

Call for Papers
to Session 15

on the XVth World Economic History Congress, Stellenbosch, 9-13 July, 2012:

FISCAL SYSTEMS, URBANIZATION AND TRAJECTORIES OF ECONOMIC GROWTH IN EARLY MODERN ECONOMIES

The study of the relations between institutions and economic growth is one of the most promising fields of research in economic history. Among the "rules of the game" that govern individual behaviour and structure economic interactions (which is what institutions are essentially about) fiscal systems play a leading role. Systems of taxation, and their effects on economic development, have attracted the interest of historians and researchers of the Early Modern Period for long. In part, this is due to the fact that in Early Modern Period, unlike today, states had few instruments to intervene in the economy and that among those tools taxation was, undoubtedly, one of the most important.

Fiscal systems could affect economic development in various ways. On the positive side, thanks to the revenues collected from taxes, modern states promoted some economic sectors and they also created efficient administrative systems which enforced property rights, leading to the development of an environment which eased economic growth. On the negative side, however, there were many instances where the need of raising its tax revenues prompted states to build fiscal systems which damaged the prospects of economic growth and the awareness of the differences between both kinds of taxation has led economists and historians to defend the existence of predatory and non predatory fiscal systems.

Our session will be focused on the study from a comparative perspective of the relations between urban fiscal systems (in the broadest sense) and the different trajectories of economic growth which may be found in the Early Modern Period in different regions of the world.

During the last decades there has been a growing interest in the study of urban taxation. Cities not only paid taxes to central government (whether an empire, a monarchy or republic) but they also collected taxes to fund their own expenditures. It seems clear that any study on the links between taxation, urbanization and economic growth should include both groups of taxes, paying special interest to the way both states and cities taxed urban wealth to obtain their fiscal revenues. Simultaneously, it is also important to remark that in many cases the differences between urban and state taxation were blurred, being nearly impossible to distinguish between both kinds of taxes, something which poses the question of analyzing to what extent cities could develop their own fiscal policies, free from state interference.

To a certain extent, the recent interest on urban taxation reflects the widespread awareness of the pivotal role played by cities in the economic growth during the Early Modern Period. To phrase this question in Smithean terms: urbanization promoted the advance of specialization and the raise of the markets, so early modern cities could be considered as engines of economic

growth, and when we remember the differences between predatory and non predatory fiscal systems above mentioned, then it seems possible to argue that urban taxation should have had important and long lasting consequences on urbanization and in the different trajectories of economic growth we may find during the Early Modern Period in the different areas of the world economy.

Taking this into account, then, the study of the links between taxation, urbanization and economic growth during the Early Modern Period is the key question of our session, which is informed by a comparative approach, built on the research carried out in recent decades on Europe and areas such as the Chinese and the Japanese empires and the Islamic world. Many of these areas were highly urbanized and ruled by centralized governments and in many of them market economies also made significant advances, yet it is clear that their economic trajectories were very different. Our proposed session aims to analyze the way urban fiscal systems affected the capacity of the cities of developing an environment well suited for economic growth in the different regions of the world economy during the Early Modern Period, so papers dealing with this issue both in European and other regions of the world are welcomed.

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