy Transformed, Britain 1630-1714*, volume 6. Penguin UK, 1997.
- Kleineke, H. The widening gap: The practice of Parliamentary borough elections in Devon and Cornwall in the fifteenth century. *Parliamentary History*, 23(1):121–135, 2004.
- Ladero-Quesada, M. A. Castile in the Middle Ages. In Bonney, R., editor, *The Rise of the Fiscal State in Europe*. Oxford University Press, Oxford, 1999.
- Langer, W. L. *An encyclopedia of world history, ancient, medieval and modern, chronologically arranged*. Boston: Houghton Mifflin Co, 5th edition edition, 1972.
- Lewis, P. S. The failure of the French medieval estates. *Past & Present*, (23):3–24, 1962.
- Li, L.-F. The stop of the exchequer and the secondary market for English sovereign debt, 1677-1705. *Journal of Economic History*, 2019.
- Liddy, C. D. *Contesting the city: the politics of citizenship in English towns, 1250-1530*. Oxford University Press, 2017.
- Luis, D. I. Merchant groups and urban oligarchies in late medieval Castile: Different models of interrelationship? *paper presented at the European Social Science History Conference, International Institute of Social History, Belfast, 4-7 April, 2018*, 2018.
- Macdonald, J. The importance of not defaulting: The significance of the election of 1710. In Coffman, D., Leonard, A., and Neal, L., editors, *Questioning credible commitment: Perspectives on the Rise of Financial Capitalism*. Cambridge University Press, 2013.
- Machado, M. d. F. P. Os órfãos e os enjeitados da cidade e do termo do Porto (1500-1580). PhD dissertation, university of porto. 2010.
- Maddicott, J. R. Parliament and the people in medieval england. *Parliamentary History*, 35(3): 336–351, 2016.
- Madureira, N. L. *Mercado e privilégios: a indústria portuguesa entre 1750 e 1834*. Lisboa: Editorial Estampa, 1997.
- Maitland, F. W. *Township and Borough: With an Appendix of Notes Relating to the History of the Town of Cambridge*. Cambridge University Press, 1964.
- Malinowski, M. Economic consequences of state failure; legal capacity, regulatory activity, and market integration in Poland, 1505-1772. *Journal of Economic History*, 2019.
- Marshall, M. G., Jagers, K., and Gurr, T. R. Polity IV project: Dataset users' manual. *College Park: University of Maryland*, 2002.
- Martín, L. F. El colegio de doncellas nobles de Valladolid. *Investigaciones históricas: Época moderna y contemporánea*, (11):53–86, 1991.
- Mayhew, N. Government, money, and the law. *Law and History Review*, pages 1–14, 2021.
- McKisack, M. *The Parliamentary Representation of the English Boroughs: During the Middle Ages*. Routledge (originally published in 1939), 2019.
- Menjot, D. *Murcie castillane: une ville au temps de la frontière:(1243-milieu du XVe s.)*, volume 20. Casa de Velázquez, 2002.
- Motomura, A. The best and worst of currencies: Seigniorage and currency policy in Spain, 1597-1650. *The Journal of Economic History*, 1994.
- Munro, J. H. The coinages and monetary policies of Henry VIII (r. 1509-1547): contrasts between defensive and aggressive debasements. *Department of Economics of the University of Toronto Working Paper*, 417, 2010.

- Murrell, P. Design and evolution in institutional development: the insignificance of the English Bill of Rights. *Journal of Comparative Economics*, 45(1):36–55, 2017.
- North, D. C. and Weingast, B. Constitution and commitment: The evolution of institutional governing public choice in seventeenth-century England. *The Journal of Economic History*, 49(4):803–832, 1989.
- Núñez, F. J. G. *La contribución del Reino de Sevilla a la Guerra de Sucesión española (1702-1713). Una visión desde las actas capitulares*. na, 2009.
- Nuttall, G. F. The English martyrs 1535–1680: a statistical review. *The Journal of Ecclesiastical History*, 22(3):191–197, 1971.
- O’Brien, P. K. The political economy of British taxation, 1660-1815. *The Economic History Review*, 41(1):1–32, 1988.
- O’Brien, P. K. and Hunt, P. A. The rise of a fiscal state in England, 1485–1815. *Historical Research*, 66:129–176, 1993.
- O’Brien, P. K. and Hunt, P. A. England, 1485-1815. In Bonney, R., editor, *The Rise of the Fiscal State in Europe, c. 1200-1815*, pages 53–100. Oxford University Press, 1999.
- Officer, L. H. and Williamson, S. H. Five ways to compute the relative value of a uk pound amount, 1270 to present. MeasuringWorth, URL: <http://www.measuringworth.com/ukearnpci/>, 2018.
- Ogilvie, S. and Carus, A. W. Institutions and economic growth in historical perspective. In Aghion and Durlauf, editors, *Handbook of Economic Growth*. Elsevier, 2014.
- Olivera Serrano, C. Las cortes de Castilla y León y la crisis del reino (1445-1474): el registro de cortes. Burgos, Cortes de Castilla y León, 1986.
- Olivera Serrano, C. Las cortes de Castilla y el poder real (1431 - 1444). *En la España Medieval*, 1988.
- Ormrod, W. M. The domestic response to the Hundred Years War. In *Arms, Armies and Fortifications in the Hundred Years War*. Boydell & Brewer, 1994.
- Ormrod, W. M. Poverty and privilege: The fiscal burden in England (XIIIth-XVth centuries). *Poverty and Privilege*, pages 1000–1020, 2008.
- Ortiz, A. D. Los caudales de Indias y la política exterior de Felipe IV. *Anuario de Estudios Americanos*, 13:311–383, 1956.
- Ortiz, A. D. *Política y hacienda de Felipe IV.*, volume 1. Editorial de derecho financiero, 1960.
- Peck, L. L. *Court patronage and corruption in early Stuart England*. Routledge, 2003.
- Penn, T. *The Winter King: The Dawn of Tudor England*. Penguin, 2012.
- Peres, D. *História monetária de D. João III*. Lisbon: Academia Portuguesa da História, 1957.
- Pimentel, E. N. Servicios correspondientes “a lo que piden las urgencias”: los donativos solicitados en nueva España y Filipinas durante la guerra de sucesión (1701-1714). 2020.
- Powers, J. F. A society organized for war. *The Iberian Municipal Militias in the Central Middle Ages*, pages 1000–1284, 1988.
- Reinhart, C. M. and Rogoff, K. S. *This time is different: eight centuries of financial folly*. Princeton University Press, 2009.
- Rigby, S. and Ewan, E. Government, power and authority, 1300-1540. In *Cambridge Urban History of Britain*. Cambridge University Press, 2000.
- Robinson, J. A. Debt repudiation and risk premia: The North-Weingast thesis revisited, 1998.
- Rodger, N. A. M. *A Naval History of Britain: The safeguard of the seas, 660-1649*. Harper Collins, 1997.
- Rodger, N. A. M. *The command of the ocean: a naval history of Britain, 1649-1815*. WW Norton & Company, 2005.
- Rodrigues, L. Os padrões de juro da misericórdia de Lisboa, 1767-1797. *Ler História*, (74): 137–160, 2019.
- Rodrigues, L. Between private and public credit: institutional investors in Portugal, 1550-1800.

- Unpublished manuscript*, 2021.
- Roel, A. E. Servicios fuera de Cortes: las juntas del reino de Galicia y la prórroga de los servicios en el reinado de Carlos II. *Semata: Ciências sociais e humanidades*, (15):363–394, 2004.
- Rosenthal, J.-L. The development of irrigation in Provence, 1700-1860: The French Revolution and economic growth. *The Journal of Economic History*, 50(3):615–638, 1990.
- Roseveare, H. *The Treasury 1660-1870: the foundations of control*. Routledge, 2021.
- Rosser, A. The essence of medieval urban communities: the vill of Westminster 1200-1540: The alexander prize essay. *Transactions of the Royal Historical Society*, 34:91–112, 1984.
- Rucquoi, A. Las oligarquías urbanas y las primeras burguesías en Castilla. *El Tratado de Tordesillas y su época*, pages 345–369, 1995.
- Russell, C. *Unrevolutionary England, 1603-1642*. A&C Black, 1990.
- Salvado, J. P. Repartição fiscal no império Luso-atlântico, 1720-1760. 2019.
- Sánchez, M. H. *Repúblicas y republicanismo en la Europa moderna (siglos XVI-XVIII)*. Fondo de Cultura Económica, 2017.
- Sanz, V. L. and Belén, J. A. S. Confiscación de bienes y represión borbónica en la Corona de Castilla a comienzos del siglo XVIII. *Cuadernos de historia moderna*, 21:127–175, 1998.
- Sardone, S. "secuestro" de las remesas privadas: oro y plata al servicio de la corona. In *Modernidad de España: apertura europea e integración atlántica*, pages 701–726. Marcial Pons Historia, 2017.
- Schofield, R. *Taxation under the early Tudors 1485-1547*. John Wiley & Sons, 2008.
- Schwartz, P. Juntar erarios y montes de piedad: un arbitrio barroco ante las cortes de castilla. *Revista de Historia Económica-Journal of Iberian and Latin American Economic History*, 14 (1):53–90, 1996.
- Serra, J. B. *Governar a cidade e servir o rei: A oligarquia concelhia em Évora em tempos medievais (1367-1433)*. Publicações do Cidehus, 2018.
- Serrano, C. O. Las cortes de Castilla en el primer tercio del siglo XV. *Hispania: Revista Española de Historia*, 1987.
- Serrano, C. O. Empréstitos de la Corona de Castilla bajo la dinastía Trastámara (1369-1474). *Hispania: Revista Española de Historia*, 51(177):317–327, 1991.
- Sousa, A. d. *As Cortes medievais portuguesas, 1385-1490*, volume 1. Instituto Nacional de Investigação Científica, 1990.
- Stasavage, D. *Public debt and the Birth of the democratic state: France and Great Britain 1688–1789*. Cambridge University Press, 2003.
- Stasavage, D. *States of credit: Size, power, and the development of European polities*, volume 35. Princeton University Press, 2011.
- Stearns, P. N. *The encyclopedia of world history: Ancient, Medieval, and Modern, chronologically arranged*. Houghton Mifflin, 2001.
- Stein, S. J. and Stein, B. H. *Silver, trade, and war: Spain and America in the making of early modern Europe*. JHU Press, 2000.
- Strayer, J. R. *On the medieval origins of the modern state*. Princeton University Press, 2005.
- Sussman, N. and Yafeh, Y. Institutional reforms, financial development and sovereign debt: Britain 1690-1790. *Journal of Economic History*, 66(5):906–935, 2006.
- Swart, K. W. *Sale of offices in the seventeenth century*. Springer, 1949.
- Thompson, I. A. Crown and Cortes in Castile, 1590-1665. *Parliaments, Estates and Representation*, 2(1):29–45, 1982.
- Thompson, I. A. The end of the cortes of Castile. *Parliaments, Estates and Representation*, 4 (2):125–133, 1984.
- Thompson, I. A. Oposición política y juicio del gobierno en las Cortes de 1592-98. *Studia Historica. Historica Moderna*, 17:37–62, 1997.
- Thompson, I. A. A. Castile: polity, fiscality, and fiscal crisis. In *Fiscal crises, liberty, and*

- representative government, 1450-1789*. Stanford University Press, 1994.
- Tilly, C. Entanglements of European cities and states. In Tilly, C. and Blockmans, W. P., editors, *Cities and the Rise of States in Europe, 1000 to 1800*. Routledge, 1994.
- Toboso, P. La deuda pública castellana durante el antiguo régimen (juros) y su liquidación en el siglo XIX. *Instituto de Estudios Fiscales*, 1987.
- Torres Sánchez, R. Incertidumbre y arbitrariedad: La política de deuda pública de los Borbones en el siglo XVIII. *Estudis*, (34), 2008.
- Triano Milán, J. M. Contribuir al bien común: ciudades, monarquía y fiscalidad extraordinaria en la corona de Castilla (1406–1476). *Journal of Medieval Iberian Studies*, 11(1):78–97, 2019.
- Turnbull, C. Probability and life contingencies, 1650–1750: The first one hundred years. In *A History of British Actuarial Thought*, pages 1–35. Palgrave Macmillan, 2017.
- van Zanden, J. L. *The long road to the industrial revolution: the European economy in a global perspective, 1000-1800*, volume 1. Brill, 2009.
- van Zanden, J. L., Buringh, E., and Bosker, M. The rise and decline of European parliaments, 1188-1789. *The Economic History Review*, 2011.
- Vaz, F. A. L. O ensino dos Jesuítas na universidade de Évora-o uso didático de azulejos no colégio do Espírito Santo. *História da Educação*, 24, 2020.
- Ysern, P. R. Las atribuciones militares de un concejo de frontera: el caso de écija a finales del siglo XV. In *VI Estudio de Fronteras: población y poblamiento: homenaje a Manuel González Jiménez*, pages 655–670. Diputación Provincial de Jaén, 2007.
- Zamora, J. M. C. *Cortes, monarquía, ciudades: Las Cortes de Castilla a comienzos de la época moderna (1476-1515)*. Siglo XXI de España Editores, 1988.
- Zande, D. L. V. Coercive power and the demise of the Star chamber. *American Journal of Legal History*, 50(3):326–349, 2010.