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The rise and decline of European parliaments, 1188–1789[1]

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This article quantifies the activities of medieval and early modern parliaments. It traces the long-term evolution of this European institution, and offers a first pass at analysing its impact on long-term economic development. Starting in Spain in the twelfth century, parliaments gradually spread over the Latin west between 1200 and 1500. In the early modern period, parliaments declined in influence in southern and central Europe and further gained in importance in the Netherlands and Britain, resulting in an institutional 'Little Divergence' between 1500 and 1800. We discuss the background of this phenomenon in detail. Moreover, by analysing the effects of parliamentary activity on city growth we find that these differences in institutional development help to explain the economic divergence between north-western and southern and central Europe.

Parliament is one of the institutional innovations of the middle ages, and one that is still going strong. In the Latin west this body, which represented various segments of the population—usually the Church, the nobility, and the cities—was arguably the most important institution to constrain the actions of the sovereign. By convening a parliament, a king also demonstrated that he was prepared to be constrained. Although the way in which parliaments were elected changed radically after the French Revolution, having such an institution that monitors the executive and is central to the lawmaking process has become standard for almost all nations from the mid-nineteenth century onwards. However, the spread of parliaments during the nineteenth and twentieth centuries came after a long period in which the institution had been on the defensive in large parts of Europe, after its initial and relatively successful rise during the late middle ages. During the period between 1500 and 1800 kings often refused to convene parliaments, and found various ways to limit their powers. Moreover, the power and privileges of kings versus parliaments was the main issue in the great socio-political conflicts of the period, such as the Dutch Revolt of the 1570s, the English Revolution of the 1640s, and the French Revolution of 1789, and many others.[2]

Economists often assume that constraints on the executive—such as a fully functioning parliament—contribute to the efficiency of economies via the protec-

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[2] There are other important examples, such as the revolt of the estates of Bohemia in 1618, which started the Thirty Years War, and the rise of the Cortes of Catalonia against 'Madrid' in 1640—both revolts were unsuccessful. For an overview, see Sturdy, *Fractured Europe*, pp. 27–50, 111–13.

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tion of property rights.[3] In their article on the consequences of the Glorious Revolution in England, North and Weingast argued that the institutional changes following the *coup d'état* by William and Mary created the basis for the following period of rapid economic change in England.[4] This led, in their view, to the acceleration of economic development in Great Britain in the eighteenth century, resulting in the late eighteenth-century industrial revolution. This interpretation of the institutional origins of the industrial revolution has been subject to a major debate among economic historians, which mainly focuses on the supposed effects of the political changes after 1688.[5]

In this article we try to broaden the scope of this debate by analysing the growth and development of European parliaments in the centuries before the French Revolution and by placing the development of the English Parliament within a European context. Parliaments—or estates, cortes, corts, diets, sejms, riksdags, Generallandtags—were a pan-European institution, which emerged in the late middle ages but developed in quite different directions in the centuries between 1500 and 1800. There was, as we will demonstrate, within Europe a 'Little Divergence' in parliamentary development; in southern and central Europe the importance of this institution declined, whereas in north-western Europe, and in the Netherlands, England, and Sweden (and in Switzerland) in particular, there was a strong increase in its power. This institutional 'Little Divergence' to some extent mirrored the divergence that occurred in the economic development of the different parts of Europe, where we also see a continuous growth of the economies in the countries bordering the North Sea, and stagnation or even decline in the south and the east of the continent.[6]

The aim of this article is twofold. First, we introduce a new measure to quantify parliamentary activity in different parts of Europe. Using this measure it is possible to outline the long-term patterns in the development of parliaments. Based on our findings, we provide explanations for the observed 'rise and fall of parliaments' in different parts of the European continent. Second, and again using our new parliamentary activity measure, we shed new empirical light on the hypothesis developed by North, de Long, and Shleifer, and Acemoglu et al. that constraints on the executive, such as an active parliament, had a positive effect on economic development. We do this by relating individual city growth to parliamentary representation. We find evidence that parliamentary activity carries substantial benefits to (urban) economic development. Their difference in parliamentary activity helps to explain the shift of economic gravity from southern to north-western Europe.

I

First, however, it is necessary to ask the question: what is a parliament? Since time immemorial sovereigns—both in Europe and outside it—had councils that met to give advice and deliberate on the main political issues. The senate played such a

[3] North, *Structure and change*.

[4] North and Weingast, 'Constitutions and commitment', pp. 2–3.

[5] Clark, 'Cost of capital'; G. Richardson and D. Bogart, 'Institutional adaptability and economic development: the property rights revolution in Britain, 1700 to 1830', NBER working paper, 13757 (2008); Allen, *British industrial revolution*.

[6] Allen, 'Great divergence'; van Zanden, 'Early modern economic growth'.

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role in the Roman Empire (although its role and influence showed considerable ups and even more downs). Much broader political assemblies—often meetings of all adult male members of a political community—were characteristic of the new political entities that emerged in western Europe in the sixth and seventh centuries. This was, according to Wickham, linked to the fact that all free men had military obligations towards their sovereign, and were therefore entitled to participation in the assemblies where decisions about war and peace were made.[7] This changed in the eighth to tenth centuries, however, as a result of the (renewed) professionalization of warfare: the emergence of a separate class of knights. Still, the feudal 'mutation' of this period did not lead to the total disappearance of the assembly, but initially to a narrowing of its focus. The continued relative importance of such councils in medieval Europe was linked to the feudal socio-political structure, which implied that a sovereign could not just tax his subjects whenever he needed extra money. He could tax those living on his royal domains, but most of his subjects had different lords, as his feudal vassals held a large part of the royal realm in fief. When a sovereign needed extra money, for instance, to finance a costly military or political adventure, he had to contact his lay and clerical vassals who held a fief and ask them for a one-off subsidy. His vassals controlled the people living on their fiefs and only they could levy taxes there. Often such a request for a subsidy was made in an assembly to which the sovereign summoned his noble and clerical vassals in order to discuss, negotiate, and agree on the requested sum. Such meetings of the two estates (clergy and nobles) with the sovereign might be called a *curia regis*, though other names, including parliaments, were also in use. These meetings therefore reflected the fact—prevalent in European thinking about law and power—that 'political power was, to some extent, broken up and divided by the king and great dignitaries', because 'as subjects were bound to their lord, so the lord is bound to his subjects'.[8] These assemblies were a real pan-European phenomenon: they can be found in England (before and after William the Conqueror), Germany (where the emperor organized more or less regular Hoftage), France, Spain, and Italy (in particular in Sicily).[9]

The literature on the development of European parliaments does make a clear distinction between these councils and assemblies and 'modern' parliaments. We follow Marongiu in defining modern parliaments as:

> an independent body, representing various social groups of the realm, containing members of three estates (the clergy, the nobility and the cities—in a few cases also the peasantry was represented as well), whose main functions are the granting of taxes and the participation in realm-binding legislation, while sometimes its functions might include the high court of justice, foreign relations (decisions on war and peace) or the appointment or abdication of a sovereign.

What distinguishes a parliament from a council or an ad hoc assembly is that it forms an independent body, a legal and political entity, with certain rights and obligations, which guarantees the continuity of its activities.[10] The second major difference from previous councils is the presence of representatives of the cities in

[7] Wickham, *Inheritance of Rome*, pp. 100–1.
[8] Marongiu, *Medieval parliaments*, p. 22.
[9] For an overview, see ibid., pp. 22–31.
[10] Ibid., p. 47.

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parliament. If only the Church and the nobility are present, we do not consider the institution to be a fully developed parliament.

According to this definition, the first parliament was convened in 1188, surprisingly perhaps in Leon, in Spain. King Alfonso IX (1188–1230), who had just succeeded his father, called for a meeting of the bishops, the magnates, and 'the elected citizens of each city', obviously to stabilize his regime.[11] According to the decrees that resulted from this meeting of the first Cortes, Alfonso IX 'acknowledged the existence of a body of law binding himself as well as his subjects'—in short, he considered himself to be subject to the rule of law.[12] He promised 'to administer justice impartially and not to act arbitrarily . . . The security of persons and of property and the inviolability of the household also were guaranteed'. He declared, finally, that he would not make 'war or peace or treaty except with the counsel of the bishops, nobles, and good men (*boni homines*) by whose counsel I ought to be guided'.[13] Clearly, what was at stake were the 'property rights' of the inhabitants of the kingdom, in particular of the elites that were represented in parliament. Moreover, from other sources it can be reconstructed that among the first 'deals' that were made between the cities and the king was the buying off of the latter's privilege to debase the coin. The cities were opposed to such debasements, which were understood as forms of hidden taxation, and were willing to pay a certain sum to the king on his promise that he would not change the value of the currency in the next seven years. A renewal of this deal was necessary every seven years; therefore, the meeting of 1188 was followed by more or less regular meetings about these issues.[14] Taxation and coinage therefore were from the beginning central to the agenda of the first European parliament. Another interesting aspect of this first parliament is that not only representatives of the cities were present, but that the sources state that they were 'the elected citizens of each city' (*cum electis civibus ex singulis civitatibus*),[15] reflecting the emergence of communes in the cities of Leon and Castile in the same period.

The reason why, it has been argued, parliaments with urban representatives started on the Iberian Peninsula at the end of the twelfth century is directly linked to the *Reconquista*. The kings of Leon and Castile were able to conquer a number of large cities from the Almoravids and Almohads. In order to avoid alienating the new citizens, these captured cities were turned into independent towns—communes—with royal consent, instead of being given in fief to some lord who had helped with the military campaign.[16] In 1126 Alfonso I also granted a general charter of liberties to attract immigrants 'out of the power of the Saracens': 'because you left your homes and your estates for the name of Christ and out of love for me and came with me to populate my lands, I grant you good customs

[11] O'Callahan, 'Beginnings of the Cortes', p. 1514. He makes the point that this 'for the first time is an unequivocal attestation of the presence of townsmen in a meeting of the royal council'; but see Blockmans, 'Representation', p. 39, who nuances the primacy of the Léon Cortes: a similar meeting had probably been held in 1187, and perhaps already in 1135.

[12] O'Callahan, 'Beginnings of the Cortes', p. 1515.

[13] Ibid., p. 1515.

[14] Ibid., p. 1518.

[15] Ibid., p. 1514.

[16] O'Callaghan, *Medieval Spain*, pp. 269–71.

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throughout your realm'.[17] In short, because the Castilian kings had to compete with the more advanced Muslim kingdoms in the south for the favours of the merchants and farmers, they were prepared to respect their property rights and grant them such privileges.

From these early beginnings in the twelfth century, parliaments gradually spread to the rest of western Europe. It is unclear, in most cases, if this was the result of the explicit copying of this institution, or of parallel evolution under similar circumstances. That there was a good deal of exchange within Europe at the time is quite certain. It is perhaps also no coincidence that the next parliaments emerged in other parts of Spain: Barcelona (in the kingdom of Catalonia) had (probably) the next one in 1192, and the next century saw regular parliaments meet in the different Spanish kingdoms (including, after 1254, Portugal). The parliament of Sicily, another early starter, was explicitly modelled after Spanish examples, after the king of Aragon had taken control of the island.[18] In France, the first parliaments were regional phenomena; Languedoc (1226) and the county of Toulouse (1249) were the first to have one, after these regions were incorporated by the French king. This points to a similarity with Spain, where they also were established after the incorporation of new territories.[19] Only in 1302 were the first estates-general for the whole kingdom of France convened.[20]

It was in the final decades of the thirteenth century, or even the fourteenth century, that the new institution spread to the rest of Europe, and became a regular feature of political life there. In England, where the Magna Carta of 1215 is usually considered the foundation of 'parliamentary democracy', there were indeed assemblies convened by the king after 1215, which were even called parliaments.[21] British scholars have discussed the degree to which these were indeed precursors of the 'Model Parliament' that came into existence in 1295. The first time that it is certain that representatives of the cities (boroughs) were present was in 1275 (which we therefore counted as the first English parliament); the next instance was in 1295.[22] England was exceptional, however, because after 1295 it began to meet very regularly. Already in the fourteenth century the English Parliament was the first to meet more than once every two years. The Low Countries are something of a special case, as we will see below: the first meeting of its estates-general took place in 1406. Poland had its first sejm (including representatives of the cities) in 1399. The Danish Rigsdag first met in 1468, and the first meeting of the Swedish Riksdag occurred in 1527, linked to the introduction of the Reformation there. Clearly, the institution slowly moved from the south-west of the continent to the north-east. It took more than four centuries before it reached Russia, which had a brief period of parliamentary activity, starting in 1598, when the Zemsky Sobor elected the new tsar, and ending 55 years later when the Romanovs had consolidated their position and stopped convening parliament.[23]

[17] Ibid., p. 275.
[18] Marongiu, *Medieval parliaments*, pp. 225–6.
[19] Blockmans, 'Representation', p. 43.
[20] Ibid., p. 51.
[21] Marongiu, *Medieval parliaments*, p. 82.
[22] Ibid., p. 90.
[23] Myers, *Parliaments*, pp. 39–45.

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II

On the basis of the definition presented in the previous section, we introduce a new measure that quantifies the rise and subsequent development of parliaments in Europe. It counts the number of calendar years per century in which for the various areas a parliament (or estates-general, cortes, corts, diet, sejm, riksdag, Generallandtag, or Reichstag) assembled for official sessions during shorter or longer periods in a year. This measure can vary from zero, when no parliament was convened (or none existed), to 100, when a meeting took place in every year of the century.

We argue that this activity indicator reflects the potential impact of parliaments. When kings needed them, they would be convened regularly, or they might have acquired the right themselves to meet without being called for by the king. Very active parliaments, such as the English/British Parliament after the Glorious Revolution or the Estates-General of the Dutch Republic from 1572 onwards, met annually, to discuss all issues of importance. By contrast, the way in which French kings managed to establish 'absolutist' rule and govern without parliament, was by simply not convening it again, leading to the virtual impotence of the institution in the period between the 1570s and 1789. These extreme examples illustrate that the 'activity index' can be used as a proxy for the influence of parliaments. But it also captures intermediate cases rather well. For example, the Swedish Parliament met once every three years from 1527 onwards, substantially more than the Portuguese parliament, which met only 14 times in the seventeenth century (and not at all in the eighteenth century). The 'activity index' is meant to be a rough proxy of parliaments' influence and importance, but it obviously does not measure its effective impact on decision making itself, which is much less easy to establish.[24]

From a large number of sources we have collected information on the activities of 32 parliaments (see the online appendix S1). It covers all parliaments for which we could find evidence in the sources. In some cases—Portugal, England, Sweden, and the Netherlands—there is detailed information on the number of sessions for each year, and sometimes even for the number of days for which parliament was convened each year. In other cases we had to estimate this on the basis of the qualitative information available from various histories of these parliaments, or from overviews based on these sources. One of the problems was the fact that many countries at the time consisted of different more or less independent regions with their own institutions and parliamentary history. The parliamentary histories of the countries concerned usually indicated which level was most important for decision making, and therefore relevant for our analysis. For some countries (France, the Netherlands, Belgium, and Switzerland) we focused on the highest political level, and collected information about the activities of the estates-general. For Spain, Germany (the Holy Roman Empire), Italy, and the British Isles, where such estates-general were absent or—in the case of Germany—did not have sufficient influence, we collected information on the parliaments of the various regions. For Spain, for example, we constructed the activity index of five regions:

[24] This might be possible for a country like Britain, where parliamentary activity is relatively well documented. It is, however, very hard, if not impossible, to gather accurate information on the actual decisions made by each European parliament going back to the eleventh century that would facilitate a pan-European comparison. Our activity index, although a proxy, does allow such a comparison.

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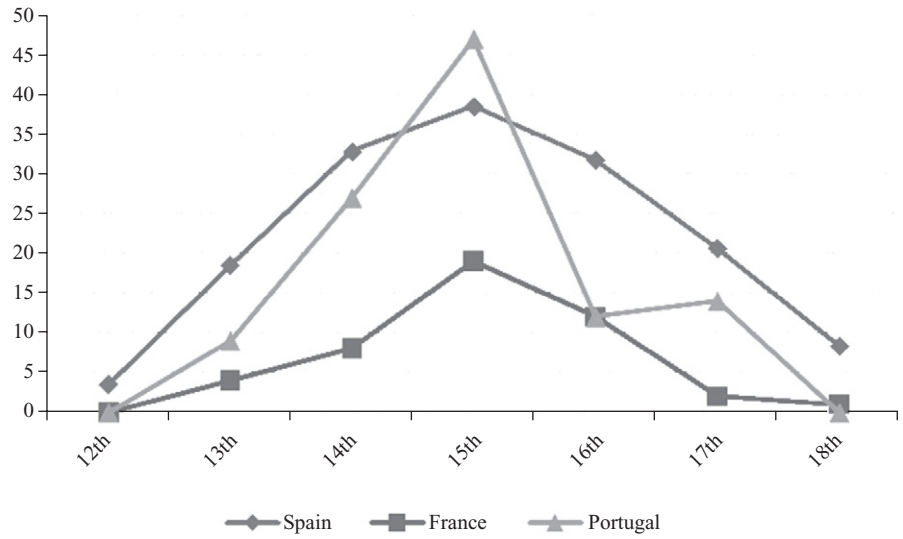


Figure 1. *Activity index of parliaments in Spain, France, and Portugal, twelfth to eighteenth centuries*

Note: The number for Spain is the unweighted average of Leon and Castile, Catalonia, Navarre, Aragon, and Valencia.
Sources: see online app. S1.

Castile and Leon, Catalonia, Aragon, Navarre, and Valencia. For the Holy Roman Empire we found data for eight (sub)states. The long-term pattern that emerges from analysing the activity index for these 32 parliaments is as follows. Broadly speaking, three different regions can be discerned.[25]

Southern Europe initially took the lead—in the different kingdoms of Spain[26] and southern Italy, and with a small delay, in France, the number of gatherings of parliamentary institutions increased strongly between the thirteenth and fifteenth centuries (figure 1). However, decline set in early here as well; from the sixteenth century onwards the number of meetings declined across the board in this region. By contrast, the countries in north-western Europe (the Low Countries, Scandinavia, and the British Isles) were in general slower in accepting the innovation (figure 2). The real 'take-off' in the Low Countries occurred only in the late fourteenth or even the fifteenth century. Denmark and Sweden followed suit only in the sixteenth century. England was the exception here: it had an early and very decisive start. What is very different from southern Europe, however, is that in this part of Europe we do not find a decline in parliamentary activity from the sixteenth century onwards. By contrast, in England, the Netherlands, and Sweden parliaments increased their activities in the early modern period. From 1572 onwards, the estates of Holland and the estates-general of the northern Low Countries

[25] At first glance such a regional classification of parliaments could appear similar to the one originally proposed by Hintze, 'Typologie', p. 233. However, his classification of parliaments into those in which the three estates met separately (the heartlands of the former Carolingian Empire, France, and Germany) and those where parliaments met in two separate chambers (the fringe areas of the former Carolingian Empire, such as England) is quite different from ours, which is based on the frequency of parliamentary meetings in a century.

[26] The pattern shown for Spain is the unweighted average of the activity index of the parliament in Castile and Leon, Aragon, Catalonia, Navarre and Valencia.

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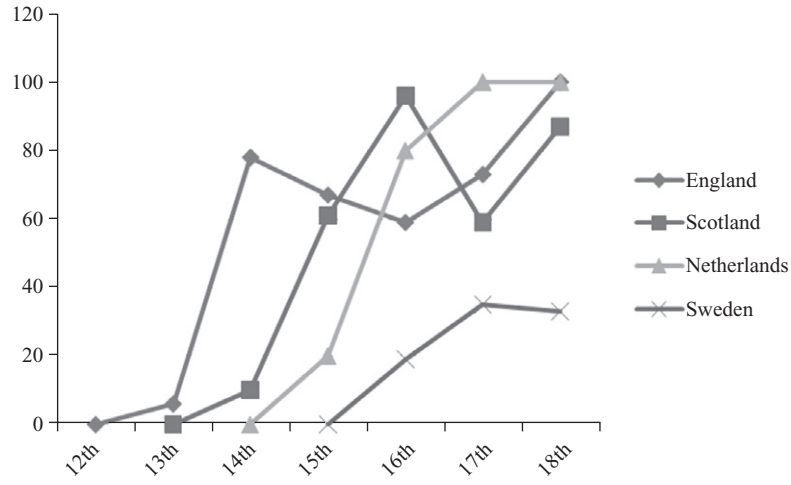


Figure 2. *Activity index of north-western Europe, twelfth to eighteenth centuries*
Sources: See online app. S1.

assumed sovereignty and created a true republic. The English Civil War was almost as daring in its achievements—the long struggle between king and Parliament ended with the Glorious Revolution of 1688, which gave Parliament strongly enhanced powers and limited the role of the kings in a radical way. Sweden's first 'modern' parliament convened in 1527 (although there were meetings of a kind of proto-parliament from 1435 on), and its activity index increased further in the seventeenth and eighteenth centuries. Belgium, which was unable to free itself from the Habsburgs, is arguably the exception here. Also in Denmark, the Rigsdag played a much more limited role: indeed it was completely abolished in 1660, marking the high point of Danish absolutism.[27]

In central Europe (parts of the Holy Roman Empire, Poland, and Hungary) we find a third pattern: the introduction of parliament was also rather late, but decline followed soon after 1500 (in Poland) or 1600 (in almost all other states, with the exception of Hungary and the Palatinate) (figure 3). Russia (not included in the figures) had a very brief spell of 'parliamentarism', as already mentioned, in the 1598–1653 period, and appears to be part of the central European group, but with a delay of a century or two. Switzerland is also a somewhat special case here. From the sixteenth century onwards it had the highest level of parliamentary activity in the whole of Europe. Although geographically part of central Europe, it much more resembles the North Sea area in terms of its institutions.

The overall picture that emerges is one of a relatively successful rise of this institutional innovation in the middle ages, followed by divergence between north-western Europe on the one hand and southern and central Europe on the other hand (figure 4). In quantitative terms this means that the unweighted average of the activity indices of the 32 parliaments rises from 0.3 in the twelfth century to 36 in the sixteenth century, after which decline sets in (falling to 30 in the seventeenth century and 24 in the eighteenth century). There is a strong decline in the

[27] Sturdy, *Fractured Europe*, pp. 216–18.

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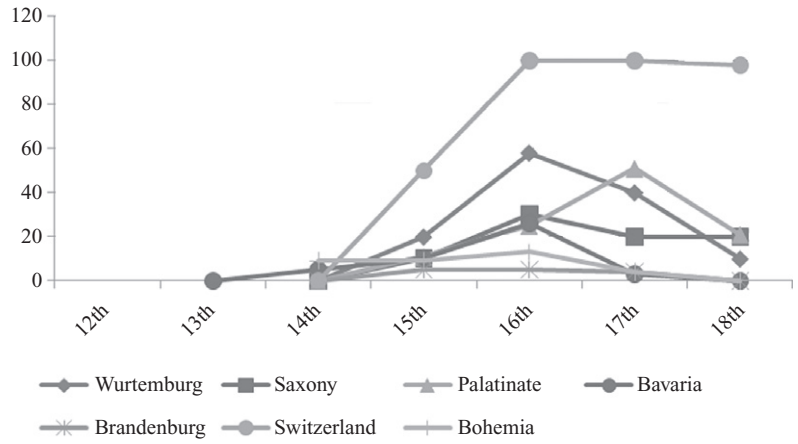


Figure 3. *Activity index of parliaments in central Europe, twelfth to eighteenth centuries*

Sources: See online app. S1.

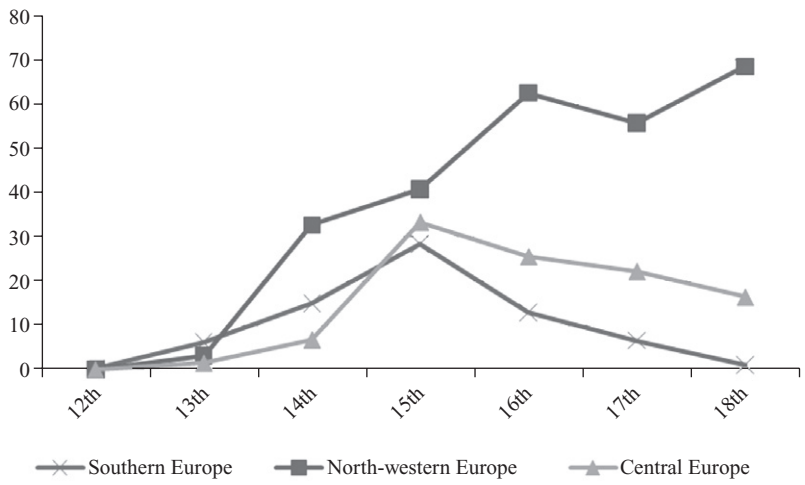


Figure 4. *Activity index of parliaments in three parts of Europe, twelfth to eighteenth centuries*

Notes: South is the population-weighted average of Portugal, Spain, and France. Central is the population-weighted average of Poland, Switzerland, Hungary, and the eight sub-states of the Holy Roman Empire, including Austria, for which we estimated the activity index. North-west is the population-weighted average of England, Scotland, the Netherlands, Belgium, and Sweden. Moving Switzerland (which clearly follows a north-western European pattern) from central Europe to north-western Europe reinforces the divergence between the two parts of Europe.

Sources: See online app. S1. Population estimates taken from Maddison, *World economy*.

coefficient of variation between the thirteenth and the sixteenth century: from 2.2 to 0.8, indicating a process of institutional convergence within Europe. At the end of the sixteenth century all regions, including Russia, had a parliament (parts of Italy are the exception here; this will be discussed further below). After 1600 there is a clear divergence within Europe, the coefficient of variation rising to 1.4 in the eighteenth century.

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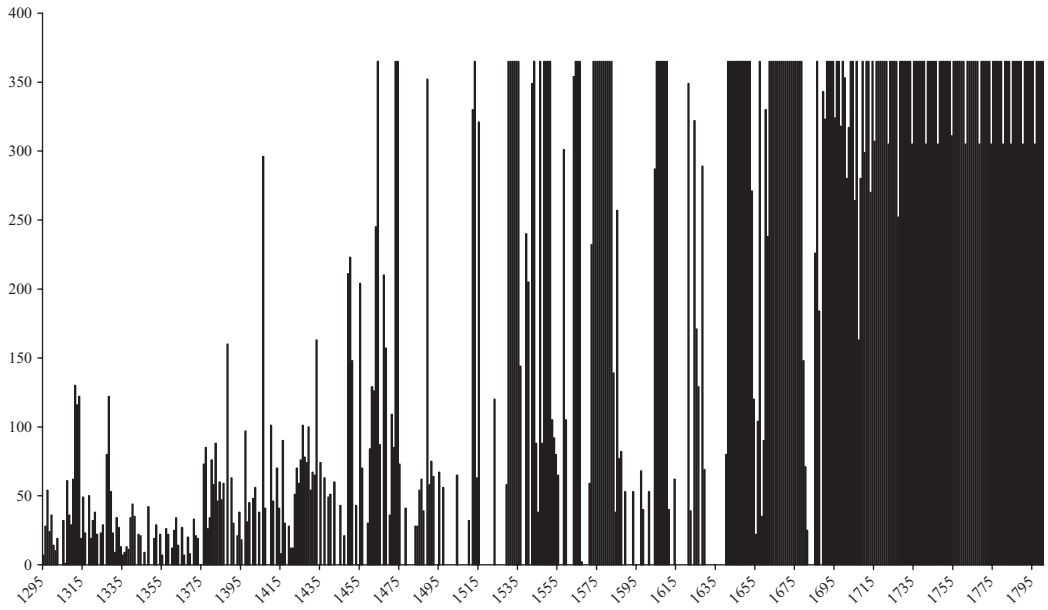


Figure 5. *Days in session per year of English/British parliaments, 1295–1800*
Sources: See online app. S1.

It is possible to construct an even more detailed 'meeting index' for the English Parliament, because we know for (almost) each year since 1295 when it was in session and when it was not. We can therefore reconstruct an annual 'meeting index' of the number of days per year it was in session, which can vary from zero to 365 (figure 5). The gradual growth of the activities of the institution is clear from this figure. As early as the second half of the fifteenth century, during the Wars of the Roses (1453–87), the practice was introduced of having Parliament in session throughout the year. Henry VIII's Reformation was another reason for having Parliament meet all year (1529–1536). The struggle between absolutism and Parliament during the first half of the seventeenth century is shown by the alternation of long periods when it was not convened (such as between 1630 and 1640) and periods in which it met all the time (most significantly, of course, the 'Long Parliament' that deposed Charles I and reigned from 1640 to 1660). After 1688 it met permanently—the small 'gaps' in the series being explained by the periods between dissolution and election of a new parliament.

III

Why did kings establish an institution that limited their power? There appears to be agreement that the initiative was usually taken by the sovereign: in that sense it was a 'revolution from above'. In a famous case study of the Glorious Revolution, North and Weingast have argued that the extension of the powers to Parliament by the new royal couple, William and Mary, is an example of 'credible commitment': the king wanted to signal to the population that he would not renege on his promises (as the previous king, James II, had), but would be bound by a new

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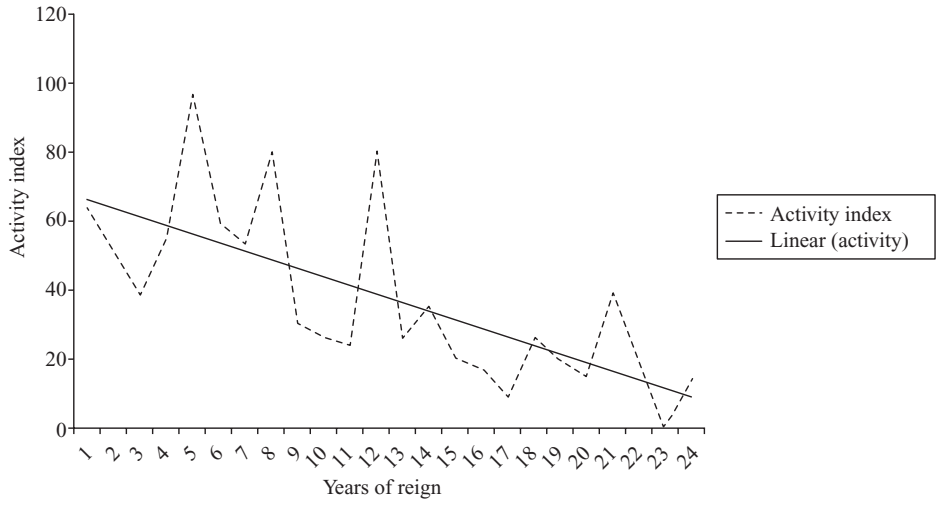


Figure 6. *Activity index of parliament (days per year) and years of reign of kings, Edward II–Henry VII (1307–1508)*
Sources: See online app. S1.

division of power, in which Parliament could play a central role.[28] In that respect, there is no fundamental difference between 1688 and 1188, when Alfonso IX made similar promises. We may wonder why a sovereign would take such a radical step.

The stabilization of power after a succession crisis was one of the most important reasons for convening parliaments, as the examples of 1188 and 1688 demonstrate. Once the king was safely on the throne, however, this need obviously declined. We can get an impression of this effect by looking at the link between the number of years following their accession to the throne and the frequency of parliamentary sessions in England. When calculating this link for the period between 1307 and 1508 (the reigns of Edward II, Edward III, Richard II, Henry IV, Henry V, Henry VI, and Henry VII), we find that during the first few years Parliament met between 40 and 100 days per year on average, whereas after 15 years Parliament was much less active and met for less than 30 days on average (see figure 6). Another measure of this same phenomenon is the chance that Parliament was not convened during a certain year: this chance was zero during the first year of a king's reign, 14 per cent in years 4–7, and increased to about 50 per cent in years 15–22. The increased intensity of parliamentary activity during a succession period had old roots; before 800, sovereigns in various parts of Europe were often elected by assemblies, and a king would not succeed to his throne without a public ceremony in which this was acknowledged by the most powerful men of his realm.[29]

[28] North and Weingast, 'Constitutions and commitment'.
[29] A related explanation of why the reasons for calling a meeting of parliament changed during the reign of a king is that parliament often granted a king the right to levy a certain tax during the rest of his reign. His successor therefore had to renegotiate these taxes after succeeding to the throne; Mackenzie, *English parliament*, p. 25.

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Parliaments were often established in such moments of transition or even crisis. Warfare was another very important reason why kings convened a parliament. At such a time, they needed their citizens more than ever: their loyalty was perhaps at stake, and probably even more importantly, the king needed money to finance his military. In particular on the Continent, the role of the cities was often crucial: they had access to (cheap) capital, or could raise taxes quickly, and their consent was therefore sought by the sovereign when he had to fight a war. In return, cities demanded representation and gained access to meetings with the king, and parliaments met more regularly when the king needed to raise more money.[30] The key privilege that all parliaments obtained during the late medieval period was that no new taxes could be introduced by the king without parliamentary approval. The slogan 'no taxation without representation' that became famous during the American Revolution provides a good summary of this crucial right. It also concerned deprecation of the currency, which the Leon Parliament of 1188 had already identified as hidden taxation; the value of the currency became for many parliaments one of the most hotly debated issues.[31] Coordinating and streamlining the currency policies of the various sub-states was, for example, the main item on the agenda of the first estates-general of the Burgundian state, held in 1437.[32]

The North and Weingast argument points to other issues, however.[33] The economic rationale for such an act of credible commitment is that the king constrains himself in order to enhance the protection of property rights in his realm, and expects in the long term to profit from it (hoping it will increase investment and growth and thus, indirectly, taxes). In contrast, as North has argued, in a situation where property rights are not respected—where the king is not constrained by a parliament—incentives for specialization and investments are limited.[34] In the long run therefore both kings (via increased tax income) and citizens may profit from such an act of credible commitment. This was, however, probably the 'unintended consequence' of the fact that a king was usually forced by the need to bargain with the other powers in his realm to acquire the necessary funds and consent for his actions.

The question remains to be answered why this institution became so popular in late medieval Europe. We may wonder why it did not spread to, for example, Byzantium or the Ottoman Empire, or why it failed so quickly in Russia. Parliaments reflected the 'fragmented authority' that was characteristic of 'feudal' Europe. Power was not concentrated in one person, but spread over different power-holders and social groups, such as the church, the nobility, and the cities. Kings lacked the powers—a bureaucracy, a centralized system of taxation—to impose their will, and therefore had to negotiate with other power-holders. Moreover, the representatives of the three estates were not 'citizens' in the post-1800 sense, sharing 'freedom, equality and brotherhood', but members of a corporate

[30] Cf. Grapperhaus, *Taxes*.

[31] See the discussion in Spufford, 'Coinage'; Volckart, *Die Münzpolitik*, pp. 41–53; and Blockmans, 'Representation', p. 60. Volckart, 'Regeln', has suggested that an alternative way to 'credibly commit' to a stable currency was to transfer the coinage of the realm to an autonomous city, a solution that was not unusual in the Holy Roman Empire.

[32] Spufford, *Monetary problems*, p. 160.

[33] North and Weingast, 'Constitutions and commitment'.

[34] North, *Structure and change*.

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group (nobility, church, cities) that had acquired certain 'freedoms' as a result of negotiations with the king, privileges that they carefully protected.[35] In that sense the constraints to the executive that resulted from the activities of pre-1800 parliaments were different: parliaments were, in fact, platforms for the lobbying of the interests of the three corporate groups.[36]

The key event, in our view, that lead to the formation of parliaments, was the communal movement of the eleventh to thirteenth centuries: cities became to a large extent self-governing, and were able, as corporate bodies with rights and privileges, to gain access to what had previously been often a rather informal assembly. This addition of a 'different' social class—the merchants who usually represented the communes—fundamentally changed what had previously been a meeting of a very small elite, that is, the nobility and the representatives of the church who usually belonged to the same families. From a gathering of peers it developed into a (more or less) formal meeting of representatives of different estates, which often (as Marongiu has documented) changed the modus operandi of the institution fundamentally. The 'modern' parliament was therefore rooted in a strong civil society, of which the cities formed the core (an idea already developed by Putnam).[37]

We think it is therefore not a coincidence that the rise of parliaments occurred after the communal revolution, which began in Spain and Italy in the eleventh century, and spread rapidly to other parts of western Europe in the twelfth century (as is again illustrated by the case of Castile, where we saw that the members of parliament were elected representatives of the cities). In a way, a parliament was a way to integrate the communal movement into the power structure of the 'feudal' state. Seen from this perspective, the English case seems rather exceptional, however, because the position of the cities was much less strong than on the Continent, whereas Parliament became relatively active and influential from an early stage. Nevertheless, even in this case, it was the invitation of representatives of the boroughs that made the difference between the more or less informal meetings of the *curia regis* before 1295 and the 'Model Parliament' of that year.[38]

These roots also clarify why the model did not appeal to rulers outside the Latin west. In Byzantium and the Ottoman Empire there were no independent cities with which to negotiate. Moreover, within the highly competitive European state system, the institution spread relatively rapidly because it affected sovereigns' access to resources, and therefore their ability to fight wars. It also clarified (to a certain extent) the 'social contract' between a king and his subjects, and could therefore, as we saw in the case of twelfth-century Castile, create more favourable conditions—better protection of property rights—for potential migrants. In this way, the institution spread gradually from the south-west to the north-east of the continent.

An excess of communal power, which destroyed the power of the king, was bad for the rise of parliaments, however. The map of late medieval Europe that we

[35] Epstein, *Freedom*, p. 7.

[36] The degree to which this implies a fundamental difference with modern, post-1800 parliaments is dependent on the way one interprets the latter phenomenon; modern parliaments are (also) platforms defending the interests of those who are represented—and the degree to which social groups are represented in modern parliaments also varies a lot.

[37] Marongiu, *Medieval parliaments*; Putnam, *Making democracy work*.

[38] Nash, 'Crown', p. 237.

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sketched so far has a remarkable gap: northern Italy. During the middle ages large parts of the peninsula did not have a sovereign that could call for a parliament, but was governed by cities, some of which had become more or less independent from the emperor in the eleventh and twelfth centuries (also, but this is an old discussion with which we do not propose to engage, northern Italy was probably less 'feudalized' than other parts of western Europe). These communes developed into city-states, which gradually were taken over by noble families (such as the Medici), or in other cases were acquired by foreign royalty. During the crucial centuries of parliamentary development (between 1200 and 1500), the most advanced parts of Italy therefore 'missed' the development of this institutional innovation—it only took root in the south (Sicily, Southern Italy, the Papal States, and Sardinia) and in the extreme north (Friuli and Piedmont). This shows that it took two—'feudal' territorial states and communes—to tango; when one of them was missing, there was no need for the new institution.[39]

Somewhat similar is the development of the Low Countries, where cities also acquired a large degree of independence, in particular in Flanders. Here it was initially not the count who called for meetings of a parliament, but cities that formed their own coalitions and had their own meetings. The three Flemish cities (Ghent, Ypres, and Bruges) had already set up regular consultations with each other in the thirteenth century, and together held up to 450 meetings per year during the first half of the fifteenth century.[40] However, the Flemish Estates—an assembly of the three estates with the sovereign (or his representative)—was only established in 1400, making Flanders a latecomer within Europe. The same applies to the other parts of the Low Countries, which usually did not acquire formalized estates before 1400, but had quite active meetings of their cities, sometimes together with the sovereign, or members of the nobility and the church.[41] Once the estates of the various provinces were established, they also met very frequently; averages of 30–50 meetings per year are not rare, indicating the high demand for consultations (Kokken also notices that the Holland Estates stepped up their activity even more after 1572, when they had on average 210 meetings per annum).[42] The Low Countries therefore fall in between the two other developments paths—between the 'bottom up' communal institutions of northern Italy and the 'top down' parliaments found elsewhere. The most characteristic feature of the development of parliaments in this region is that often meetings of the large cities precede the emergence of 'full' estates in the late fourteenth or early fifteenth century. The latter form of parliament was initiated by the dukes of Burgundy, who in this way tried to create more institutional unity in their county; these estates, because of the long tradition of having 'similar' meetings organized by the cities, were very active from the start.

To summarize the important factors contributing to the 'rise of the European Parliament': between 1000 and 1300 a highly fragmented political system emerged in western Europe, characterized by relatively small states competing with each other, whereas at the same time a dense urban network arose, with strong com-

[39] Or alternatively, one can argue that the communes—with their complex forms of representation and governance—played a role similar to that of parliaments in territorial states.

[40] Blockmans, 'Representation', p. 56.

[41] An overview can be found in Kokken, *Steden en staten*, pp. 5–36.

[42] Ibid., pp. 126–8.

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mercial links. Cities, by becoming semi-independent communes, gained a strong political position in this new constellation, increasing pressure on the king to acknowledge their role. These processes occurred in a socio-political structure in which bargaining and the sharing of power had become very usual, because sovereignty was fragmented.[43] Parliaments, more than any other institutions, embodied this.

IV

Why did such a seemingly efficient institution decline in large parts of western Europe between the mid-fifteenth century and 1789? It appears as if the 'peaceful coexistence' or perhaps even the cooperation of sovereign and parliament that developed in the late middle ages broke down in the early modern period, and that states developed either in the direction of 'absolutism' (or even despotism), in which parliaments were abolished or simply not convened any more, or of 'parliamentarism', severely constraining the power of the sovereign, or perhaps even abolishing the sovereign and becoming a republic. By the early eighteenth century Montesquieu noticed this divergence of political systems within Europe: 'Monarchy is in a state of tension, which always degenerates into despotism or republicanism: power can never be equally split between the people and the prince; the equilibrium is hard to maintain. Power must decline on one side as it increases on the other; but the prince who leads the army usually has the advantage'.[44] His 'violent state' was, of course, the situation of warfare, which was almost endemic in early modern Europe.

This divergence in the structures of the state has been appreciated quite differently by recent scholarship. Epstein, for example, stressed the inefficiencies of institutional fragmentation within polities, and argued that this was one of the main forces retarding economic progress in Europe in this period.[45] The North and Weingast approach introduced earlier is much more favourable to 'institutions of fragmentation' such as parliaments, as they are mainly concerned with constraining the power of the executive.[46]

One of the problems of this debate is that various measures for evaluating the performance of the states are used. One is economic development—the growth of GDP per capita, or a measure that is related to this, such as urbanization. Epstein, for example, mainly looked at urbanization and market integration to assess the performance of various regions of late medieval Italy.[47] In the next section we will analyse this link, and assess whether an active parliament contributes to urban growth.

First, however, in order to explain the centrifugal forces within the European state system, we focus on the most 'direct' measure of the success of states: their ability to generate funds. Rosenthal has demonstrated that, following Montesquieu, one can see the two extremes in the organization of the state ('despotism' and 'parliamentarism') as stable equilibria generating high levels of taxes—either

[43] van Zanden, *Long road*, p. 49.
[44] Rosenthal, 'Political economy', p. 93.
[45] Epstein, *Freedom*, pp. 8–9.
[46] North and Weingast, 'Constitutions and commitment'.
[47] Epstein, *Freedom*, pp. 2–3.

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via a process of centralization (such as the absolutist monarchs wanted to introduce), or via mechanisms of consent and negotiations, which became characteristic of parliamentary systems.[48] In between, however, free-rider problems plagued the political economy of the 'mixed' state. Because both the king and the 'elite'—the groups represented in parliament—receive only part of the benefits from warfare (the 'output' considered in Rosenthal's model), they are less inclined to agree with a certain level of expenditure by the state, which limits tax income, and therefore reduces the chance of winning a war. Moreover, granting new taxes will—a parliament may fear—strengthen the position of the sovereign, who will not only use the money to fight wars, but may well use the same instruments (a standing army) to undermine the power of parliaments or its constituent members (by, for example, suppressing the independence of the cities). Similarly, the king will not be willing to grant new privileges to parliament, if he fears that these may be used to undermine his position in the long run. In sum, negotiations may break down if either party does not trust the other any more.[49] Consequently, mixed systems will typically perform worse, and there will be the tendency, as sketched by Montesquieu, that either the king will enforce his centralizing policies on parliament and limit its power, or that parliament will gain the upper hand and the power of the king will be further constrained.[50]

The question remains to be answered why certain countries—especially those in north-western Europe—gravitated towards the parliamentary structure, and others towards the 'despotic' one. As Montesquieu has argued, the normal pattern was probably a movement towards increased despotism, which offered the advantages of unified structures of command (very important in times of war) and centralized systems of taxation. Moreover, it was an unequal contest: kings increasingly had standing armies at their disposal which made it relatively easy to suppress a body such as a parliament, whereas a parliament had to undergo dramatic changes before it was able to generate the funds and popular support that could effectively resist a king. Yet, in the very long term—following the argument developed by North and Weingast—there were substantial benefits to moving to the parliamentary regime. The ability to raise taxes was (much) greater in a regime based on (a certain degree of) consent, and constraining the executive also created the right preconditions for gaining access to the capital market at sharply reduced interest rates.[51] Recently, Dincecco has set out to quantify the effects of different changes in political regime in terms of the most important measure of success: a state's ability to raise taxes. His typology is more complex than the dichotomy between 'despotism' and 'parliamentarism' used here. He distinguished two dimensions of change: from divided authority to centralism, and from executive discretion to parliamentary control. He established that a change along the first axis towards a centralized state did indeed raise taxes per capita by about 20–5 per

[48] Rosenthal, 'Political economy'. For example, see van Zanden and Prak, 'Citizenship', pp. 93–4, for an analysis of the causes of the high level of taxation in the Dutch Republic in the seventeenth century.

[49] A typical case is the relations between the Russian Zemsky Sobor and the government, which just before the abolishment of the assembly were described as being 'characterized by suspicion rather than confidence, by conflict rather than by collaboration . . . From the government's point of view, it was time to put a stop to the assembly before it became too dangerous'; Keep, 'Decline', p. 121.

[50] Rosenthal, 'Political economy', pp. 94–8; van Zanden and Prak, 'Citizenship', pp. 129–33.

[51] Hoffman and Norberg, 'Conclusion', pp. 305–8.

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cent, but a switch towards 'limited' government controlled by a parliament had a much larger effect, of 59–65 per cent.[52] This is consistent with the view that a system based on consultation and consent, in which representatives of interest groups negotiated in parliament about future taxation, had the potential to increase tax income much more than the 'despotic' alternative.[53]

What changed after about 1500 was that kings were increasingly successful in building up an independent power basis. The power of the central executive was enhanced by the growth of central bureaucracies, the professionalization of (standing) armies and navies, and improvements in systems of tax collection, making them in principle able to raise taxes independent of the consent of the cities and other members of the estates. The character of warfare also changed: the defence of the medieval state had been dependent on the mobilization of the 'great men'—feudal lords, bishops, and representatives of the cities—of that society, who commanded and mobilized their own armies. In the early modern period, wars were increasingly fought by professional and permanent organizations effectively controlled by the state, employing their own personnel and leadership.[54]

At the same time, and perhaps due to these changes, ideas about power were reformulated. Medieval parliaments were based on feudal structures involving the sharing of power between the sovereign and his vassals, but such concepts became less appealing. The growing interest in Roman law, in combination with new concepts of absolutist rule—most famously expressed by Jean Bodin—resulted in new interpretations of the relationships between the sovereign and his subjects according to which the king was the intermediary between God and his subjects and therefore the sole source of worldly power.[55]

France is often seen as the classic case of these changes. Until the mid-fifteenth century the influence and activity of France's parliament increased (the provincial estates were even more active than the estates-general). This changed, however, during the middle decades of the fifteenth century. The king of France managed to introduce taxes that did not require the approval of parliament, but that were managed by his own officials (such as the *taille*, introduced in 1439/40). From then onwards, the role of the estates-general was gradually reduced—only in situations of extreme urgency were they convened. In the periphery of the French state regional assemblies continued to play a more important role, however.[56]

Spain provides another good example of the decline of parliamentarism. This decline coincided with the discovery of the Americas which resulted in the Spanish Crown getting a huge source of income which was not controlled by the various parliaments with which previous kings had to deal. The spoils from the income

[52] Dincecco, 'Fiscal centralization', pp. 74–5.
[53] Cf. van Zanden and Prak, 'Citizenship', pp. 134–6.
[54] Glete, *War and the state*, pp. 12–13.
[55] Bonney, 'Theories of state finance', pp. 166–70. These changes in ideology also had a religious dimension. Absolutism was often associated with Catholicism—in particular post-Counter-Reformation Catholicism. The Reformation on the other hand often led to the strengthening of parliaments. Where it was introduced 'top down', such as in England and Sweden, the king needed the support of Parliament to carry through the religious reforms. In Sweden this was the beginning of the 'modern' Parliament, while in England it led to an intensification of parliamentary life under the autocrat Henry VIII. More importantly perhaps, Protestantism—most certainly Calvinism and other more radical forms of the Reformation such as Puritanism—tended to be rather 'democratic', stressing individual belief, and the governance of the (local) churches from the 'bottom up'.
[56] Barzel and Kiser, 'Taxation and voting rights'.

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from the exploitation of Spanish America, mainly consisting of silver and gold, reduced the need to raise taxes. As a result, the position of Spanish parliaments was severely weakened, making it possible to phase out their role slowly. It is an example of the 'resource curse' now well known in the literature on developing countries: access to income from resources—often oil—can 'spoil' the political economy of these countries because governments no longer have to take into account the interests of their citizens. High oil prices, for example, are therefore often negatively related to levels of democracy or 'good governance' in oil-producing countries.[57] The Danish case also serves as a good example here: there the king had access to the growing income from the Sound Toll, and therefore did not need the citizens of Copenhagen to raise revenue.

After the financial and the military revolutions of the late medieval period and the sixteenth century, kings did not need parliaments any more to raise new taxes, but parliaments of course defended their privilege that no taxes could be introduced without their approval. This is the background of some of the large-scale conflicts of the early modern period between both parties: the Dutch Revolt beginning in the 1570s, the English Civil War of the 1640s and the Glorious Revolution of 1688, and the French Revolution of 1789. These famous revolts were successful, but many similar attempts failed. Notable examples are the revolt by the Estates of Bohemia in 1618, which started the Thirty Years War, and the rise of the Cortes of Catalonia against 'Madrid' in 1640. Parliaments played a large role in these major early modern 'revolutions': often the revolt started there, and one of the main demands was to increase the power of the institutions. In all these cases parliament was or became the central body organizing the different forms of collective action, financing the war against the sovereign and acting as the main platform for political discussion and decision making. Often, it was such a direct confrontation between sovereign and parliament that decided what would happen in the long term: whether the political economy of the state would move towards the 'despotic' or the 'parliamentarian' extreme.

V

Our detailed discussion of the rise (and fall) of parliamentary activity in Europe shows substantial differences between different parts of Europe (roughly a north–south divide). In this section we ask whether or not this difference in institutional development can help to explain the gradual shift in the centre of economic gravity to north-western Europe as well. To do this, we follow earlier studies by, for example, de Long and Shleifer, Acemoglu et al., and Bosker et al., and look at urban development across Europe as a proxy for its economic development.[58] There has always been a close link between urban and economic development.[59] In the absence of sufficiently accurate, and geographically detailed, income data for the different parts of Europe, we follow these earlier studies and use simple

[57] Dunning, *Crude democracy*.

[58] de Long and Shleifer, 'Princes and merchants'; Acemoglu, Johnson, and Robinson, 'Rise of Europe'; M. Bosker, E. Buringh, and J. L. van Zanden, 'From Baghdad to London. The dynamics of urban growth in Europe and the Arab world, 800–1800', CEPR working paper, 6833 (2008).

[59] Even today this link is still very strong: see World Bank, *World Bank development report*.

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regression techniques to shed a first light on whether the observed differences in parliamentary activity help to explain the shift of economic gravity from south to north-western Europe.

We are not the first to argue that differences in institutional developments are important drivers of this shift. De Long and Shleifer and, more recently, Acemoglu et al. have already showed strong empirical evidence in favour of this hypothesis. They base their findings on cross-country regressions relating a country's urbanization rate to its institutional developments. In order to capture these institutional developments, de Long and Shleifer classify each country at a particular point in time as being ruled by either an absolutist or non-absolutist regime.[60] Acemoglu et al. instead use two further refined variables that measure the strength of the 'constraint on the executive' and the degree of 'protection for capital' in place in each country in a particular century.[61]

A drawback of these earlier measures is that they are defined at the level of (mostly) current-day countries. However, for most of the period under consideration national boundaries were quite different from those we observe today, which makes defining institutional differences within (and between) present-day countries inherently difficult.[62] Italy or Belgium, for example, officially came into existence only in the nineteenth century, and Germany as we know it today did not exist in pre-modern times. To avoid these difficulties, we do not consider (present-day) countries as our unit of observation. Instead of trying to explain the differences in urbanization rates between (these arguably somewhat arbitrary) countries, and following Bosker et al., we focus on the development of individual cities.[63] As such, we are looking for evidence of whether or not cities that fell under the influence of a parliament with city representation fared better (in terms of their total population) than cities without such representation. To do this we link cities with the activities of the parliaments in their relevant region (for example, Barcelona is linked to the activities of the parliament of Catalonia and Rome to that of the Papal States).[64]

All our results are obtained using the dataset we collected (and extensively describe) in Bosker et al.[65] Besides including information on various city-specific geographical characteristics as well as each city's political and religious importance, this dataset contains centennial information on individual city sizes in Europe (here defined as the Latin west)[66] over the period 800–1800. Our focus

[60] They also report results using a more fine-grained classification; de Long and Shleifer, 'Princes and merchants'.

[61] Acemoglu et al., 'Rise of Europe'.

[62] The different parliaments that we consider in this article often held power over territories spanning more than one present-day country. This makes using countries difficult in our case as we would have to decide how to allocate different parliaments to different countries. Using cities as the unit of observation avoids this problem. At any specific time a city falls under one parliament only.

[63] Acemoglu et al., 'Rise of Europe', also report results at the city level in some of their robustness checks.

[64] We have not checked whether or not a city did actually have its own representative(s) in parliament. The only requirement is (see our definition of a parliament in section I) that city representatives (whether from that particular city or other cities) were present in parliament. Classifying cities according to whether or not they actually had their own representative in parliament would be a very interesting extension of our article. It would involve a substantial data collection exercise to collect all this information for all cities and centuries in our sample, a task that we leave (for now) for future research.

[65] Bosker et al., 'Baghdad' (see above, n. 58).

[66] The Latin west comprises Europe to the west of the line between Trieste and St Petersburg. This line is well known from the literature on the European marriage pattern (see Hajnal, 'European marriage'); it also largely

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here is to relate these individual city sizes to two main parliamentary variables. The first simply indicates whether or not a city fell under a parliament with city representation in a particular century. If this was the case, our second variable, the activity index, indicates the number of years that this parliament convened during the preceding century. We include parliamentary activity in the preceding century to somewhat limit reverse causality problems.[67]

We relate these two variables to urban development using a simple regression framework that is also used by most of the above-mentioned studies; that is, we estimate:

$$\ln c_{it} = \alpha_i + \alpha_t + X_{it}\beta + \gamma_1 D_{it}^{PARL} + \gamma_2 AI_{it}^{PARL} + \varepsilon_{it} \quad (1)$$

where c_{it} denotes city population in century t, D_{it}^{PARL} and AI_{it}^{PARL} are our two main parliamentary variables of interest (the dummy and the activity index, respectively), and X_{it} are other (control) variables related to city size. γ_1 captures the effect of simply falling under a parliament (regardless of its frequency of convening), whereas γ_2 determines whether its frequency of convening matters for city development.

In all our estimations, we allow for unobserved city-specific as well as century-specific heterogeneity by including a full set of city and century dummies. Most importantly, we hereby control for cities' differences in geographical characteristics and for general developments in, for example, agricultural productivity or human capital affecting urban development across Europe. Finally, ε_{it} captures all other unobserved (or unmodelled) variables related to a city's size. We assume that it is uncorrelated with the included variables in equation 1 and control for the possibility that it is serially correlated (that is, we cluster our standard errors at the city level).

We are aware that the interpretation of the effect of parliaments on urban development critically hinges on our assumption that ε_{it} is uncorrelated with the included variables in equation 1. If this assumption is violated, we would face an endogeneity problem preventing us from interpreting our findings as the causal effect of parliaments or parliamentary activity on urban development; they would in that case merely represent partial correlations. The main concern seems to be the omission of time-varying variables which can be correlated with our left-hand side variables (for example, unobserved societal changes correlated with both parliamentary activity and urban development). Although several robustness checks to our baseline results are aimed at alleviating these concerns, only a convincing instrument for parliamentary activity would fully address this issue. Such an instrument is very difficult to find, however, and lies beyond the scope of this article. As such, we view our empirical findings as a first step in uncovering the effect of having parliamentary representation on long-term economic development.

Unless otherwise noted we follow Acemoglu et al. and Bosker et al. and consider only cities with at least 10,000 inhabitants.[68] Throughout the article we include

coincides with the border of the Catholic Church during the middle ages. The Latin west thus defined comprises Norway, Sweden and Finland, Poland, Germany, the Czech Republic, Belgium, Luxembourg and the Netherlands, France, Great Britain, Ireland, Switzerland, Austria, Hungary, Italy, and Portugal and Spain. See also Findlay and O'Rourke, *Power*, who use a similar definition.

[67] Note that reverse causality issues are also less of an issue given the fact that the population development of a single city is unlikely to single-handedly influence the development of a region-wide parliament consisting of many more other cities.

[68] Acemoglu et al., 'Rise'; Bosker et al., 'Baghdad' (see above, n. 55).

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the following set of time-varying control variables (the X_{it} in equation 1): three variables relating to its political or ecclesiastical importance (a dummy for bishop, archbishop, or capital city status, respectively), two relating to its religious orientation (a dummy indicating whether a city was under Muslim rule—mostly cities in Spain and Sicily before the Christian *Reconquista*—and a dummy for whether or not a city became predominantly Protestant following the Reformation in the sixteenth century), and a dummy variable indicating whether it was home to a university. Finally, we also control for the fact that from 1100 onwards many cities, besides gaining representation in parliaments, gained forms of self-rule. To avoid the possibility of mistaking a 'local participative government'-effect for a parliament-effect, we include a dummy variable indicating whether or not a city had a form of local participative government.[69]

Table 1 shows our baseline estimation results. We start in columns 1 and 2 by showing the results when including only our parliament dummy variable, D_{it}^{PARL}, or only our parliament activity index AI_{it}^{PARL}, respectively. In order not to stray too far from the main focus of this article, we will not discuss the results on our control variables at any great length here. It suffices to say that they confirm the results of Bosker et al.

Column 1 suggests no significant effect of falling under a parliament on urban development. However, column 2 shows that this finding dismisses the importance of parliaments too quickly. It does not take into account the difference in activity between parliaments. In column 2, our parliamentary activity index is significantly positively related to urban development: meeting in an additional year each century results in a 0.2 per cent growth of the urban population in cities falling under the influence of a parliament. The column 2 results also imply that officially falling under a parliament that *never convened* during a century (such as the French Parliament during the eighteenth century) does not have any significant effect (partly explaining our non-significant findings in column 1).

Column 3 takes further note of the findings in column 1 and 2 and includes both D_{it}^{PARL} and AI_{it}^{PARL} in the regression. These results confirm that, indeed, simply falling under a parliament is not enough—in other words, $\hat{\gamma}_1$ is not significantly different from zero. Also, $\hat{\gamma}_2$ is significantly positive, confirming the results in column 2 that the more frequently a parliament convenes, the better it is for urban (and economic) development.

One good feature of our column 3 results is that they allow us to determine the minimum frequency of convening in order for a parliament to have a significantly positive effect on urban development. From column 1 it is very straightforward to see that the overall effect of a parliament depends on its frequency of convening: $\gamma_1 + \gamma_2 AI_{it}^{PARL}$. If a parliament never convenes, its effect on city population is γ_1 only; if it meets N times, however, its effect is $\gamma_1 + \gamma_2 N$.

This allows us to establish the number of times a parliament has to convene in order to have a significantly positive effect on urban development. It is not revealed by looking at the individual significance of $\hat{\gamma}_1$ or $\hat{\gamma}_2$; it is necessary to test whether $\hat{\gamma}_1 + \hat{\gamma}_2 AI_{it}^{PARL}$ is significantly different from zero. Obviously this depends on the value of AI_{it}^{PARL}. Figure 7 below graphically shows the results of such tests for all possible values of AI_{it}^{PARL} (that is, from 0 to 100).

[69] See Bosker et al., 'Baghdad' (see above, n. 55) for the exact details on this variable.

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Table 1. *Parliamentary activity and urban development*

	(1)	(2)	(3) BASELINE	(4)	(5)	(6)	(7)	(8)
Sample	*Latin west*	*Latin west*	*Latin west*	*Christian only*	*Cities ≥5k*	*1100–1800*	*UK and Low Countries different ≥1500*	*Excluding UK and Low Countries*
Bishop	−0.038	−0.051	−0.052	0.005	0.015	−0.065	−0.076	0.035
	(0.713)	(0.623)	(0.614)	(0.973)	(0.903)	(0.599)	(0.507)	(0.767)
Archbishop	0.360**	0.359**	0.346**	0.436**	0.482***	0.412**	0.326**	0.467***
	(0.015)	(0.017)	(0.021)	(0.019)	(0.003)	(0.021)	(0.041)	(0.003)
Capital	0.545***	0.546***	0.547***	0.508***	0.633***	0.532***	0.544***	0.556***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
University	0.208***	0.203**	0.204**	0.190**	0.174**	0.145**	0.204***	0.189**
	(0.010)	(0.012)	(0.011)	(0.025)	(0.035)	(0.048)	(0.009)	(0.018)
Muslim	0.447***	0.430***	0.469***	—	0.602***	0.349***	0.449***	0.515***
	(0.000)	(0.000)	(0.000)	—	(0.000)	(0.006)	(0.000)	(0.000)
Protestant	0.091	0.048	0.055	0.063	0.063	0.091	0.038	−0.107
	(0.454)	(0.678)	(0.635)	(0.587)	(0.501)	(0.400)	(0.721)	(0.295)
Commune	0.174***	0.180***	0.172***	0.147**	0.238***	0.133***	0.167***	0.182***
	(0.002)	(0.002)	(0.003)	(0.014)	(0.000)	(0.010)	(0.004)	(0.003)
Parliament								
Yes/no	0.113	—	0.091	0.097	0.068	0.061	0.095	0.106
	(0.108)	—	(0.190)	(0.174)	(0.348)	(0.331)	(0.171)	(0.147)
Activity index	—	0.002**	0.002*	0.001*	0.002***	0.001*	0.001*	0.001
	—	(0.038)	(0.071)	(0.087)	(0.000)	(0.068)	(0.088)	(0.375)
No. observations	1864	1864	1864	1783	2399	1718	1864	1600
p-value UK and Low Countries century effects	—	—	—	—	—	—	(0.062)	—
A: no. meetings 10% sign	—	—	≥16	≥15	≥22	≥32	≥13	≥14
B: no. meetings 5% sign	—	—	≥35	≥37	≥32	≥56	≥30	—

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

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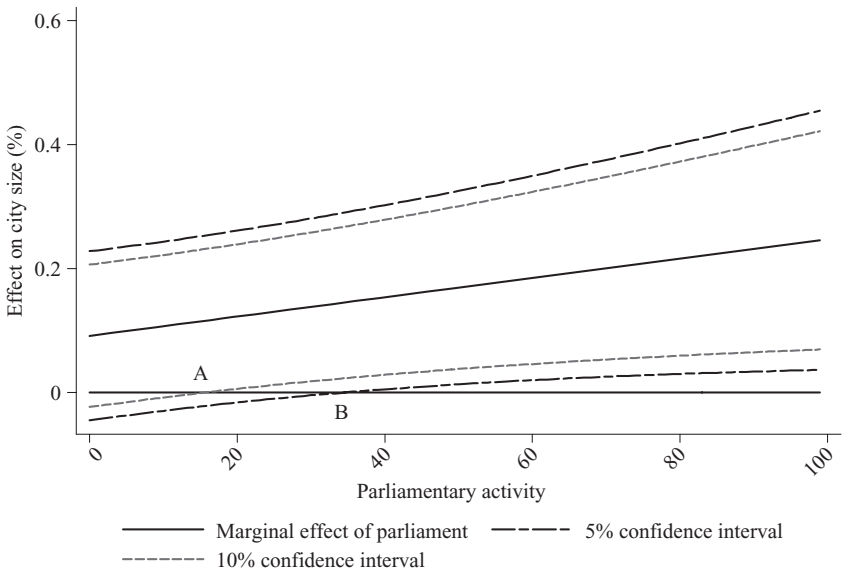


Figure 7. *The marginal effect of a parliament, depending on how many years it meets per year*

The upward-sloping solid straight line depicts $\hat{\gamma}_1 + \hat{\gamma}_2 AI_{it}^{PARL}$ (it is upward sloping given our positive estimate of γ_2). The curved lines depict the boundaries of the 10 per cent and 5 per cent confidence interval corresponding to these estimates. The overall effect of a parliament meeting N times is significant at the 10 per cent or 5 per cent level when this confidence interval does not encompass 0. To establish the minimum number of times a parliament needs to convene in order to have a significantly positive effect on urban development, one simply looks at the point where the confidence interval does not encompass zero for the first time (that is, point A in case of the 10 per cent confidence interval, and point B in case of the 5 per cent confidence interval).

The final two rows of table 1 report these two numbers. Our parliament effect is significantly different from zero at the 10 per cent level as soon as it convenes in at least 16 years in a century. Raising the bar to 5 per cent shows that only a parliament meeting in at least 35 years in a century bears significant positive effects on the urban development of the cities falling under its influence.

Our column 3 results are our baseline results. They show that the development of parliaments in (parts of) Europe did have important effects on its urban development. However, this is only the case for parliaments meeting sufficiently often. Viewing this as a proxy for the ability of the parliament to constrain the executive more effectively, we think that the declining activity of parliaments in mainly southern (and eastern) Europe indeed partly contributed to the shift in economic and urban gravity to north-western Europe where representative parliaments continued to play an (increasingly) important role in nations' political affairs, with a positive effect on urban (and economic) activity.

Columns 4–8 show several robustness checks to our baseline results. Column 4 takes account of the fact that parliaments (or other forms of representative government) never developed in the Islamic world. It shows that our results are also robust

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when not considering Muslim cities, which were located mainly in Spain and Sicily, during the earlier centuries in our sample. Column 5 includes cities in our sample as soon as they have at least 5,000 inhabitants instead of using the 10,000 inhabitant cut-off used in our baseline sample. Doing this only reinforces our findings. Column 6 does not consider the earlier centuries in our sample. Instead it only considers the period 1100–1800. Doing this avoids comparing the earlier period which had no parliamentary activity at all with the later period of scattered parliamentary activity throughout the continent. Again, our main results are robust, although the number of parliamentary meetings needed for a positive effect on urban size almost doubles. This is a direct result of the fact that in our earlier centuries cities were on average smaller (and no parliaments convened) than in our later centuries. This development is only partially captured by our included century dummies: these do control for general trends in urban development across Europe, yet they do not capture differential developments in different parts of Europe.

Our column 7 results are related to this in the sense that this column shows that our results are also robust when allowing for unobserved trends driving urban development in Great Britain and the Low Countries—such as, for example, the fact that both are 'high wage economies' during this period, whereas real wages in the rest of Europe are at a much lower level.[70] We do this by including a century-specific dummy for these two countries for each century after 1500. From 1500 onwards, these two countries gradually became the two economic powerhouses of Europe. Moreover, they both developed very active parliaments. Including the above-specified dummy variables precludes the possibility that our parliament findings are in fact driven by the developments in these two countries only. The results in column 7 indicate that this is not the case.

Finally, in column 8 we go even further and exclude all cities in Great Britain and the Low Countries from the sample. Although this does slightly reduce the significance of our main results (that is, that different institutional developments in north-western and southern Europe contribute significantly to explaining the differences in urban development between the north-western and southern parts of Europe), we still find (see figure 8 below) that a parliament meeting at least 14 years per century has a significant positive effect on urban development (albeit at a 10 per cent significance level only). Moreover, when formally testing whether the effect of parliaments differs significantly from that in Great Britain and the Low Countries, we find that this difference is not significant (results available upon request).

VI

Did parliamentary institutions matter for pre-1800 economic development? This contribution took as its starting point the seminal paper by North and Weingast who argued that the Glorious Revolution was not only a fundamental turning point in the parliamentary history of England, but also established the necessary institutions for eighteenth-century economic growth.[71] Our article has broadened this discussion by looking at the rise and development of these pre-1800 parliaments from a European perspective. One of our main contributions has been to

[70] Cf. Allen, 'Great divergence'.
[71] North and Weingast, 'Constitutions and commitment'.

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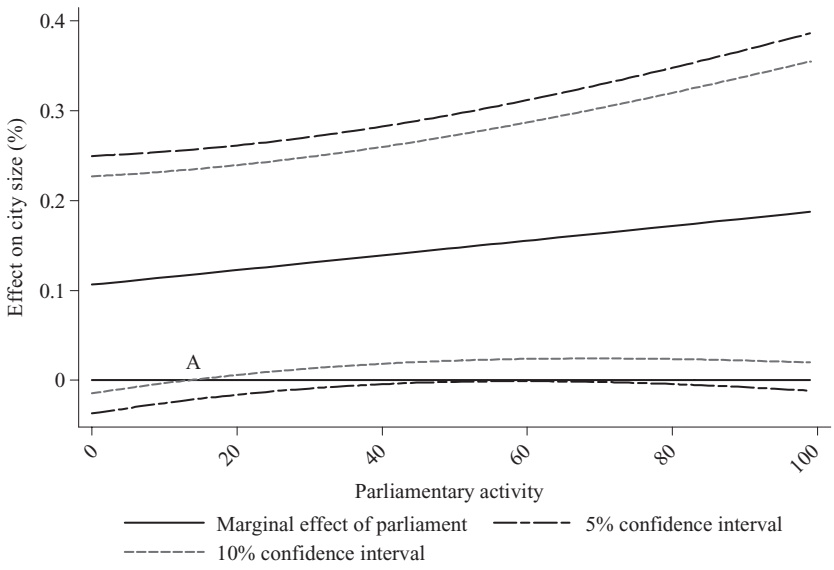


Figure 8. *The marginal effect of a parliament, depending on how many years it meets per year, excluding the UK and the Low Countries*[a]

Note: a That is, corresponding to the result in tab. 1, col. 8.

develop a parliamentary 'activity index' that allowed us to quantify the development of parliaments in late medieval and early modern Europe. On the basis of this measure we have provided a quantitative reconstruction of the development of European parliaments between 1100 and 1800. This makes it possible to analyse long-term patterns of change in this institution, but it also allows a first look at its possible impact on economic performance.

The evidence shows that initially parliaments were a southern European 'innovation', which developed within the context of the *Reconquista* of the twelfth/thirteenth centuries, when the Spanish sovereigns had to foster closer bonds with the conquered cities and their citizens, and were competing with the Muslim states in the south of the region for human and perhaps also physical capital. From its twelfth-century beginnings in Spain, the institution spread gradually over the rest of Europe, indicating that it could be applied successfully in other circumstances as well. Northern Italy, where strong communes had broken down the larger state-like structures, was the most significant region to remain outside the parliamentary movement. It also spread rather slowly in the north of Europe, probably due to the weakness of the communes there, and it only very briefly touched Russia (in the late sixteenth and early seventeenth centuries).

In the early modern period an institutional divergence occurred within Europe, however: parliaments declined in central and southern Europe, but gained in importance in the British Isles, the northern Netherlands, and Sweden (but, illustrating the contingency of these developments, the Danish Rigsdag was abolished in 1660). We discuss why this 'Little Divergence' may have happened: kings acquired the capability of raising taxes themselves and therefore did not need the approval of the other estates anymore. Moreover, free rider problems plagued 'mixed' states, in which there was some kind of balance between king and parlia-

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ment, making it difficult for such states to raise taxes (and increase their ability to fight wars). The medieval 'peaceful coexistence' of sovereign and parliament disappeared, and there was a tendency for states to converge towards either the 'despotic' or the 'parliamentary' side of the spectrum. We can only speculate about why certain countries merged towards different ends of the spectrum. Possibly this institutional 'Little Divergence' was related to the success of the sixteenth-century Reformation, the accumulation of human capital (which was again linked to Protestantism), and the growth of cities and of incomes in the same region, and we noticed that in some cases (such as Spain) a 'resource curse' may also have played a role.

Finally, on the basis of our new activity index, we have provided a first empirical look at the importance of parliamentary activity for subsequent economic development.[72] To do this we related our activity index to individual city growth (as a proxy for economic development) using a simple regression framework. We found evidence that parliaments, by acting as 'constraints on the executive', had a positive effect on urban development. The existence of a parliament as such does not matter, however; it is the intensity of its activities that matters. A parliament has to meet a sufficient number of times to have a positive effect on economic development.

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[72] Parliaments may also have played a role in slowing down the erosion of the intrinsic value of the currency of the states where they acquired a strong position. Cf. D. Chilosi and O. Volkart, 'Good or bad money? Debasement, society and the state in the late middle ages', London School of Economics, economic history working paper, 140/10 (2010). Stabilizing the currency was, from as early as the late twelfth century, one of the goals of the cities represented in most European parliaments; when parliaments really became a strong countervailing power—such as in England after 1688 (or even earlier), or in the Netherlands after 1572—the process of currency erosion almost ended, which may also point to their effectiveness in this respect.

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SUPPORTING INFORMATION

Additional Supporting Information may be found in the online version of this article:

Appendix S1. Medieval and early-modern parliaments in the Latin west, 1188–1789.

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