The Medieval Roots of Inclusive Institutions: 
From the Norman Conquest of England to the Great Reform Act*

Charles Angelucci  Simone Meraglia  Nico Voigtländer 
(Columbia)   (Exeter)   (UCLA, NBER, and CEPR) 

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Abstract
The representation of merchant interests in parliaments played a crucial role in constraining monarchs’ power and expanding the protection of property rights. We study the process that led to the inclusion of merchant representatives in the English Parliament, using a novel comprehensive dataset for the universe of more than 600 English towns (boroughs). Our data comprise information on medieval transport infrastructure, economic importance, self-governance, representation in Parliament, and the voting behavior of local MPs. Our analysis begins with the Norman Conquest in 1066 – an event of enormous political change that resulted in largely homogenous formal institutions across England. From this starting point, we document a two-step process: First, monitoring issues and asymmetric information led to inefficiencies in the king’s tax collection, especially with the onset of the Commercial Revolution in the 13th century. This gave rise to mutually beneficial agreements (Charters of Liberties), whereby medieval merchant towns obtained the right of self-administered tax collection. Second, we show that these charters were stepping stones towards representation in the English Parliament after its creation in 1295: local autonomy meant that subsequently, extra-ordinary taxation (e.g., to finance wars) could not be easily imposed by the king, but instead had to be negotiated – and the efficient institution to do so was Parliament. We show that royal boroughs with trade-favoring geography were much more likely to be represented in Parliament, and that this relationship worked through Charters of Liberties. We also show that medieval self-governance had important long-term consequences and interacted with nationwide institutional changes. Boroughs with medieval charters had inclusive local elections of public officials and MPs, and they tended to support the Great Reform Act of 1832, which enfranchised newly industrialized boroughs and thereby expanded the pro-trade coalition in Parliament.

JEL: D02, D73, N43, P14, P16.

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1 Introduction

Inclusive political institutions and the protection of property rights are important drivers of economic growth and development (c.f. North and Thomas, 1973; Acemoglu and Robinson, 2012). Recent work has also shown that existing institutions played a crucial role during historical critical junctures, determining subsequent economic progress. For example, Acemoglu, Johnson, and Robinson (2005) find that countries with more inclusive political institutions benefitted the most from the rise of Atlantic trade in the 16th to 18th century. Conversely, trade also affected institutional change: Acemoglu et al. (2005) show that Atlantic trade strengthened merchant groups, helping them to obtain improved protection of property rights – but only in countries where “initial” political institutions allowed merchants to influence the political decision making process. The most important institution that exerted constraints on monarchs was parliament. For merchants to shape institutional change, representation in parliament was thus crucial. However, merchant representation in early (medieval) parliaments was an exception; typically, the nobility and the high clergy dominated. This bears the question: Which process led to the inclusion of merchants and burgesses in parliaments?

In this paper, we study the historical evolution of inclusive institutions in the prominent context of England – “the mother of parliaments,” with a broad representation of burgesses already in the 14th century. Our analysis begins with the Norman Conquest of England in 1066 – long before the creation of the first Parliament. The Norman Conquest – “the single greatest political change England has ever seen” – represents a key turning point in English history. The Normans asserted strong control over the territory and replaced the Anglo-Saxon ruling elite with their own. The Norman Conquest also resulted in largely homogeneous formal institutions across England and thus provides an ideal starting point for our analysis. In addition, the period after the Conquest coincides with the Commercial Revolution that saw a surge in economic activity not only in England but in Western Europe more generally (Lopez, 1976). Thus, our study fits in the context

1Similarly, Pascali (2017), shows that the introduction of the steamship in the 19th century had a positive effect on economic development only in countries with strong constraints on executive power.

2Initial historically shaped institutions have been taken as given by the literature on critical junctures. Contributions in political economy that explain the emergence of inclusive institutions typically study changes after the 18th century (Acemoglu and Robinson, 2000; Lizzetti and Persico, 2004). Some historical studies have document a close relationship between trade and institutions in the medieval Mediterranean (Greif, 1993; Puga and Trefler, 2014). While the institutions studied in these papers supported medieval trade, they eventually lost importance.


4The Economist, December 24th, 2016, pp. 33-4.

5Several factors point to an environment increasingly favorable to trade starting in the tenth century, including population growth (North and Thomas, 1973), regained access to Mediterranean trade (Pirenne, 1925), and a stable society following the Norman Conquest (Tait, 1936, p. 136). Also, significant technological progress was under way in
of critical junctures (and more precisely, major expansions of trade) contributing to the evolution of inclusive institutions.

Our argument is based on both the historical record and on detailed newly assembled data on political liberties of medieval English boroughs (towns). We build a novel dataset containing information on geographical characteristics, local institutions, and Parliamentary franchise for more than 600 English boroughs over eight centuries. We match this dataset with information on whether local MPs supported the Great Reform Act of 1832. Based on this rich dataset, we find that economic factors – in particular, geography conducive to trade – had important effects on town-level political institutions in medieval England. We also document how town-level institutions, in turn, interacted with nationwide institutional change.

Our analysis is organized into two time periods, using the Black Death in 1348 as a natural cutoff date. Results for the pre-1348 period explain the process that led to self-governance of merchant towns, and then to their representation in the English Parliament. The post-1348 results document the long-run relationship between medieval self governance and the openness of local elections in towns as well as voting behavior of their representatives in Parliament.

In the pre-1348 part, we emphasize two steps. The first step explains how merchant towns obtained the right of self-administered tax collection. After the Norman Conquest, the kings ruling England relied on tax farming to collect revenues from boroughs. Each borough had to pay an annual fixed amount that was based on taxation of property, courts, and trade. For this purpose, the king appointed sheriffs to run shires (counties), and these, in turn, appointed tax collecting officials in their boroughs. Tax farming led to widespread opportunistic and distortionary behavior by local officials, as illustrated by countless complaints of burgesses and numerous resulting royal enquiries (e.g., the “Inquest of the Sheriffs” in 1170). For example, the contemporary Henry of Huntingdon (ca. 1088-1154) lamented: “Sheriffs and reeves, whose office was justice and judgment, were more terrible than thieves and plunderers, and more savage than the most savage.” Such complaints were particularly frequent when the king was away on wars and his officials governed largely unchecked.

Merchant towns and the king found a mutually beneficial solution to the inefficiencies associated with tax collection: Beginning in the 12th century, the king granted Charters of Liberties to some boroughs; most prominent were Farm Grants, giving local burgesses the authority to appoint a borough’s tax collectors, judges, and market officials. In exchange for these liberties, agriculture, such as horse traction for hauling and windmills (Langdon and Masschaele, 2006). For further discussion of the Commercial Revolution, see also Lopez (1976), Britnell (1995), and Masschaele (1997).

We thank Toke S. Aidt and Raphaël Franck for sharing their dataset contained in Aidt and Franck (2015) with us.

Throughout the text, we also refer to towns with Farm Grants as chartered boroughs. Such liberties were only introduced after the Norman Conquest; they did not exist during Anglo-Saxon times, as documented by Maitland (1921, p. 204); Tait (1936, p. 71), and Barlow (1961, p. 25).
boroughs typically agreed to pay a higher annual lump sum to the king. In other words, boroughs were willing to pay for the right to run tax collection themselves, cutting out the king’s officials. This illustrates that Farm Grants represented Pareto improvements, resolving monitoring issues of corrupt officials and potentially also asymmetric information about movable local wealth. Of- ten, chartered boroughs also obtained the right to exclude royal officials from entering town walls (Ballard and Tait (1923), p. 1xi) – an additional feature that we exploit below. By the time of the Black Death in 1348, 91 boroughs (out of 550 that existed at the time) had obtained Farm Grants. We show that Farm Grants were particularly likely to be granted to royal boroughs with geographic characteristics conducive to trade (proximity to navigable rivers, the sea coast, or Roman roads). We also use other proxies to show that these “chartered” boroughs were commercially more important in medieval times.

The second step of our argument connects Farm Grants to representation in Parliament. The first English Parliament assembled in 1295 and met on a regular basis thereafter. A central purpose of the Parliament was to discuss extra-ordinary taxation. The high cost of simultaneously holding bilateral negotiations made it profitable for the king to have borough representatives discuss in Parliament and report decisions to their co-burgesses. The need to negotiate extra-ordinary taxation was particularly pronounced for boroughs that had obtained the right to self-administer their tax collection, so that the king lacked the means to unilaterally impose higher taxes. Conversely, since extra-ordinary taxation was mostly levied on movables and trade, the merchant classes in boroughs with Farm Grants had a natural interest in being enfranchised (North and Thomas, 1973; Bates and Lien, 1985; North and Weingast, 1989).

We find strong empirical support for a close relationship between charters of liberties and representation in Parliament. Figure 5 analyzes this pattern in detail. By 1348, there 91 boroughs had gained farm grants, and among these, 38 had obtained additional restrictions that forbade royal officials to enter the town in judicial, financial, or law-enforcing functions. In these 38 towns, it was essentially impossible for the king to impose extra-ordinary taxes without negotiation. Correspondingly, we find that 87% of the boroughs with Farm Grants and restrictions on royal
officials were represented in Parliament by 1348. Among the 53 boroughs that had farm grants but no restrictions on entry by royal officials, 55% were represented in Parliament. While these towns had their own (locally elected) tax collectors, the king could still send his officials to enforce royal orders. Thus, these towns had a somewhat weaker bargaining position vis-à-vis the king, which can explain their lower representation in Parliament. Nevertheless, towns with (only) farm grants were still substantially more likely than those without farm grants to be represented in Parliament. Among the non-chartered boroughs, only 15% had seats in Parliament.

An obvious concern with our interpretation is that rich boroughs may have been able to “buy” both charters of liberties and seats in Parliament. A historical feature helps us to address this issue: boroughs belonged either directly to the king (“royal boroughs”), to a local mesne (lay or ecclesiastical) lord. Farm Grants were almost exclusively granted by the king to royal boroughs. Among royal boroughs, 42.4% had received farm grants by 1348, as compared to a mere 4.8% among mesne boroughs. A likely explanation for this asymmetric finding is that monitoring issues of public officials were particularly severe for the king because of i) the large size of his territory, ii) his frequent absence from the realm due to engagements in external wars, and iii) the fact that there was an additional administrative layer – the sheriffs – between the king and borough officials. In contrast, local lords controlled much smaller territories, and they directly appointed the officials collecting the farm from ‘their’ boroughs, thus effectively acting as “sheriffs” themselves. Consequently, monitoring issues were likely less severe for local lords, reducing the net benefit of granting charters of liberties to merchant towns. Correspondingly, we find that within mesne territories, charters of liberties are unrelated to trade-favoring geography (such as navigable rivers). This allows us to use mesne boroughs as a “placebo” to check if trade led to representation in Parliament independent of farm grants (e.g., via wealth). This seems unlikely: for mesne boroughs, we find no relationship between trade geography and representation in Parliament.

In the second part of our analysis, we provide two sets of results that illustrate how farm grants affected the evolution of inclusive institutions over centuries after they were granted. We first show that medieval Farm Grants favored the development of inclusive local political institutions, with independence from royal influence. By the 16th century, most English boroughs became Corporations. Incorporated boroughs were governed by a mayor and a council, could own property, and issued by-laws (Weinbaum, 1943). However, there was a large degree of heterogeneity in local governance across English boroughs. We show that boroughs that had obtained Farm Grants before

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11 We also show that this is unlikely to be driven by structural differences between royal and mesne boroughs. Both had an almost identical distribution of taxable wealth right after the Norman Conquest, and royal boroughs were evenly distributed across England (see also Figure 7). This makes it unlikely that the king ‘cherry-picked’ royal boroughs, thus rendering them comparable to mesne boroughs.
1348 were more independent from the king when they were incorporated centuries later. In particular, chartered boroughs were significantly less likely to have the appointment of their governing body being influenced by the king through “first appointment” and “co-optation” clauses. Early self-governance also predicts the openness of MP elections in the early 19th century. Although franchise rules that governed MP elections were initially uniform across enfranchised boroughs, the franchise tended to become narrower over time in all boroughs. Corruption was widespread and local oligarchies – representing either the landed interest ("patrons") or a combination of landed and merchant interests – had a large influence over the choice of MPs (Thorne, 1986). We find that chartered boroughs ran persistently more open MP elections. The merchant class in these boroughs was less likely to be disenfranchised by the landed interest because it was larger, richer (Namier and Brooke, 1964), and in charge of local governance since medieval times (Persson and Tabellini, 2009). By contrast, Parliamentary boroughs that had not experienced early self-governance were enfranchised later, and were also more likely to have patrons nominate their MPs, and to become “rotten” (small and decadent) by 1832.13

Finally, we show that Charters of Liberties are a strong predictor of MP voting behavior during the Great Reform Act of 1832. This reform both unified franchise rules across enfranchised boroughs and reallocated MP seats from rotten boroughs to the newly industrialized urban centres (e.g., Manchester). The reform extended the franchise from 3% to 6-7% of the population and triggered a series of further extensions of the franchise in the decades that followed. The Great Reform Act is thus considered a crucial step in the democratization of England (Aidt and Franck, 2015). We find that chartered boroughs’ MPs were more likely to vote in favor of extending the franchise. Chartered boroughs had a natural interest in enfranchising industrialized boroughs, because this shifted the balance of power towards the interests of the merchant class (as opposed to the landed interests of “rotten” boroughs and the aristocracy). Moreover, to the extent that voters anticipated the improvement in local governance that the reform would allow for (e.g., the Municipal Reform Act of 1835), the large merchant class of chartered boroughs benefits most from ending pork-barrel politics (Lizzeri and Persico, 2004).

Figure ?? summarizes the steps of our argument. The Norman Conquest provided a level-playing field in terms of formal local institutions in England, and it is thus a natural starting point to study the evolution of inclusive institutions at the local level. The conflict over corrupt tax officials between merchants and the king gave rise to Farm Grants – mutually beneficial agreements that allowed towns to self-administer tax collection. Farm Grants, in turn, made representation in Parli-

12Initially, all male householders who did watch and ward had the right to vote (Porritt (1909), p. 5).
13As we discuss in the historical background, these boroughs were often enfranchised for strategic reasons by the king, to curb the merchants’ power in Parliament (Porritt (1909), pp. 373-377)
ament more likely, and they also fostered local inclusive institutions (since tax-collecting officials were elected by a borough’s burgesses). Finally, the representation of merchant boroughs with more inclusive local institutions also predicts support for the Great Reform Act in 1832 and thus the extension of the franchise and the broadening of the pro-trade coalition in the English Parliament. Since initial formal institutions were relatively homogenous after the Norman Conquest, it is unlikely that unobserved differences in formal institutions drive our results. At the same time, geographic conditions conducive to trade explain the emergence of self-governance. This implies that the case of England supports the “modernization” hypothesis (Lipset (1959), Glaeser, La Porta, Lopez-de-Silanes, and Shleifer (2004)), suggesting that trade and economic prosperity played an important role for the evolution of institutions. Of course, this is not to say that formal institutions per se did not matter: First, the Norman Conquest itself represents a major institutional change that arguably enabled the countrywide economic and political progress that followed (Brooke, 1961, pp. 94-108; Tait, 1936, p. 136). Second, inclusive local institutions such as farm grants eliminated inefficiencies and extortion by royal officials and thereby fostered merchant activity, creating a positive feedback loop from institutions to economic development.

![Figure 1: Steps of the Argument](image)

2 Related Literature

The role of trade in explaining the process of English democratization and the emergence of constraints on the executive supports the modernization hypothesis. In this respect, our findings regarding the long-term effect of early self-governance are in line with the local “democratic capital” theory (Persson and Tabellini, 2009).

Greif (1993) and Puga and Trefler (2014) also investigate the link between the merchant class’ interests and institutional developments. Contrary to these papers, we do not focus on particular trade locations, and instead study the emergence of local inclusive institutions for a large set of towns. Greif, Milgrom, and Weingast (1994) emphasize the role played by medieval merchant guilds as a commitment device for autocratic rulers. Jha (2015) shows that financial innovations
(joint stock corporations related to overseas trade) align merchants and non-merchants incentives during the seventeenth century English civil war. Unlike these papers, we study how local institutions interact with national institutions (the Parliament).

The interaction between local and national institutions links our paper to ?. The authors argue that the balance of administrative power between king, feudal lords, and towns is an important determinant of the self-enforcing English representative system. We contribute to this paper by investigating the sources of self-governing towns administrative power, and the far-reaching effect local liberties have in fostering democratization in England.

Our paper is also related to the literature that investigates the determinants of franchise extensions. One leading explanation is that democratization serves as a commitment device to redistribute wealth when under the threat of revolution (see Acemoglu and Robinson (2000) for a theoretical contribution and Aidt and Franck (2015) for empirical results that support this channel). In addition, oligarchies may benefit from the extension of the franchise when this process leads to a more efficient provision of the public good (Lizzeri and Persico, 2004). The novelty of our paper is to investigate the medieval roots of the Great Reform Act of 1832.

Our period of interest is marked by the beginning of the great divergence between France and England in terms of prevailing legal systems. The two systems – Common Law and Civil Law – were later exported to much of the rest of the world, with profound institutional and economic consequences. Glaeser and Shleifer (2002) argue that a key reason why France and England adopted such different legal systems lies in the English Kings’ greater ability to control the territory. Specifically, because of their greater strength, English Kings were able to delegate significant influence over adjudication to better-informed local juries. By contrast, it was efficient for France, whose local magnates were much more powerful, to entrust adjudication over civil disputes exclusively to royal judges who were better able to resist coercion. Our paper complements Glaeser and Shleifer (2002) in that we emphasize the behavior of the officials in charge of presiding over courts, summoning juries, and extracting payments. In particular, we make the case that delegating the appointment of these officials to towns curbed officials’ incentives to misbehave and improved law enforcement.

Finally, our paper continues a stream of literature on the relationship between local political liberties and the issue of controlling the bureaucracy. Bardhan (2002) and Bardhan and Mookherjee (2006) investigate this issue in the presence of corruptible officials. A premise of this research is that communication between citizens and rulers is costly. Egorov, Guriev, and Sonin (2009) analyze the role of free media in alleviating this problem of communication. We contribute to these papers by stressing the link between law and order and trade, which we argue is key to understanding the institutional changes occurring in England after the Norman Conquest.
3 Historical Background

This section summarizes the historical background of institutions in England after the Norman Conquest, with a particular focus on the emergence of Charters of Liberties and the representation of boroughs in parliament.

3.1 The Norman Conquest

In 1066, William the Conqueror (Duke of Normandy) landed at Pevensey, heading a large French army to conquer England. The conquest resulted in a dramatic change in land ownership, as documented in the Domesday Book of 1086. The Normans replaced the entire Anglo-Scandinavian lay and ecclesiastical elite: by 1086, 180 barons had appropriated the land of 80 English lay lords; only two Englishmen were still holding large estates from the king (Barlow, 1961, pp. 94-96). Compared to the Anglo-Saxon period, the Normans strengthened the control of the territory by greatly diminishing the power of the earls (Brooke, 1961, pp. 63-66 and 104-105) and imposing a homogeneous feudal society (Brooke, 1961, pp. 94-108). In addition, the local administration was also largely replaced, as we document below. In sum, the Norman Conquest resulted in homogenous formal institutions across England and thus constitutes an ideal starting point to study the evolution of inclusive institutions.

Territorial Administration

Post-Norman-Conquest England was divided into shires (modern-day counties), and these were in turn divided into hundreds. Each hundred was composed of manors within which rural and urban settlements – villages and boroughs – coexisted. Boroughs were characterized by the presence of a market and a trading community. Unlike villagers, burgesses could alienate their land property and paid a cash rent to the manorial lord rather than provide labor services.14 Our focus is on boroughs because these were the main locations of merchant activities in medieval and early modern England.

Figure 2 illustrates the administrative layers in medieval England. The person with the highest authority over an area was its owner: either the king or a local (mesne) lord. According to the Domesday Book (1086), approximately 20% of the land belonged to the king, 55% to lay mesne lords, and 25% to ecclesiastical mesne lords. Although mesne lords were tied to the king by feudal obligations, they were entitled to receive almost the entirety of their land’s profits. For simplicity, we refer to both lay and ecclesiastical lords as mesne lords.

The king and mesne lords appointed the officials who enforced the law and collected taxes in

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14Ballard (1913, pp. xliv and lxxxviii-lxxxix). Burgesses could move as part of their trading activity. However, acquiring the status of burgess in a borough other than that determined by birth was difficult.
their respective territories. The king appointed sheriffs at the shire level and, on the royal demesne, either the sheriff or the king appointed bailiffs and reeves in hundreds and boroughs (Tait, 1936, p. 225). Officials had fiscal and judicial authority within their jurisdiction, and each responded to the officials with wider jurisdiction.\textsuperscript{15} The range of officials on the mesne lords’ territories was more limited than that on the royal demesne, because of mesne lords’ smaller territories. In particular, the office of the sheriff did not exist in mesne territories; instead, mesne lords effectively acted as sheriffs themselves.

\textit{Boroughs, Markets, and Trade}

Our period of analysis coincides with the Commercial Revolution – a period of booming economic activity that saw substantial increases in urban settlements and trade. Around 150 fairs were established by the end of the twelfth century and more than 1,000 newly licensed markets were recorded between 1200 and 1349.\textsuperscript{16} Traded goods included agricultural produce, food, clothes, and manufactured products. Coinage in circulation increased both in absolute terms – from £25,000 to £900,000 – and per capita (Mayhew, 1995). Richard I introduced the first national customs tariff. In 1203-4, a total of £4,958 were collected from 35 ports, a sum equal to the total value of all mesne lords’ lands as recorded in the Domesday Book (Langdon and Masschaele, 2006).

Beginning in about 1160, the king licensed all English markets – in both royal and mesne territories – in exchange for an up-front fee. A license gave the market holder the right to build the necessary infrastructure, hold the market on a given day of the week, hold the market court, and collect various tolls (Davis, 2011). The king imposed limitations on the rates of tolls and charges to be levied on traders (Britnell, 1978; Masschaele, 1997). Market holders appointed market officials to monitor exchanges, whereas clerks of the market – officials of the king’s household – monitored the enforcement of market regulations in royal and mesne territories.

\subsection*{3.2 Tax Farming and Charters of Liberties}

The contractual arrangement between the king – or, in mesne territories, the lord (Ballard, 1913, p. 1xxv) – and his tax-collating officials was known as \textit{tax farming}. The \textit{farm} of a territory was a fixed amount of money representing the sum of all tax revenues from that territory. For urban settlements, this included taxes on trade such as tolls and market transaction fees, as well as court

\textsuperscript{15}See Ballard (1913) and Green (1989). Other officials existed at both the shire/hundred level (e.g., shire justiciars, itinerant justices, justices in eyre, under-sheriffs, itinerant serjeants, serjeants of the hundreds) and the borough level (e.g., coronors, ale-tasters, clerks, bedels, sub-bedels, cacherels, summoners, messengers, and toll collectors) (Cam, 1963, pp. 132-33, 153-56). These officials were also appointed by higher layers of the royal administration – except for the borough officials in boroughs with self-governance, as we discuss below.

\textsuperscript{16}Britnell (1981), Masschaele (1997), and Langdon and Masschaele (2006). In 1189, the proceeds of the fair of St. Giles – still in existence – amounted to £146 8s. 7d., a sum comparable to the annual taxes the king received from his wealthiest boroughs (Poole, 1955, p. 77).
fees and the gable (a tax on the “burgage tenement,” that is, the land owned by burgesses).\textsuperscript{17} Farms were customarily fixed for each borough (and also for rural villages and manors) right after the Norman Conquest and tended not to vary after the Domesday survey of 1086. The sum across all boroughs and manors gave the customary shire (county) farm. With the booming economic activity in the 13th century, the king adopted a system that allowed him to benefit from the increased tax base without the need to adjust the customary farm. He began to auction off the right to collect the \textit{farm} at the shire level, and the customary farm reflected the king’s “reservation price.” Whenever the winning bid exceeded this value, the king enjoyed an \textit{increment}. The official who won the auction became the sheriff (“shire reeve”), who was responsible for the farm of the shire.\textsuperscript{18} The sheriff retained any revenue in excess of his bid to the king. His own profits mostly stemmed from the handling of court disputes.\textsuperscript{19} This system created incentives for extortionary behavior by the sheriff, as discussed in detail below.

The sheriff appointed officials in the shire, who were accountable to him for the farms of hundreds and boroughs on the royal demesne. The sheriff presided over the shire court, whereas “hundred bailiffs” ran the hundred courts. The shire and hundred courts dealt with trespassing and debts, and registered verbal contracts (Cam, 1963, pp. 18, 115, 181-3). Within royal boroughs, the sheriff appointed bailiffs/reves (who ran borough courts), as well as officials in charge of tax collection and markets (constables, market viewers, ale-tasters, etc.). During his bi-annual \textit{tours}, the sheriff presided over the hundred courts (within his shire) and dealt with various offenses, monitored the local justice system (the frankpledge tithings), and received payments (Cam, 1963, pp. 70, 89, 120-23).\textsuperscript{20} All lower level courts – namely, borough, market, and \textit{piepowder} courts – dealt with commercial contracts and handled disputes between merchants.\textsuperscript{21} In the mesne territories, lower-level courts were identical to those in royal territories. However, local officials were all appointed by the local lord.

\textsuperscript{17}See Ballard (1904, pp. 90-91) and Masschaele (1997). Other permanent sources included a land tax (\textit{geld}) in rural areas, proceeds from the lord’s demesne houses (\textit{gablum}), and receipts from mints (Ballard, 1904, pp. 63-64). At times, extraordinary taxes were also collected, such as the \textit{aides} and \textit{tallages}, on which we comment below.

\textsuperscript{18}The market for the sheriff’s office was fairly competitive under Henry I (Green, 1989, p. 201) and Richard I (Carpenter, 1976; Poole, 1955, p. 388)). See (Ballard, 1913, pp. lxxv-lxxvi) for a description of the bidding system in eleventh-twelfth centuries England. The auction system replaced the practice – implemented in the immediate aftermath of the Conquest – of appointing powerful local power holders as sheriffs.

\textsuperscript{19}Round (1892, p. 91); Morris (1968, pp. 98-99).

\textsuperscript{20}Pleas related to market transactions could also be dealt with in the sheriff’s \textit{tourn}.

\textsuperscript{21}\textit{Piepowder} courts developed in the thirteenth century. According to the Ipswich Dom-Boc (1291), this court was held in the borough court, and citizens made their pleas before the borough’s bailiff. See also Powicke (1962, p. 625) and Gross (1906).
Keeping local officials in check was a significant problem, especially in the vast territory owned by the king, and during the frequent absences of the king and his household because of external wars and crusades. The severity of corruption is reflected in countless complaints about local officials. For example, the contemporary Henry of Huntingdon (ca. 1088-1154) wrote “Sheriffs and reeves, whose office was justice and judgment, were more terrible than thieves and plunderers, and more savage than the most savage” (cited in Bisson, 2009, p. 178). Similarly, the abbot of Ely’s description of the local sheriff Picot in c. 1090 leaves little doubt about his behavior: “A hungry lion, a ravening wolf, a cunning fox, a dirty pig and an impudent dog” (Blake, 1962, p. 262). The flood of complaints triggered numerous formal inquiries and legal reforms. During an inquiry, the king sent officials from his household to gather and investigate complaints about local officials. We have records of 21 such inquiries, where each inquiry may have lasted up to several years. Surviving records of inquiries give a vivid picture of local officials’ misconduct. For instance, the Inquest of the Sheriffs (1170), which led to the removal of most sheriffs and lower-level officials, tells us of reeves extracting unauthorized tolls and of sheriffs abusing shire courts by summoning burgesses to act as jurors at inconvenient times and places only to fine those unable to attend (Poole, 1955; Cam, 1963). Similarly, the Hundred Rolls Inquiries (1274-75) contain complaints involving over 1,000 officials (Cam, 1963, p. 229). Sheriffs were accused of imposing arbitrary financial penalties, making arrests without any formal accusation, refusing to give proper receipts for payments in order to collect debts twice, and extracting unauthorized tolls (Cam, 1963; Masschaele, 1997).

English kings were aware of the widespread misbehavior of their officials, and they tried to address this issue – albeit with limited success. Several legal reforms encompassing statutes, ordinances, and provisions explicitly addressed the issue of controlling local officials. To the best of our knowledge, at least 34 major reforms (out of a total of ca. 80 pieces of legislation) contained chapters dealing with this issue, either by limiting officials’ prerogatives or by creating new offices whose purpose was to monitor existing officials (see Great Britain Public Record Office, 1810 and Rothwell, 1995). For instance, local shire justiciars and coroners were introduced during the twelfth century to diminish the sheriff’s judicial prerogatives (Carpenter, 1976). Similarly, the Exchequer – instituted around 1110 – tightened control over the sheriffs’ financial accounts (Cam, 1963; Powicke, 1962). In 1204, king John dismissed many sheriffs and appointed new ones as custodes rather than farmers. Custodians were meant to transfer all revenues to the Exchequer – minus allowed expenses – and became paid officials entitled to a salary. However, this system did not prove effective at rooting out expropriation, and it was discontinued during the period leading
to the Magna Carta (Powicke, 1962; Carpenter, 1976). In 1212-3, John summoned knights of the shire – lesser nobles – from each shire to report to the king’s council complaints about local officials’ behavior (Holt, 1981). The Magna Carta (1215-1217) – famous for empowering lords vis-à-vis the king – also included provisions that sought to limit the pervasiveness of the administration. For instance, it forbade the shire court from meeting more than once a month, and the sheriff from making more than two tourns per year. The boom in commercial activity in the 13th century required a growing local administration and potent law enforcement. Several statutes addressed the need for registered commercial contracts and more speedy dispute resolution by allowing more frequent sittings of existing courts and establishing new ones (Statute of Acton Burnell (1283), Statute of Merchants (1285), and Statute of Westminster II (1285, c. 18)).

The endless inquiries, the creation of new layers of bureaucracy and, most of all, the distortions imposed by officials’ extortions, all point to a high cost for the king from officials’ misbehavior. At the same time, the various attempts to fix the system proved largely ineffective. By 1275, Edward I’s inquiries had made clear that the measures undertaken by his predecessors (including the Magna Carta) had not been successful at keeping royal officials in check.

3.3 Charters of Liberties in Royal Territories

The misbehavior of local officials when collecting taxes and administering justice disrupted trade and thus prevented boroughs from reaching their full economic potential. This meant that there was potential for Pareto improvement, and the key laid in self-administered tax collection. Although it implied a significant loss of control to the lord, granting boroughs autonomy over their tax collection had the potential to i) ensure more efficient tax collection and thus greater realized gains from trade and ii) reduce the king’s costs of monitoring officials (due to launching inquiries, creating extra layers of bureaucracy, etc).

Farm Grants

Starting with Henry I, many boroughs obtained the right to self-administer the collection of the borough farm (“Farm Grants”). Lincoln was the first borough to receive a farm grant in 1130.24 Boroughs paid their lord in exchange for these liberties, which underlines that Farm Grants were mutually beneficial to the king and local merchants. Payments took two forms: i) a one-time

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22 Ballard and Tait (1923, p. lxix); Tait (1936); Poole (1955, p. 392); Powicke (1962, p. 623); Cam (1963, pp. 145-46).

23 The Statute of Merchants (1285) states that i) speedy justice is needed to support trade, ii) the sheriffs meant to provide it abused their position, and iii) justice to merchants is therefore the responsibility of mayors elected by burgesses (where relevant). See our discussion below for the role played by elected officials.

24 Earlier, other Charters of Liberties were granted to some boroughs – most prominently the right to hold a market and have a borough court.
lump-sum payment known as a \textit{(fine)}, and ii) an \textit{increment} on their farm. The Charter of Andover (granted in 1205) illustrates these components of farm grants:

Know ye that we have granted [...] to our burgesses of Andover our manor of Andover with all its appurtenances at fee farm, to hold to them and their heirs of us and our heirs by the ancient farm, to wit, at £80 a year, and as increment £15 which they formerly gave us for having the said manor at farm during our pleasure, and in addition £10 which they afterwards added for having the said manor at fee farm, and this farm, to wit, £105 in the whole, they shall pay at our Exchequer yearly to us by their own hands [...].

The Charter first notes that Andover used to pay a farm of £80 a year (collected by royal officials). Andover then agreed to pay an increment of £15 per year for the right of self-administered tax collection, and an extra £10 per year for the right to keep this contract in perpetuity. Where detailed records survived, they suggest that this setup is representative, and that Farm Grants typically constituted a net gain in tax revenue to the king.\textsuperscript{25} In particular, a net gain for the king implies that the increment paid by boroughs in exchange for Farm Grants was larger than the increment that was previously offered by tax farmers (sheriffs) in their bid for the right to act as tax farm (see our discussion above in Section 3.2). For instance, in Lincoln, burgesses paid £180 to the king, while the sheriff’s farm of the entire shire was reduced by only £140, implying a gain of £40 to the king.\textsuperscript{26}

Did burgesses gain equally from Farm Grants? To provide quantitative evidence, we would need to know how much royal officials were extracting for themselves prior to a grant. This information was not recorded. However, Farm Grants were not imposed; they were an option for burgesses. This implies that burgesses must have benefitted, as well. These gains did not only consist of avoiding extortions and distortion of local economic activity. In addition, Farm Grants also included the right for burgesses to elect the local officials in charge of the financial and judicial administration of the borough, such as reeves and market officials (Gross, 1906; Ballard, 1913; Tait, 1936).\textsuperscript{27} In theory, all male burgesses had a say in the election of a borough’s officials (by assembling in the main square).\textsuperscript{28} In practice, councils composed of wealthy individuals were in charge of choosing officials, and only burgesses of sufficient wealth could take on the burden

\textsuperscript{25}See, for instance, Ballard (1913, pp. lxxvi-lxxvii).

\textsuperscript{26}One may presume that sheriffs would oppose Farm Grants because they were the losing party. Even though sheriffs tried to oppose early legislation that limited their judicial prerogatives (Holt, 1981), their position was much too weak – as shown by their wholesale dismissal in several occasions (Maddicott, 1981) – to stage successful opposition to Farm Grants, and no such incidences are documented.

\textsuperscript{27}Because borough officials also collected taxes on merchants coming from different boroughs, burgesses – once in control of the local administration – may have been tempted to extract high taxes from external merchants. However, the king forbade this practice and enforced limits to taxes on trade.

\textsuperscript{28}See, for instance, the Charter John granted to Ipswich in 1200, reported in Ballard (1913).
of public service. Following Henry II’s reign, Farm Grants often became perpetual (fee-farm), although subject to revocation in case burgesses failed to pay the agreed-upon farm.

Other Liberties and Compliance with Obligations

In addition to the right to collect taxes and elect local officials, burgesses often obtained i) that the sheriff be forbidden from entering the borough to perform judicial tasks (non-intromittat clause), ii) the right to circumvent the sheriff, by handing over the farm and all other debts owed to the king directly to the Exchequer (direct relation with the Exchequer) and iii) the right to execute royal orders (e.g., summon of local juries for assessment and collection of extra-ordinary taxation) themselves within the borough (return of writs).

If burgesses in possession of these liberties failed to comply with their obligations, the king would temporarily remove these liberties and send royal officials into town. The same was true regarding the payment of the farm.

3.4 Farm Grants in Mesne Territories

Farm Grants were much less frequent for boroughs in mesne territories. As shown in Figure 3, overall, 91 out of 550 boroughs that existed in 1348 had received Farm Grants. Among the 172 royal boroughs, 73 received Farm Grants (42.4%). In stark contrast, among the 378 boroughs governed by mesne lords, only 18 received grants (4.8%). In other words, the vast majority of Farm Grants were obtained in royal boroughs – despite the fact that these accounted for less than one-third of all boroughs. We argue that this difference resulted because mesne lords faced less severe monitoring issues than the king. Themesne lords were in charge of much smaller territories. Consequently, they were geographically closer to their officials. In addition, the administrative layer that created most upset among royal boroughs was absent: there were no sheriffs in mesne territories (see Figure 2). Mesne lords effectively acted as sheriffs in their smaller territories, directly appointing and monitoring local officials. Consequently, mesne lords exerted a much firmer control over their administration.

As discussed above, the sovereign’s main ‘cost’ of granting Charters of Liberties was the loss of direct control. Where this control was limited in the first place due to more administrative layers and larger distances (i.e., in the king’s territory), the ‘cost’ of granting liberties was smaller. And it was higher for local lords with small territories, resulting in significantly fewer Farm Grants there. This point receives further support when we split mesne boroughs by the size of their lords’

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29For example, in Norwich, by the end of the 13th century, officials were chosen by an annually elected body of 24 (usually wealthy) citizens. In York, fifteen different men held the office of mayor between 1322 and 1372. In Exeter, surviving records indicate that, in the 1260s, 36 electors (chosen by a group of four influential citizens) chose the chief officials of the city (Attreed, 2001, pp. 14-22).

30See Ballard (1913) and Ballard and Tait (1923, pp. lxi-lxiv).
territories. Figure 4 shows that boroughs owned by lords with larger territory were more likely to receive Farm Grants. Among the lords with the smallest territories (seigneurs, abbots, and nunneries), essentially no charters were granted. In contrast, among the larger lords (earls and archbishops), the proportion of boroughs with Farm Grants is significantly larger – albeit still only one-quarter of the frequency in royal territories.\footnote{In a few cases, (discussed in Appendix), boroughs passed from royal to mesne, or the other way around. Coherent with the above description, there were instances of new Farm Grants immediately after previous mesne boroughs became royal. For example, Chester became royal in around 1237 and received a Farm Grant in 1239. There are also instances of charters being revoked after a switch from royal to mesne. For example, Liverpool and Newcastle-under-Lyme lost their liberties when they became mesne boroughs in about 1266 and 1292, respectively (Ballard and Tait, 1923, p. lvi). By contrast, there are no recorded instances of charters being revoked when boroughs became royal, and also no instances of new charters being granted after boroughs switched to mesne.}

### 3.5 Early Parliaments and the Negotiation of Taxation

The origins of the English Parliament can be traced back to the great councils of the realm whose main purposes were to gather information about local economic and political conditions (Holt, 1981; Post, 1943) and to discuss extra-ordinary taxation (Mitchell, 1914, p. 367). Originally, only barons and the higher clergy were summoned to these assemblies. However, starting in c. 1212, knights of the shire were summoned from each shire to meet the king alongside the higher clergy and the barons. Soon after, it became customary to refer to these broader councils as parliaments (Holt, 1981).

The primary function of these early parliaments was administrative. Summoning the knights of the shire was a convenient way for the crown to collect information because of the knights’ newly acquired responsibilities in “[...] the supervision of local government, in the collection and presentation of local complaints, in the assessment and collection of taxation, in the ordinary processes of the law both in the local courts and before the king and his justices, above all perhaps in preserving the liberties won in 1215 [...]” (Holt, 1981).\footnote{Sheriffs were only playing a supporting role in the collection of extra-ordinary taxation (Mitchell, 1914, p. 351-2). For more details, see Appendix ??}. These knights were also expected to report the decisions adopted in parliament to their localities. They became an instrument of royal government (Harriss, 1981).

In 1264, Simon de Montfort headed the Second Baronial Revolt. Facing dwindling support among the barons, Montfort also summoned boroughs to a national assembly in an attempt to expand his coalition against the king. This set the precedent for the representation of burgesses in what became the Commons (lower chamber) in the English Parliament. From 1268 onwards, shortly after having re-established his authority, the king summoned similar assemblies that included borough representatives, and, in 1295, Edward I called what would become known as the
Model Parliament. The Parliament was composed of members of the clergy, the aristocracy, two knights of the shires from each county, and two burgesses from selected boroughs. In enfranchised boroughs, all male householders doing “watch and ward” (i.e., participating in the local system of peace-keeping) were entitled to vote for the members of parliament (Porritt, 1909, p. 5). From the 1290s onwards, extra-ordinary taxation to finance wars became a major issue in parliament.

The separation between boroughs’ and counties’ administrations, tax collection systems, and systems of local courts that developed with the borough liberties of the twelfth and thirteenth centuries, made it desirable for the king to summon burgesses in addition to knights of the shire. This separation was particularly strong for boroughs that enjoyed self-governance (Farm Grants), and especially for those that had explicitly purchased the right to exclude the sheriff (e.g., the right of return of writs) in the 1250s. By summoning representatives from boroughs, the king (i) acquired precious information about local conditions and (ii) facilitated the implementation of deliberations. By 1295, c. 120 boroughs had been represented in parliament at least once.

The need for more direct communication with boroughs’ independent administrations must have been particularly important in times of extra-ordinary taxes on movables and trade (Bates and Lien, 1985). Moreover, in cases of necessity (wars), feudal law “demanded that he [the king] obtain the consent of all whose rights and liberties were affected, and this consent was voluntary [...] This did not mean that the commons enjoyed a sovereign right of consent: they simply had, as before, the right to hear the case of the government, and to negotiate on the amount of the subsidy [...]. The representatives were needed by the government to report on how much their constituents could give” (Post, 1943). To ensure the timely raising of taxes, the king required the representatives of the community of the realm (knights of the shire and burgesses) to possess full powers (plena potestas); that is, representatives’ consent was binding both for their communities and the “absent” (Post, 1943; Maddicott, 1981).

In the course of the fourteenth century, the parliament came to acquire increasing prerogatives in the areas of administration, justice, and finance. This evolution became particularly evident during the reign of Edward III, “and the year 1327, in which parliament participated in the deposition of a king, divides as accurately as any single date can the phase when parliament was still essentially a royal tool from that when it developed a political momentum of its own” (Harriss, 1981). By the 1330s, the commons were separated by the lords and, by 1376, they had a speaker. At the close of Edward III’s reign, most of the legislation was based on petitions made by the commons, and statutes required the assent of the parliament (Harriss, 1981).

Many but not all of the assemblies summoned by the king in the thirteenth and fourteenth centuries included boroughs’ representatives.
4  Data

4.1 Borough-Level Data in Post-Norman Conquest England

We collect data on the number of English boroughs, their foundation date, the nature of their ownership (royal vs. mesne), taxation, and local liberties between 1066 and 1348. This information comes mostly from the digitized version of original medieval documents (e.g., charters and letter patents collected in the Pipe Rolls, Charter Rolls, Fine Rolls, Close Rolls, and Patent Rolls).

**Boroughs and Domesday Book Data**

To obtain the number of boroughs in existence, we use the primary data collected by Beresford and Finberg (1973) and Letters, Fernandes, Keene, and Myhill (2003). We know of 550 boroughs as of 1348. We count a borough as mesne if it belonged to a local lord for the full period or the vast majority of its documented existence until 1348 (and after 1066). We classify all remaining boroughs as royal, i.e., those that belonged to the king for the full period, or at least part of the period between the Norman Conquest and 1348. This yields 142 royal and 408 mesne boroughs. All our results also hold for a more conservative classification, excluding boroughs that switched ownership (see Appendix ++).

For each borough with documented existence as an urban settlement in 1086, we record the value of the borough as measured by the taxable wealth (geld) recorded in the Domesday Book. We also have information on boroughs’ population at various points in time. The Domesday book was an exhaustive survey of all English lands (landholders, tenants, inhabitants, etc) conducted in 1086. The main purpose of the survey was to assess the value of the land and its assets. To conduct it, England was divided into seven regions, with three to four royal commissioners sent to each. These royal commissioners surveyed thousands of settlements, by subjecting juries composed of nobles and burgesses to detailing questioning. The information was written in Latin and combined with other records to produce the final document. The survey became known as Domesday Book only in the late twelfth century, because the exhaustive nature of the information it contained led people to compare it to the Bible’s Last Judgement or “Doomsday.”

**Charters of Liberties**

To code Charters of Liberties, we rely on the coding of each single liberty (e.g., judicial, commercial, financial) contained in the collection of borough charters reported in Ballard (1913), Ballard 

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34 During the period 1066-1348, 62 boroughs changed ownership from king to mesne, or viceversa. Among these, we classify as mesne those 10 boroughs that belonged to local lords for more than 90% of the time. Thus, 52 boroughs belonged to the king for a non-negligible part of the period before 1348 (and an additional 90 boroughs belonged to the king for the full period). We discuss this procedure in more detail in Appendix ++.

We further integrate these datasets by recording similar liberties as contained in the Charter Rolls, Close Rolls, Fine Rolls, and Patent Rolls of the reigns of Henry III, Edward I, Edward II, Edward III, and Richard II.\textsuperscript{36} For every borough we document the Charters it received with the date of the grant. \textit{Farm Grants} – the right to self-administer tax collection – were the most important liberties that boroughs could obtain. For these, we also compute the number of years that the borough enjoyed this liberty prior 1348 (\textit{duration of Farm Grant}). We also code whether a borough obtained restrictions on the entry of royal officials (see Section 3.3). These are available from the same sources as the information on Farm Grants. We interpret the non-observance of a grant in a given borough as evidence for the absence of a grant. This approach is warranted by the high data quality and survival rate of historical data on Charters of Liberties (e.g., Pipe Rolls, Quo Warranto records). In addition, grants are often recorded in multiple documents because they were repeatedly confirmed by successive lords or by the king, thereby reducing the probability of missing them.\textsuperscript{37}

\textit{Geography}

We geocode all boroughs, medieval navigable rivers, and Roman roads in use in the eleventh and twelfth centuries. Information on navigable rivers is collected from Edwards and Hindle (1991), Langdon (1993), Jones (2000), Langdon (2000), Peberdy (1996), Gardiner (2007), Hooke (2007), Langdon (2007), and Rippon (2007). To account for possible endogeneity, we exclude humanly modified sections of rivers (Blair, 2007; Bond, 2007; Rhodes, 2007). Our main analysis uses only \textit{major} navigable rivers as rivers reported as non-minor in Edwards and Hindle (1991) and listed as navigable in Langdon (1993) and/or Jones (2000).\textsuperscript{38} Information on Roman roads is collected from Hindle (1976). Finally, we also geocode the four historic pre-Norman kingdoms (Mercia, Wessex, Northumbria, and East Anglia) by relying on Hill (1981).

\textit{Commercial Importance of Boroughs}

We divide boroughs according to their commercial relevance as measured by five criteria as defined in Masschaele (1997, Chapter 4): (i) presence of a merchant guild, (ii) representation in Parliament under Edward I, (iii) payment of the lay subsidies on land and goods (1294-1336) at the urban rate (as opposed to the rural rate), (iv) status of an urban community in the \textit{Nonae Rolls} tax records (1340), and (v) classification as a city or borough in the \textit{Nomina Villarum} military

\textsuperscript{36} All these sources are digitized and available at http://www.medievalgenealogy.org.uk/sources/rolls.shtml.

\textsuperscript{37} It is not uncommon for boroughs to celebrate the grants of their first Charter of Liberties, which they now jealously guard in the borough Record Office (as, for instance, in King’s Lynn and Bedford).

\textsuperscript{38} For the areas not covered by the analysis in Langdon (1993) and Jones (2000), we consider as \textit{major} navigable rivers those that are listed as non-minor in Edwards and Hindle (1991). We confirm the robustness of our results when using also minor rivers in Appendix ++.
Following Masschaele (1997), we create an index of commercial importance by 1400 that works as follows. We assign 4 points to 51 boroughs that satisfy at least four of the five listed criteria, and paid at least £120 in the lay subsidy of 1334. We assign 3 points to 83 boroughs that satisfy at least four criteria. We give 2 to 120 boroughs that satisfy at least three criteria. Finally, we allocate 1 point to the remaining boroughs.

4.2 Data on Parliament and Municipal Corporations

Parliament

For all existing boroughs in the period 1295-1832, we record whether and when they gained Parliamentary franchise, and whether and when they lost it. Moreover, we document the number of MPs each borough returned to Parliament (five boroughs returned one member only).39

Municipal Corporations

For all existing boroughs in the period 1066-1832, we record whether and when they obtain a charter of incorporation. In addition, we record two features of these charters: whether the selection of members of the governing body (mayor, aldermen, and councilmen) is done by co-optation, and whether the appointment of the first members of this body at the date of incorporation (or re-incorporation) is made by the king (first appointment clause). This information is contained in the charters of incorporation which are reported in Weinbaum (1943).

4.3 Location of Boroughs and Summary Statistics

Figure 7 shows the location of the 616 boroughs in our dataset. There are 142 royal boroughs (solid squares), and 408 mesne boroughs, i.e., those owned by local lords or by the Church (hollow dots). The figures also shows the location of navigable rivers and of Roman roads.

The distinction between royal and mesne boroughs is important for our empirical analysis. Did the king cherry-pick royal boroughs after the Norman Conquest? Figure 6 shows that this is unlikely to be the case, using data on taxable wealth as assessed by the Normans after their conquest of England in 1066. The estimates of taxable wealth are reported in the Domesday Book. We find that distribution of taxable wealth was very similarly across royal boroughs (dashed line) and mesne boroughs (solid line).40


40The one exception to this pattern is the very top of the wealth distribution. Among the top 5 boroughs in terms of taxable wealth, 4 were royal. Excluding these from our dataset does not affect any of our results.
5 Empirical Results

In this section we present our empirical results. We begin by examining which boroughs were granted Charters of Liberties.

5.1 Charters of Liberties

In the following we analyze which boroughs obtained Charters of Liberties. We focus on two main channels: First, the size of the territory controlled by the lord that owned the borough. And second, the role of trade. We run the following regression for a cross-section of boroughs $i$:

$$ I_i = \alpha + \beta \text{Royal}_i + \gamma \text{Wealth}_i + \delta \text{Trade}_i + \rho_c + \varepsilon_i, $$

(1)

where $\alpha$ is a constant term, $\text{Royal}_i$ is a dummy for royal ownership of borough $i$, and $\text{Wealth}_i$ is log taxable wealth as assessed by the Normans after their conquest of England in 1066, and reported in the Domesday Book in 1086. $\text{Trade}_i$ denotes different geographic characteristics of a borough that favor trade: location on a navigable river, location on the sea coast, and location on a Roman road. Finally, $\rho_c$ denotes fixed effects for geographic units $c$ (either 4 pre-Norman kingdoms or for 40 English counties), and $\varepsilon_i$ is the error term.

The Role of the Size of the Lord’s Territory

Following our discussion in Section 3, we expect Charters of Liberties to be granted more frequently to boroughs that belong to lords with larger territories – and in particular, to the king (by far the largest territorial lord in England). Figure 3 provides strong support for this hypothesis. Overall, 91 out of the 550 boroughs that existed in 1348 were granted charters, corresponding to 16.5%. This percentage is significantly larger among the 172 royal boroughs: 73 of these received charters (42.4%). On the other hand, among the 378 boroughs owned by mesne lords, only 18 received charters (4.8%). This supports our hypothesis that monitoring issues were more severe in the large territory owned by the king, leading to larger inefficiencies of tax collection. These inefficiency, in turn, enabled mutually beneficial agreements between the king and burgesses, granting the latter the right to collect taxes (the farm) themselves and pay the negotiated lump sum to the king.

Next, Table 1 provides econometric evidence that Charters of Liberties were predominantly granted in royal boroughs. In column 1, the coefficient on the $\text{Royal}$ dummy is highly significant and large, indicating that royal boroughs were 37.7% more likely to receive Charters, as compared to an average of 16.5% across all boroughs. In column 2, we show that our results do not change when we include fixed effects for the four kingdoms that existed in England before the Norman
Conquest (Wessex, Mercia, Northumbria, and East-Anglia). In addition, none of the dummies for the pre-Norman kingdoms is statistically significant. This suggests that there are no relevant regional differences dating back to the split of England before 1066 that later affected Charters of Liberties. Similarly, including fixed effects for the 40 counties (shires) in England also leaves the coefficient on Royal essentially unchanged (col 3). In Appendix A.++ we take the analysis of lords’ territory one step further, splitting mesne lords into small (seigneur, abbot, or nunnery), medium (bishop) and large (earl or archbishop). We find that the proportion of charters of liberties is essentially zero for the smallest lords, around 5% for medium-size lords, about 10% for the largest mesne lords, and more than 40% in the king’s territory. Overall, there is strong evidence that lords who administered larger territories were significantly more likely to grant charters of liberty.

**The Role of Taxable Wealth**

In the following, we will use data on taxable wealth of boroughs, as assessed by the Normans immediately after their conquest of England, and published in the Domesday Book of 1086. These data are available for about half of the boroughs in our sample. We thus first check whether our results in Table 1 also hold in the smaller subsample. Comparing column 4 with the same specification for the full sample in column 1, we see that the coefficient on Royal is very similar. This suggests that results from the smaller subsample are representative of all boroughs. In column 5, we control for the log taxable wealth and find a strong positive coefficient that is also economically significant: Moving a borough from the 10th to the 90th percentile of taxable wealth is associated with a 15.9 p.p. higher chance of being granted a charter of liberty. At the same time, controlling for taxable wealth does not change the coefficient on Royal. This is in line Figure 6, which showed a very similar distribution of wealth in royal and mesne boroughs. Next, in column 6 we use propensity score matching to compare boroughs with similar taxable wealth in royal and mesne boroughs. Again, we obtain a very similar coefficient on Royal. Finally, in column 7 we also include an interaction term between taxable wealth and the status as a royal borough. The yields a strong and positive coefficient, implying that the total ‘effect’ of taxable wealth on charters of liberty was 0.107 in royal boroughs, as compared to 0.025 in mesne boroughs. This difference is similar when we control for county fixed effects (col 8). To illustrate the magnitude, suppose that we first move a royal borough from the 10th to the 90th percentile of taxable wealth. This will raise its odds of receiving a Charter of Liberties by 34 p.p. In contrast, in mesne boroughs, the figure is 8 p.p. Consequently, wealthier boroughs had a markedly larger chance of being chartered in royal territories.
**Geography-Based Proxies for Trade**

We now turn to the role of trade as a predictor of Charters of Liberties. Following our discussion in Section 3, we expect a positive effect of trade for two reasons: First, trade made boroughs richer, resulting in higher potential efficiency gains of self-administered tax collection. Second, the value of movable goods was harder to monitor and assess for external authorities than, for example, land. This information advantage of local merchants also raised to gains from self governance. We use three predictors for trade: A borough’s location on navigable rivers, on the sea coast, and on Roman roads.\(^{41}\) Table 2 shows that all three proxies for trade are significantly positively associated with Charters of Liberties (col 1). The coefficients are substantially larger and highly significant in royal boroughs (col 2), and effect sizes are particularly strong for the two water-based proxies for trade. This is in line with estimates by Masschaele (1993) that in the 13th century, the cost of transporting goods by sea or by navigable river was about one-tenth the cost of road transport.

Column 3 of Table 2 shows that there is no relationship between trade proxies and Charters of Liberties in mesne boroughs. In other words, favorable trade locations did not see an increased likelihood of becoming independent when they were owned by lords of smaller territories. We will later exploit this feature to use mesne boroughs in placebo exercises. We further underline the royal-mesne difference in column 4, where we use interactions of our three trade variables with the status as royal borough. The interaction terms are highly significant and positive, while the trade proxies themselves are small and mostly insignificant. The same result holds in column 5, where we add county fixed effects. The interaction results underline that trade-favoring location only saw an increased likelihood of obtaining Charters of Liberties in royal boroughs.

In Table 3 we relate our proxies for trade to taxable wealth. In column 1, we find that both navigable rivers and Roman roads predict taxable wealth in 1086 (with rivers showing a particularly strong relationship). Boroughs by the sea coast, on the other hand, were significantly poorer. This is likely driven by i) the fact that the Norman Conquest had left some of the boroughs on the Channel coast devastated, and ii) by Danish attacks via the sea that were still common until the late 11th century. In the 12th century, locations by the sea had largely recovered from these negative shocks. For this reason, we do not use seacoast in the remainder of Table 3, but we do use it for subsequent analysis that exploit data after the 11th century.\(^{42}\) Column 2 shows that the coefficients

\(^{41}\) As point out, the collapse of the Western Roman Empire in the fifth century AD temporarily ended urbanization in Britain. After the recovery in late medieval times, towns in Britain were less frequently located on Roman roads, as compared to continental Europe. Instead, British towns often located on navigable waterways. Thus, our three proxies for trade capture both pre-existing (but largely unused before 1066) infrastructure, as well as natural geography. Our main results hold when we use only navigable rivers and sea coast as proxies for trade.

\(^{42}\) Results are also very similar when we exclude the 27 boroughs that are located on the sea coast (and for which data on taxable wealth in 1086 is also available).
on rivers and Roman roads are very similar when we use only these two proxies for trade. At the same time, the dummy for royal boroughs is small and insignificant, confirming our results above that there are no systematic difference in taxable wealth across royal and mesne boroughs.

Next, we turn to the 2SLS results, using rivers and Roman roads as instruments for taxable wealth in 1086. Column 3 shows that we obtain a strongly significant positive coefficient that is about three times larger than the coefficient on taxable wealth in the corresponding OLS specification (column 5 in Table 1). This is likely due to measurement error: taxable wealth in the Domesday Book was assessed not only based on traded goods, but largely on the value of land and structures. Also, trade may have affected Charters of Liberties not only via taxable wealth, but also via the fact that movables were harder to monitor (as we argued above). Thus, the exclusion restriction is unlikely to hold when we instrument for wealth – and correspondingly, we are reluctant to take the point estimate at face value. Next, in column 4 we restrict the sample to royal boroughs and obtain a large positive and significant coefficient on taxable wealth. This is in stark contrast to the small insignificant coefficient on wealth among mesne boroughs (column 5). Altogether, our results suggest that trade had a strong effect on the odds of receiving charters of liberties in royal boroughs, but not in mesne boroughs. In addition, this effect worked at least in part via taxable wealth – boroughs that were richer because of trade were also more likely to obtain Charters.

5.2 Commercial Importance, Population, and Growth of Boroughs

We now present suggestive evidence that chartered boroughs were commercially more important already in the mid-14th century. Importantly, while we do attempt to control for pre-existing differences, we do not argue that Charters of Liberties necessarily caused commercial importance. Instead, the following results underline the close – possibly bi-directional – relationship between self-governance and economic development at the local level. In the first column of Table 4 we use the proxy for commercial importance described in Section 4. This variable ranges between 1 and 4, indicating increasing commercial importance in the mid-14th century, and it has a mean of 1.43 in the subsample for which Domesday Book data are also available. To control for pre-existing differences, we use propensity score matching with taxable wealth in 1086 as matching variable. That is, we match each ‘treated’ (chartered) borough to two ‘control’ (unchartered) boroughs with the most similar taxable wealth in 1086 and then compare their commercial importance three centuries later. We find a strong positive coefficient, suggesting that the commercial importance of chartered boroughs was about twice the mean (i.e., a coefficient of 1.4 relative to a mean of 1.43). In column 2, we repeat this matching exercise with population in 1377. The sample is

\footnote{At the bottom of Table 3 we report the first-stage F-statistics. Since these are below the rule-of-thumb of 10, we also report the weak-IV robust p-value for the coefficient on taxable wealth.}
now substantially smaller due to data limitations. Among the 41 boroughs in the sample, 18 had Charters of Liberties by 1348. We find that chartered boroughs were about 58% larger by 1377, as compared to unchartered boroughs that started off with similar taxable wealth in 1086.

In columns 3-5 of Table 4 we turn to population growth after 1377. Since population in 1377 is known, we can now control more adequately for initial differences. We first do so by running a standard OLS growth regression for the period 1377-1524, controlling for log population in 1377. The result suggests that there is convergence in borough size (negative coefficient on initial population), and that chartered boroughs grew about 30% faster than unchartered boroughs. In column 4, we again use propensity score matching to construct a control group with similar initial population size. The estimated coefficient is slightly smaller in magnitude but remains statistically significant at the 10 percent level. Finally, column 5 examines borough population over the longer period 1377-1831. The coefficient on farm grants now implies faster population growth by almost 80%. Overall, our results suggest that boroughs that obtained Charters of Liberties were commercially more important and experienced faster population growth.

5.3 Royal Influence in Boroughs after their Incorporation

Table 5 examines how independent boroughs were when they became corporations, receiving the right to own property. Incorporation was granted by the king – a process that began in the 15th century and extended into the 17th century. We construct an indicator for the influence of the king at the time of incorporation of a borough: a dummy variable that takes on value one if the following two conditions held: i) **First appointment:** the king appointed the first members of the newly formed corporation’s governing body (1 mayor, 12 aldermen, 24 councilmen), and ii) **Co-Optation:** the initial council appointed subsequent council members – a process that maintained closed governing bodies. This variable is available for 158 boroughs. We find that when being incorporated, chartered boroughs were about 15 percentage points less likely than unchartered boroughs to be subject to strong influence of the king (col 1). For comparison, the average proportion of boroughs with strong influence by the king is 42.4%. This result also holds when we include county fixed effects (col 2), and it becomes even stronger when we control for taxable wealth in 1086 (which further reduces the sample size to 73 observations).

In columns 4-6 of Table 5, we perform IV regressions, using the geographic variables from column 4 in Table 2. We find confirm our strong results from the OLS analysis. In addition, in column 6 we restrict the sample to boroughs that were royal in 1348. The coefficient on farm grants in this subsample is again highly significant and quantitatively even larger than in the sample used in column 4, which also included mesne boroughs.
5.4 Representation in Parliament

Table 6 shows that boroughs with medieval Charters of Liberties were much more likely to have seats in Parliament. We begin by examining this relationship for boroughs that were enfranchised in the English Parliament already before the Black Death in 1348. Column 1 shows that the magnitude of the effect is large: boroughs that had received farm grants were more than 50 percentage points more likely to be represented in Parliament than boroughs without charters – relative to an average proportion of 23.5 percent of all boroughs being represented in Parliament by 1348. We find very similar results when controlling for county fixed effects (col 2) or when using our geography based instruments for farm grants (col 3). In column 4, we perform a particularly restrictive exercise: we use only the interaction terms of our trade-based instruments with the status as royal borough, and include all level variables (i.e., navigable river, sea coast, Roman road, and royal borough) as controls. This specification addresses the possibility that trade may also have affected representation in Parliament via channels other than charters of liberties. For example, a concern might be that richer boroughs may have “bought” their seat in Parliament directly, without obtaining self-governance. The small and insignificant coefficients on the geography variables suggest that trade did not affect enfranchisement directly, reinforcing our argument that charters of liberties were a crucial stepping stone towards representation in parliament.

In columns 5-8 of Table 6, we repeat our analysis for enfranchisement by 1700 and find very similar results. Table 7 provides additional results, showing that chartered boroughs were also significantly more likely to be represented in the first Parliament in 1295 (‘Model Parliament’). In addition, the earlier Charters of Liberties were granted, the more likely was the borough to be represented in parliament (cols 3 and 6). Finally, coefficient sizes are much larger for boroughs that also had constraints on sheriffs entering the borough (and thus restricted possibilities for central authorities to collect extra-ordinary taxes).

In addition, Table 8 shows that medieval Charters of Liberties are a strong predictor of more open borough-level elections of members of parliament in the early 1830s.

5.5 Municipal Corporations and Parliamentary Franchise

Over time, some boroughs developed municipal councils – composed of aldermen and, at times, councilmen – headed by mayors (Tait, 1936).

From 1345, the king started issuing charters of incorporation. Mense boroughs could also receive a charter of incorporation from the king with their lord’s assent. Unlike unincomporated boroughs, the corporation is allowed to own property and issue by-laws. Also, the charter of

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44 Following the Dissolution of the Monasteries of 1536-41, many ecclesiastical boroughs passed into king’s hands. A large number of them received a Charter of Incorporation from the king soon after.
incorporation sanctions the structure of the local governance.

The governing body of the municipal corporations acquired wide powers both in the local borough administration (Webb and Webb, 1963) and over the selection of MPs (Salmon, 2005). Often, the selection of members of this body was done by co-optation. Corruption was widespread, and corporation funds were used for electioneering (Salmon, 2005; Fisher, 2009).

5.6 The Great Reform Act of 1832

Background and Data

The rules governing the Parliament and the composition of enfranchised constituencies were largely unchanged from the seventeenth century to the Reform Act of 1832 (Porritt, 1909). In essence, the Parliament was an institution inherited from medieval times. In 1830, 383 constituencies were represented, including 203 English boroughs returning a total of 405 members and 40 English counties returning 82 members (Fisher, 2009, p. 1 and 25). In our analysis, we focus exclusively on English boroughs.

The beginning of the nineteenth century was marked by profound discontent with local governance and MP elections. The Industrial Revolution led some boroughs to experience rapid population growth, thereby straining the public provision of sanitation and law and order (see Lizzeri and Persico (2004) and references therein). Moreover, the Parliamentary system was generally perceived as very corrupt and unrepresentative (Brock, 1973, pp. 25-8). Many rapidly growing boroughs were unrepresented (e.g., Liverpool).

Within enfranchised boroughs, large portions of the population were excluded from participating in MP elections. The internal franchise rule varied greatly from borough to borough. In 1830, six franchise rules were observed (scot and lot, householder, freeholder, freeman, burgage, corporation). Two of these rules – burgage and corporation – consisted of particularly narrow franchises. For instance, only the members of the governing body were allowed to vote in corporate boroughs. Further, elections were subject to patronage. The borough “patron” – typically a large local landowner, and sometimes the Treasury – was effectively entitled to nominate some or all of the borough MPs. Patronage was particularly pervasive in the smaller “rotten” boroughs such as Gatton, which did not have any inhabitants left (Porritt, 1909, pp. 369-70).

Reforming the Parliamentary franchise was a recurrent theme of early nineteenth century British politics (Brock, 1973, p. 16). The chances for reform became tangible in the 1820s. By and large, Whigs and Radicals were in favor of reform, whereas Tories were against it.

45 For a comprehensive description of each franchise rule we refer to Fisher (2009).
46 Among the Tories, the majority of the Huskissonites and many ultra-Tories were however in favor of reform (Brock, 1973, p. 76).
and 1827, George Canning, the Tory Leader of the House of Commons, successfully appeased the "commercial men" and dampened their demand for a vast parliamentary reform by promoting liberal legislation (Brock, 1973, p. 46). In 1828, besides the parliamentary reform, the Duke of Wellington’s Tory government faced three other major issues: the currency crisis that followed the financial crash of 1825-6, the Catholic Emancipation, and the Corn Laws. The possibility for reform presented itself when, in November 1830, during a period of general economic distress, Lord Grey formed the first Whig Government since 1806. By then, part of the Tories had turned in favor of reform, largely because of the rotten boroughs’ role in the Catholic Emancipation (Brock, 1973, p. 65). However, MPs were chosen by their constituencies based not only on this possible reform, but also on other major issues (Anti-Slavery and Corn Laws) (Fisher, 2009; Brock, 1973, pp. 74-7).

The first Bill was proposed in March 1831. The reform aimed at (i) harmonizing the franchise across boroughs, (ii) disenfranchising smaller boroughs, and (iii) enfranchising the newly industrialized ones. The reform undermined patrons’ hold on boroughs both directly (by disenfranchising rotten boroughs) and indirectly (by making the electorate in enfranchised boroughs sufficiently large and uniform). Patrons of disenfranchised boroughs were partially compensated for the loss in the value of their property with an increase in the number of county seats.

The Bill of March 1831, although approved by the House of Commons by a narrow margin, was then rejected by the House of Lords. This event prompted the collapse of the Government and new MP elections. The general elections of April 1831 were effectively a referendum on the parliamentary reform. Two bills were proposed in June and September 1831 and, after some amendments and compromises, a new bill was voted in December 1831 and finally approved in March 1832.

The reform resulted in 56 boroughs being entirely disenfranchised and 30 boroughs losing one seat. On the winning side, 43 boroughs were enfranchised, with 21 gaining one seat and the rest two seats. In each enfranchised borough, all males owning property valued at least £10 per-year gained voting rights. The net effect of the reform was to extend the franchise from 3% to 6-7% of the population.

5.7 Data on the Great Reform Act of 1832

We construct a dataset on the openness of MP elections within English boroughs, and match it with existing datasets (Aidt and Franck, 2015).

For each borough enfranchised by 1831, we record the borough franchise and the presence and severity of patronage in the period 1790-1831 (Fisher, 2009; Thorne, 1986). For the period
1820–1831, we rely on Fisher (2009) to measure the number of “contested” general elections.\footnote{An election is defined as “contested” if candidates stood a poll.}

For the period 1820–1831, we create and index of openness which ranges from 1 to 3. The index assigns 3 points to boroughs free from patronage influence (open boroughs). We give 2 points to boroughs whose patron nominated one of two MPs (semi-close borough). We allocate 1 point to boroughs whose patron(s) nominated all the MPs (close boroughs), and we assign 1.5 points to boroughs for which we are unable to decide whether they were semi-close or close.

We collect information on four voting rounds over the reform (March, June, September, and December 1831). For each voting round, we record (i) whether the borough is to be totally (Section A borough) or partially (Section B borough) disenfranchised, and (ii) the voting behaviour of each single MP (Parliamentary Papers).

Finally, we employ additional borough-level characteristics (e.g., share of employment in trade, intensity of Swing riots, narrowness of the franchise, index of patronage) collected by Aidt and Franck (2015).

**The Historical Roots of pro-Reform Votes**

Understanding the way MP elections worked in the various enfranchised boroughs (i.e., the extent of patronage, the number of contested elections, and the fraction of burgesses allowed to vote) is important to analyze the voting behavior of MPs in 1831. Table 8 shows that boroughs that received Farm Grants in medieval times ran significantly more open MP elections in the 1830s. Boroughs with medieval Charters of Liberties were less subject to patronage and allowed a greater fraction of its citizens to vote in elections. This finding points to the long-run effects of medieval self-governance, and is consistent with our earlier results regarding the independence of incorporated boroughs from royal influence in the 17th century (Table 5).

Table 9 shows that medieval Farm Grants are a strong predictor of voting behavior of MPs during the Great Reform Act of 1832. MPs from boroughs with autonomous tax collection in medieval times were significantly more likely to support the Reform Act. The coefficient is also economically significant, indicating an increase in support by about 15 p.p., relative to an average level of support of 55 percent among the boroughs with representatives in Parliament in 1831.

Several factors can rationalize the pro-reform stance of boroughs that received farm grants in medieval times. First, boroughs that were commercially more developed in medieval times were still more reliant on trade in the 1830s. As a result, it is plausible that their incentives were better aligned with the incentives of the newly industrialized boroughs than with those of the rotten boroughs. Moreover, the fact that boroughs with broader franchises tended to vote in favor of extending the franchise is consistent with the theory developed in Lizzeri and Persico (2004).
According to their view, when pork barrel politics prevail, political competition is more likely to lead to a voluntary extension of the franchise when (i) the need for the provision of public goods increases and (ii) the electorate is relatively large (so that swing voters must content themselves with small bribes). Presumably, as discussed earlier, the Industrial Revolution did lead to a rapid increase in the demand for public good provision (e.g., better sanitation systems). Moreover, we find that boroughs with farm grants tended to run more open MP elections and vote in favor of the reform.

Finally, Table ?? shows that our results on commercial importance, enfranchisement, and elections in the 1830s also hold when we use geography-based instruments to predict Charters of Liberties in 1348 (Farm Grants).

6 Cross-Country Comparisons

6.1 France

France and England show some similarities in term of taxation, town liberties, and representation in parliament (Estates General) – even though the overall distribution of power differed significantly in the two countries. In contrast with England, the king of France was relatively weak (controlling only a small territory). The French local lords controlled much larger and more ‘coherent’ territories than their English counterparts (Hilton, 1995, pp. 21-5). As a result, disputes among feudal lords were common. In the course of the eleventh and twelfth centuries, the rivalry between lords and the large size of the lords’ territories facilitated the strategic formation of communes in both royal and feudal lords’ territories (e.g., Normandy); communes consisted of a bond between locals who provided a militia and helped the lord defend his territory (Petit-Dutaillis, 1947, pp. 82-3, 97, 105-8, 118; Tait, 1936, pp. 256). Thus, town liberties in France initially (before the 13th century) served a military purpose, as opposed to tax collection as in the case of England.

Tax collection in medieval France also relied to a large extent on tax farming, with an array of local officials (prevotes) in charge of farming towns (Baldwin, 1986, pp. 45-7, 125-35). Complaints about officials’ exactions were common. By the thirteenth century, many towns (communes and not) came to enjoy the right to self-governance to a degree similar to that found in England, i.e., farm grants and elections of officials, as well as the right to ‘exclude’ the prevotes (Petit-Dutaillis, 1947, p. 138). Towns in both royal and lords’ territories received these liberties, which is compatible with our argument, since French lords ruled over much larger territories than their English counterparts and had similarly complex layers of administration as the king. Similar to England, French towns with self-governance were represented in the Estates General, where they could report complaints about royal officials, seek redress for royal officials’ misconduct, and
discuss extra-ordinary taxation (Herveau (1879), pp. 131, 177-8, 198-200, 209-18).

However, there were also important differences that resulted from the powerful position of local lords in France. Unlike England, the governance of towns and the election of town delegates in France was not as broad and was under the strict control of the powerful nobility (Herveau (1879), p. 34-9; Tait (1936), pp. 296-7; Petit-Dutaillis, 1947, pp. 56-7). The strong rivalry between feudal lords promoted localism and prevented towns and the Estates General to form a common identity that would help limit the king’s power (Post, 1943; Ulph, 1951). In stark contrast to England, France converged towards absolutism in the fifteenth and sixteenth century. Concomitant with the rise of absolutism, the Estates General lay dormant for 175 years and towns lost their right to self-governance and – were these rights existed – self-administered tax collection (Petit-Dutaillis (1947), p. 297).

6.2 Spain

Eleventh century Spain was extremely fragmented. The south of the Iberian Peninsula was composed of Muslim polities and the north of separate Christian kingdoms of varying size and importance. We focus on Christian Spain because of the absence of town liberties and parliamentary representation of the third estate in Muslim Spain. In each Christian kingdom, feudalism was on the rise with the king owning a royal domain and powerful local lords overseeing administration, justice, and military affairs in their territories. Each kingdom had its separate councils composed of the high clearly, the lords, and the high officials.

After a prolonged state of relative decay (and the virtual absence of municipal governance), urban life began to revive in the eleventh century. By the twelfth century many towns developed military roles and became centers of an autonomous territorial administration. They received charters (fueros) granting them their own laws, institutions, and officials. In each town, an assembly (consejo) of all adult male proprietors voted in officials’ elections.

This period also marked the emergence of assemblies in which towns were represented (cortes). In 1188, Alfonso IX of Leon summoned the first parliament ever recorded in western Europe. By the thirteenth century these parliaments spread to the other kingdoms. Represented towns belonged to the royal domain and possessed their own municipal administration. Towns that belonged to a feudal lord tended not to be represented because their lord “spoke for them.” Much like the English parliament, cortes dealt with legislation, extra-ordinary taxation, and gathered grievances about local officials’ abuses and discussed appropriate redress. To avoid abuses during tax collections, towns often consented to extraordinary taxation on condition that they collected the tax themselves (or supervised it). For example, in 1289, the Catalan cortes nominated a commission to monitor tax collection (generalitat). In 1323, they also granted the king a subsidy for two years, with the
money to be collected by individuals chosen by towns’ councils and the “money collected [...] to be deposited in the Dominican monasteries of Barcelona and Lerida, under keys held by several persons.”

In the course of the thirteenth century, however, towns gradually lost their autonomy. On the one hand, towns’ oligarchies of wealthy townsmen and landed owners monopolized the administration and the selection of representatives to the cortes. On the other hand, the kings increasingly meddled in towns’ affairs by, for instance, appointing royal officials (corregidores) who could over-ride municipal councils’ decisions. In addition, kings granted many of their towns to local lords to gain their allegiance (these towns lost their representation in parliament in the process). Finally, kings increasingly appointed royal towns’ representatives themselves. Perhaps not surprisingly, by the fifteenth century cortes had lost much of their importance.

6.3 Sicily

We end with a brief discussion devoted to Sicily, which, in a period lasting less than three hundred years, went through four conquests and therefore four associated changes in land ownership. In the eleventh century, the Normans conquered Southern Italy and founded the Kingdom of Sicily in 1130. The Norman king was strong and relied heavily on the pre-existing Arab central administration. Local lords (barons), whose ownership had been subject to a general inquiry similar to the English Domesday Inquest, were relatively weak compared to the crown because of the strength of the king’s mercenaries. Some degree of town self-governance emerged only in the late twelfth century when the king needed support against a competing claimant to the throne. In 1194, Frederick Barbarossa gained power and brought with him a new German landed elite. During his fifty years in power, the crown reasserted strong control over both feudal lords and towns; in 1231 the Liber Augustalis established that (annually appointed) royal justiciars had control over taxation and the army, and that towns were under the strict control of royal bailiffs. Concomitantly, the council that promulgated the Liber Augustalis also had “leading citizens” (from the most important towns) participating. Those citizens were nominated directly by the king (in each province) and charged with investigating complaints into royal officials’ abuses. From this time onwards, townsmen were occasionally summoned to join prelates and barons in the parliament.

After Barbarossa’s death in 1250, a relative state of anarchy prevailed (due to numerous changes in the ruling dynasty) with barons enjoying very wide power over their territories for over 250 years. In the second half of the thirteenth century, the Angevins and then the king of Aragon conquered Sicily. They both redistribute lands to their barons and rely on them for the administration of the kingdom. In the thirteenth and fourteenth centuries, municipal autonomy in royal towns was also encouraged (e.g., Palermo and Messina elect their own magistrates) as a check on the
local baronial power. Also, royal towns obtained the right to elect the representatives they sent to Parliament. Nevertheless, barons acquired significant influence over the administration of royal towns and their representatives.

In the fifteenth century, barons were still very powerful and many towns had come under their control (thereby losing the limited autonomy they previously enjoyed). Moreover, the need to finance external wars for the crown of Aragon led to the sale of royal towns’ taxes and jurisdiction. Towns bought their freedom but became heavily indebted in the process (and under the control of an oligarchy of merchants and landed interests). In the course of the fifteenth and sixteenth centuries, parliament gained significant power because of the need for extraordinary taxation. Exactly as in Spain, the parliament was composed of three houses (brazos): clergy, lay nobility, and royal towns. The parliament played a crucial role in organizing and supervising the collection of extraordinary taxation (donativo). However, townsmen enjoyed limited influence in practice, because their representatives were chosen either by the king or a local baron.

7 Conclusion

This paper investigates the local origins of national inclusive institutions by focusing on the prominent case of England. We begin our analysis with the Norman Conquest of England of 1066. The Normans asserted strong control over the territory and, by and large, imposed homogeneous institutions across boroughs. The period also coincided with a boom in economic activity occurring in Western Europe (the “Commercial Revolution”).

By the thirteenth century, mainly as a result of royal officials’ distortionary behavior when collecting taxes, English royal boroughs whose geographic location was conducive to trade obtained self-governance. This crucial step in the evolution of local liberties had far-reaching effects on national institutions. Self-governed boroughs accessed the Parliament – where extra-ordinary taxation to wage wars was discussed – at an early stage. Moreover, their empowered merchant class succeeded in keeping local institutions inclusive by preventing the landed interest from monopolizing the election of MPs. Early self-governed boroughs’ openness of elections and predominant merchant interests finally provided decisive support to the approval of the Reform of 1832, which extended the franchise and is considered a milestone in the English Democratization process.

The four-step argument presented in this paper can also be helpful in understanding the evolution of inclusive institutions in other Western European countries.

Self-governance was not a phenomenon limited to England. Henry II of England, when still in possession of his lands in Normandy, had bestowed Charters of Liberties to the coastal boroughs of the duchy. By the beginning of the thirteenth century, once the duchy had passed into the hands of Philip II of France, Norman boroughs obtained from the king a set of liberties which became
known as *Les établissements de Rouen* (1204) (*Giry, 1883*). The Spanish monarchy also granted Charters (*fueros*) to its most important trading towns (e.g., Barcelona). In Italy, the situation differed between Northern and the Southern regions. In Northern Italy, the collapse of the Holy Roman Empire freed the most important commercial towns from the emperor’s rule and led to fully independent city-states (e.g., Pisa, Venice, Genoa). In Southern Italy, by the twelfth century, the Norman conquerors established a strong rule in the territory going from Naples to Sicily. Much like in Norman England, the conquerors replaced the existing Arab and Byzantine elite and redistributed land among new lay and ecclesiastical lords. The kingdom, however, passed into the hands of Frederick II “Barbarossa” in the thirteenth century, who imposed a new redistribution of lands among his German barons. The same phenomenon – foreign invasion and redistribution of land – occurred on two more occasions in the subsequent 100 years. Important trading towns (e.g., Naples, Palermo, and Messina) nevertheless obtained large autonomy from the central power (*Smith, 1968*).

As in the case of England, in France, Spain, and Southern Italy, self-governed towns also sent representatives to Parliaments (known as *Estates General* in France and *Cortes* in Spain). In Sicily, however, local barons, who over time had acquired ownership of many towns, remained a predominant force within the Parliament (*Smith, 1968*). This major difference may well explain the divergent institutional paths England and Sicily embarked upon. Finally, France and Spain converged towards absolutist regimes, in which towns and Parliaments lost much of their influence. We hope to address these comparative questions in future research.

**References**


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evidence from panel data. *American Political Science Review* 103(04), 645–668.


FIGURES

Figure 2: Administration in Royal and Mesne Territories

Notes: The figure illustrates the main administrative layers in royal and mesne territories for the case of boroughs without Farm Grants. For boroughs with Farm Grants, local officials are elected by burgess within the borough, and tax collection is self-administered by elected officials. This cuts out the role of the sheriff in royal territories.
Notes: This figure shows that Charters of Liberties were granted much more frequently to boroughs in royal territory, as compared to boroughs owned by mesne lords (why owned smaller land areas). Overall, 91 out of 550 boroughs that existed in 1348 were granted charters. Among the 142 royal boroughs, 73 received charters (51.4%). Among the 408 boroughs owned by mesne lords, only 18 received charters (4.4%). This supports our hypothesis that monitoring issues were more severe in the large territory owned by the king, leading to larger inefficiencies of tax collection, and therefore to mutually beneficial agreements between the king and burgesses, granting the latter the right to collect taxes themselves.

Notes: The figure shows that boroughs owned by lords with larger territory were more likely to receive charters of liberties by 1348. The x-axis reflects the size of lord’s territory, from smallest to largest: 1=seigneur/abbot/nunnery (overall 228 boroughs); 2=bishop (65 boroughs); 3=earl/archbishop (114 boroughs); 4=king (142 boroughs). The y-axis plots the proportion of boroughs in a lord’s territory that received charters.
Figure 5: Enfranchisement of boroughs with and without Charters of Liberties

Notes: The figure shows that chartered boroughs (those with Farm Grants) were significantly more likely to be represented in the English Parliament by 1348. This relationship is particularly strong for boroughs that also had constraints on sheriffs entering the borough (and thus restricted possibilities for central authorities to collect extra-ordinary taxes). Constraints on sheriff comprise a borough’s liberties that prohibited royal officials from entering the borough in their judicial functions (*non-intromittat*), in financial functions (*direct access to the Exchequer*), or to enforce royal orders (*return of writs*).

Figure 6: Taxable Wealth in 1086, by Borough Ownership

Notes: This figure shows that taxable wealth was very similarly distributed across royal boroughs (dashed line) and mesne boroughs (solid line). Taxable wealth was assessed by the Normans after their conquest of England in 1066, and summarized in the Domesday Book.
Figure 7: All Boroughs in the Dataset, by Royal and Mesne

Notes: This figure shows the location of the 550 boroughs in our dataset that existed by 1348. Solid squares indicate the 142 royal boroughs, and hollow dots, the 408 mesne boroughs (owned by local lords or by the Church). The figures also shows the location of navigable rivers and of Roman roads.
### Table 1: Charters of Liberties: The Role of Royal Boroughs and Taxable Wealth

Dependent variable: Indicator for Charter of Liberties Granted to a Borough by 1348

<table>
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<th>Boroughs included</th>
<th>Column 1 (OLS)</th>
<th>Column 2 (OLS)</th>
<th>Column 3 (OLS)</th>
<th>Column 4 (OLS)</th>
<th>Column 5 (OLS)</th>
<th>Column 6 (PS Matching)</th>
<th>Column 7 (OLS)</th>
<th>Column 8 (OLS)</th>
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<tbody>
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<td>0.468***</td>
<td>0.476***</td>
<td>0.482***</td>
<td>0.467***</td>
<td>0.467***</td>
<td>0.4202***</td>
<td>0.327***</td>
</tr>
<tr>
<td></td>
<td>(0.043)</td>
<td>(0.044)</td>
<td>(0.046)</td>
<td>(0.061)</td>
<td>(0.061)</td>
<td>(0.065)</td>
<td>(0.075)</td>
<td>(0.096)</td>
</tr>
<tr>
<td>ln(Taxable wealth in 1086)</td>
<td>0.045***</td>
<td>[mv]</td>
<td>[mv]</td>
<td>0.024**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.014)</td>
<td></td>
<td></td>
<td>(0.010)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ln(Taxable wealth) x Royal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.081**</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.040)</td>
</tr>
<tr>
<td>Pre-Norman Kingdom FE</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County FE</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.31</td>
<td>0.31</td>
<td>0.36</td>
<td>0.30</td>
<td>0.33</td>
<td></td>
<td></td>
<td>0.34</td>
</tr>
<tr>
<td>Observations</td>
<td>550</td>
<td>548</td>
<td>550</td>
<td>276</td>
<td>276</td>
<td>276</td>
<td>276</td>
<td>276</td>
</tr>
<tr>
<td>Mean of dep. var.</td>
<td>0.165</td>
<td>0.166</td>
<td>0.165</td>
<td>0.178</td>
<td>0.178</td>
<td>0.178</td>
<td>0.178</td>
<td>0.178</td>
</tr>
</tbody>
</table>

Notes: The table shows that royal boroughs were significantly more likely to receive charters of liberties, and that the same holds for boroughs with higher taxable wealth – especially for those in royal territory. All regressions are run at the borough level. Robust standard errors in parentheses. * p<0.1, ** p<0.05, *** p<0.01. Regarding fixed effects (FE): There are 40 counties, and 4 pre-Norman kingdoms: Wessex, Mercia, Northumbria, and East-Anglia. † Propensity score matching with two nearest neighbors. Matching variables indicated by “mv”. In col 7: matching of boroughs within the same county. ‡ Magnitude of implied coefficient on taxable wealth: Move a borough from 10th to 90th percentile of taxable wealth: Raises odds of receiving Charter of Liberties by 33 p.p. in royal borough, and by 8 p.p. in mesne boroughs.
Table 2: Charters of Liberties: Geography-Based Proxies for Trade

<table>
<thead>
<tr>
<th>Boroughs included:</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent variable: Indicator for Charter of Liberties Granted to a Borough by 1348</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boroughs included:</td>
<td>all</td>
<td>royal</td>
<td>mesne</td>
<td>mesne</td>
<td>all</td>
<td>all</td>
</tr>
<tr>
<td>Notes:</td>
<td>Entropy weights‡</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Navigable River</td>
<td>0.225***</td>
<td>0.340***</td>
<td>-0.004</td>
<td>-0.002</td>
<td>-0.004</td>
<td>-0.009</td>
</tr>
<tr>
<td></td>
<td>(0.050)</td>
<td>(0.080)</td>
<td>(0.028)</td>
<td>(0.025)</td>
<td>(0.028)</td>
<td>(0.035)</td>
</tr>
<tr>
<td>Sea Coast</td>
<td>0.102**</td>
<td>0.319***</td>
<td>-0.028</td>
<td>-0.011</td>
<td>-0.028</td>
<td>-0.040</td>
</tr>
<tr>
<td></td>
<td>(0.046)</td>
<td>(0.092)</td>
<td>(0.024)</td>
<td>(0.029)</td>
<td>(0.024)</td>
<td>(0.030)</td>
</tr>
<tr>
<td>Roman Road</td>
<td>0.063*</td>
<td>0.148*</td>
<td>-0.042**</td>
<td>-0.044**</td>
<td>-0.042**</td>
<td>-0.042*</td>
</tr>
<tr>
<td></td>
<td>(0.035)</td>
<td>(0.079)</td>
<td>(0.019)</td>
<td>(0.018)</td>
<td>(0.019)</td>
<td>(0.022)</td>
</tr>
<tr>
<td>River x Royal</td>
<td> </td>
<td> </td>
<td> </td>
<td> </td>
<td>0.344***</td>
<td>0.363***</td>
</tr>
<tr>
<td></td>
<td> </td>
<td> </td>
<td> </td>
<td> </td>
<td>(0.084)</td>
<td>(0.087)</td>
</tr>
<tr>
<td>Sea coast x Royal</td>
<td> </td>
<td> </td>
<td> </td>
<td>0.347***</td>
<td>0.308***</td>
<td></td>
</tr>
<tr>
<td></td>
<td> </td>
<td> </td>
<td> </td>
<td>(0.094)</td>
<td>(0.100)</td>
<td></td>
</tr>
<tr>
<td>Roman Road x Royal</td>
<td> </td>
<td> </td>
<td> </td>
<td> </td>
<td>0.190**</td>
<td>0.206**</td>
</tr>
<tr>
<td></td>
<td> </td>
<td> </td>
<td> </td>
<td> </td>
<td>(0.081)</td>
<td>(0.083)</td>
</tr>
<tr>
<td>Royal borough</td>
<td> </td>
<td> </td>
<td> </td>
<td> </td>
<td>0.216***</td>
<td>0.218***</td>
</tr>
<tr>
<td></td>
<td> </td>
<td> </td>
<td> </td>
<td> </td>
<td>(0.064)</td>
<td>(0.065)</td>
</tr>
<tr>
<td>County FE</td>
<td> </td>
<td> </td>
<td> </td>
<td> </td>
<td> </td>
<td>✓</td>
</tr>
<tr>
<td>R²</td>
<td>0.07</td>
<td>0.17</td>
<td>0.01</td>
<td>0.01</td>
<td>0.39</td>
<td>0.43</td>
</tr>
<tr>
<td>Observations</td>
<td>550</td>
<td>142</td>
<td>408</td>
<td>408</td>
<td>550</td>
<td>550</td>
</tr>
<tr>
<td>Mean of dep. var.:</td>
<td>0.165</td>
<td>0.514</td>
<td>0.044</td>
<td>0.037</td>
<td>0.165</td>
<td>0.165</td>
</tr>
</tbody>
</table>

Notes: The table shows that boroughs at locations that favored trade were more likely to receive charters of liberty. However, this relationship holds only for Royal boroughs. All regressions are run at the borough level. Robust standard errors in parentheses. * p<0.1, ** p<0.05, *** p<0.01.
‡ In column 4, observations are weighted using entropy weights. This method creates balanced samples by reweighting the observations in mesne boroughs to match the mean and variance of navigable river, sea coast, and Roman road in royal boroughs. See Hainmueller and Xu (2013) for details.
Table 3: Charters of Liberties: Use Trade Geography to Predict Taxable Wealth

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent variable:</td>
<td>ln(Taxable Wealth)</td>
<td>Indicator for Charter of Liberties by 1348</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boroughs included:</td>
<td>all</td>
<td>all</td>
<td>all</td>
<td>royal</td>
<td>mesne</td>
</tr>
<tr>
<td>Notes:</td>
<td>OLS (1st stage)</td>
<td>2SLS for ln(Taxable wealth in 1086)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Navigable River</td>
<td>0.725***</td>
<td>0.699***</td>
<td>(0.201)</td>
<td>(0.200)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.201)</td>
<td>(0.200)</td>
<td></td>
</tr>
<tr>
<td>Roman Road</td>
<td>0.284*</td>
<td>0.356**</td>
<td>(0.155)</td>
<td>(0.155)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.155)</td>
<td>(0.155)</td>
<td></td>
</tr>
<tr>
<td>Sea Coast</td>
<td>-0.884***</td>
<td></td>
<td>(0.224)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.224)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal borough</td>
<td>0.112</td>
<td>0.093</td>
<td>0.345***</td>
<td>(0.059)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.160)</td>
<td>(0.157)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ln(Taxable wealth in 1086)†</td>
<td>0.175***</td>
<td>0.345***</td>
<td>-0.060</td>
<td>(0.065)</td>
<td>(0.105)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.065)</td>
<td>(0.105)</td>
<td>(0.065)</td>
</tr>
<tr>
<td>R²</td>
<td>0.11</td>
<td>0.07</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td>276</td>
<td>276</td>
<td>276</td>
<td>85</td>
<td>191</td>
</tr>
<tr>
<td>Mean of dep. var.:</td>
<td>1.57</td>
<td>1.57</td>
<td>0.178</td>
<td>0.53</td>
<td>0.054</td>
</tr>
<tr>
<td>First stage F-stat.:</td>
<td>8.48</td>
<td>7.37</td>
<td>3.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weak IV robust p-value:</td>
<td>0.004</td>
<td>0.0001</td>
<td>0.11</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: Columns 1 and 2 in the table show that boroughs on navigable rivers or Roman roads had higher taxable wealth in 1086; due to the devastation during the war, boroughs on the sea coast had lower wealth after the conquest. Columns 3-5 use 2SLS results to show that Charters of Liberties were more likely where geography predicts taxable wealth – but this holds only in royal boroughs. All regressions are run at the borough level. Robust standard errors in parentheses. * p<0.1, ** p<0.05, *** p<0.01.
† Predicted using navigable river and Roman road as instruments.
Table 4: More Evidence on Commercial Importance of Boroughs with Farm Grants

<table>
<thead>
<tr>
<th>Dependent Variable:</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boroughs included:</td>
<td>all</td>
<td>all</td>
<td>royal</td>
<td>all</td>
<td>all</td>
<td>royal</td>
</tr>
<tr>
<td>Farm Grant 1348</td>
<td>0.497***</td>
<td>0.060</td>
<td>0.541***</td>
<td>0.376***</td>
<td>0.083</td>
<td>0.436***</td>
</tr>
<tr>
<td></td>
<td>(0.053)</td>
<td>(0.075)</td>
<td>(0.069)</td>
<td>(0.052)</td>
<td>(0.075)</td>
<td>(0.064)</td>
</tr>
<tr>
<td>Royal borough</td>
<td>0.079*</td>
<td>0.015</td>
<td>0.015</td>
<td>0.015</td>
<td>0.015</td>
<td>0.015</td>
</tr>
<tr>
<td></td>
<td>(0.042)</td>
<td>(0.026)</td>
<td>(0.026)</td>
<td>(0.026)</td>
<td>(0.026)</td>
<td>(0.026)</td>
</tr>
<tr>
<td>Farm Grant x Royal</td>
<td>0.481***</td>
<td>0.353***</td>
<td>0.353***</td>
<td>0.353***</td>
<td>0.353***</td>
<td>0.353***</td>
</tr>
<tr>
<td></td>
<td>(0.102)</td>
<td>(0.098)</td>
<td>(0.098)</td>
<td>(0.098)</td>
<td>(0.098)</td>
<td>(0.098)</td>
</tr>
<tr>
<td>R²</td>
<td>0.27</td>
<td>0.35</td>
<td>0.30</td>
<td>0.23</td>
<td>0.27</td>
<td>0.24</td>
</tr>
<tr>
<td>Observations</td>
<td>550</td>
<td>550</td>
<td>142</td>
<td>550</td>
<td>550</td>
<td>142</td>
</tr>
<tr>
<td>Mean of dep. var.</td>
<td>0.145</td>
<td>0.145</td>
<td>0.408</td>
<td>0.093</td>
<td>0.093</td>
<td>0.268</td>
</tr>
</tbody>
</table>

Notes: The table shows that boroughs with Charters of Liberties had a higher commercial importance in 1350 and higher population in 1377 – this holds for a-priory similar pairs of boroughs in terms of their taxable wealth in 1086. Commercial importance is constructed as described in Section 4. The table also shows that chartered boroughs grew faster after 1377. All regressions are run at the borough level. Robust standard errors in parentheses. * p<0.1, ** p<0.05, *** p<0.01.

† Indicator variable for “Freedom from tolls” – a grant of liberty that exempted a borough’s burgesses from tolls (taxes on trade) throughout the realm. This liberty was issued by the king, and thus mostly granted to royal boroughs (overall 58). However, some mesne boroughs also received this liberty (overall 22 by 1348).
‡ Indicator variable for whether a borough was a commercial hub during the 14th century, based on Masschaele (1997). Criteria include the presence of merchant guilds, the classification as “urban” in the 1340 Nonae Rolls tax records, and the total tax on tradable goods levied in 1334.
Table 5: Charters of Liberties and Influence of the King after a Borough’s Incorporation

<table>
<thead>
<tr>
<th>Dep. Var.: Dummy for strong influence of the king on appointment of local officials</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boroughs included:</td>
<td>all</td>
<td>all</td>
<td>royal</td>
<td>royal</td>
<td>royal</td>
</tr>
<tr>
<td>Regression:</td>
<td>OLS</td>
<td>2SLS†</td>
<td>OLS</td>
<td>OLS</td>
<td>2SLS‡</td>
</tr>
<tr>
<td>Farm Grant 1348</td>
<td>-0.151*</td>
<td>-0.217**</td>
<td>-0.304**</td>
<td>-0.406**</td>
<td>-0.559**</td>
</tr>
<tr>
<td>(0.079)</td>
<td>(0.105)</td>
<td>(0.128)</td>
<td>(0.166)</td>
<td>(0.228)</td>
<td></td>
</tr>
<tr>
<td>County FE</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.02</td>
<td>0.08</td>
<td>0.62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td>158</td>
<td>158</td>
<td>74</td>
<td>74</td>
<td>74</td>
</tr>
<tr>
<td>Mean of dep. var.:</td>
<td>0.424</td>
<td>0.424</td>
<td>0.378</td>
<td>0.378</td>
<td>0.378</td>
</tr>
<tr>
<td>First stage F-stat.:</td>
<td>102.35</td>
<td>9.10</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: This table shows that after being incorporated (in the 15th-17th century), chartered boroughs (as compared to unchartered boroughs) saw significantly less influence of the king on the appointment of local public officials. Influence of the king is a dummy variable that takes on value one if, at the time of incorporation of a borough, the following two conditions held: i) First appointment: the king appointed the first members of the newly formed corporation’s governing body (1 mayor, 12 aldermen, 24 councilmen), and ii) Co-Optation: the initial council appointed subsequent council members – a process that maintained closed governing bodies. All regressions are run at the borough level. Robust standard errors in parentheses. * p<0.1, ** p<0.05, *** p<0.01.

† Two-stage least square regressions that use the following variables to predict farm grants by 1348 in the first stage: location on the sea coast, on a navigable river, and on Roman roads, and the interaction of these three variables with status as royal borough, as well as the status as royal borough itself.

‡ Two-stage least square regression using location on the sea coast, on a navigable river, and on Roman roads to predict farm grants by 1348.
Table 6: Representation in Parliament by 1348

<table>
<thead>
<tr>
<th>Dependent variable: Indicator for Borough Enfranchised by 1348</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boroughs included: all royal royal royal royal mesne 2SLS#</td>
</tr>
<tr>
<td>Notes: 2SLS 2SLS† 2SLS‡</td>
</tr>
</tbody>
</table>

| Farm Grant 1348 | 0.535*** (0.052) | 0.507*** (0.073) | 0.491*** (0.081) | 0.583*** (0.180) | 0.741*** (0.072) | 0.587*** (0.191) |
| Navigable River | 0.216** (0.087) | 0.049 (0.081) | -0.008 (0.049) | 0.003 (0.043) |
| Sea Coast | 0.118 (0.104) | -0.039 (0.086) | 0.012 (0.048) | -0.001 (0.040) |
| Roman Road | 0.159* (0.085) | 0.086 (0.078) | -0.051 (0.036) | 0.003 (0.034) |
| p-value joint significance | [0.014] [0.523] [0.490] [0.999] |
| River, Coast, Road |
| Royal borough | 0.090 (0.102) |

R² | 0.22 | 0.26 | 0.07 | 0.27 | 0.25 | 0.01 | 0.19 | 0.23 |
Observations | 550 | 142 | 142 | 142 | 142 | 408 | 550 | 550 |
Mean of dep. var.: | 0.235 | 0.507 | 0.507 | 0.507 | 0.507 | 0.140 | 0.235 | 0.235 |
First stage F-stat.: | 31.4 | 12.8 |

Notes: The table shows that boroughs with medieval Charters of Liberties were much more likely to have seats in Parliament. All regressions are run at the borough level. Robust standard errors in parentheses. * p<0.1, ** p<0.05, *** p<0.01.
† Two-stage least square regressions that use the following variables to predict farm grants by 1348 in the first stage: location on the sea coast, on a navigable river, and on Roman roads, and the interaction of these three variables with status as royal borough, as well as the status as royal borough itself.
‡ Two-stage least square regressions that use only the three interaction terms and control for the variables in levels.
Table 7: Representation in Parliament by 1295, 1348, and 1700: Additional Results

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
<th>(8)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dep.Var.: Enfranchised by 1295</td>
<td>1295</td>
<td>1295</td>
<td>1348</td>
<td>1348</td>
<td>1348</td>
<td>1700</td>
<td>1700</td>
<td>1700</td>
</tr>
<tr>
<td>Boroughs included:</td>
<td>founded by 1295</td>
<td>Farm Grant by 1348</td>
<td>all</td>
<td>royal</td>
<td>Farm Grant by 1348</td>
<td>all</td>
<td>royal</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm grant by 1295</td>
<td>0.453***</td>
<td>0.414***</td>
<td>0.133***</td>
<td>0.127***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ln(years grant 1066-1348)</td>
<td>(0.059)</td>
<td>(0.076)</td>
<td>(0.030)</td>
<td>(0.032)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Grant and constraint on sheriff</td>
<td></td>
<td></td>
<td>0.722***</td>
<td>0.615***</td>
<td>0.660***</td>
<td>0.525***</td>
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</tr>
<tr>
<td>Grant, no constraint on sheriff</td>
<td></td>
<td></td>
<td>0.401***</td>
<td>0.402***</td>
<td>0.399***</td>
<td>0.365***</td>
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</tr>
<tr>
<td>R²</td>
<td>0.17</td>
<td>0.18</td>
<td>0.19</td>
<td>0.24</td>
<td>0.28</td>
<td>0.22</td>
<td>0.17</td>
<td>0.22</td>
</tr>
<tr>
<td>Observations</td>
<td>450</td>
<td>142</td>
<td>88</td>
<td>550</td>
<td>142</td>
<td>88</td>
<td>550</td>
<td>142</td>
</tr>
<tr>
<td>Mean of dep. var.:</td>
<td>0.216</td>
<td>0.216</td>
<td>0.705</td>
<td>0.235</td>
<td>0.507</td>
<td>0.795</td>
<td>0.345</td>
<td>0.620</td>
</tr>
</tbody>
</table>

Notes: The table shows that chartered boroughs were also significantly more likely to be represented in the first Parliament in 1295 (‘Model Parliament’). In addition, the earlier Charters of Liberties were granted, the more likely was the borough to be represented in parliament. Finally, coefficient sizes are much larger for boroughs that also had constraints on sheriffs entering the borough (and thus restricted possibilities for central authorities to collect extraordinary taxes). All regressions are run at the borough level. Robust standard errors in parentheses. * p<0.1, ** p<0.05, *** p<0.01.

† Constraints on sheriff is a dummy variable that takes on value one if a borough possessed additional liberties that prohibited royal officials from entering the borough in their judicial functions (non-intromittat), in financial functions (direct access to the Exchequer), or to enforce royal orders (return of writs).
Table 8: Openness of MP Elections at the Borough Level in the 1830s

<table>
<thead>
<tr>
<th>Dependent Variable:</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
<th>(8)</th>
<th>(9)</th>
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</thead>
<tbody>
<tr>
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<tr>
<td>Contested Elections</td>
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<tr>
<td>Broad franchise</td>
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<td>Patronage index</td>
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<tr>
<td>Notes:</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>— First Principal Component of (1) – (4) —</td>
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<td></td>
</tr>
<tr>
<td>Additional Controls†</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County FE</td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>R²</td>
<td>0.08</td>
<td>0.05</td>
<td>0.04</td>
<td>0.07</td>
<td>0.09</td>
<td>0.13</td>
<td>0.24</td>
<td>0.36</td>
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</tr>
<tr>
<td>Observations</td>
<td>191</td>
<td>192</td>
<td>189</td>
<td>189</td>
<td>188</td>
<td>188</td>
<td>87</td>
<td>188</td>
<td></td>
</tr>
<tr>
<td>Mean of dep. var.</td>
<td>1.58</td>
<td>1.39</td>
<td>0.71</td>
<td>0.95</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>First stage F-stat.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>72.0</td>
</tr>
</tbody>
</table>

Notes: This table shows that medieval Charters of Liberties are a strong predictor of more open borough-level elections of members of parliament in the early 1830s. All regressions are run at the borough level. Robust standard errors in parentheses. * p<0.1, ** p<0.05, *** p<0.01. Mean of dep. var.: 1.58 (col 1), 1.39 (col 2), 0.71 (col 3), 0.95 (col 4), 0 [std 1.54] (cols 5-7).
† Additional controls include the following variables constructed by Aidt and Franck (2015): second order polynomials of borough-level population and population density in 1831; market integration (travel distance between any given constituency and the 243 other constituencies weighted by the population); Distance to urban center (travel days from each constituency to the nearest of the 13 largest towns in 1831); Connection to London (graphical, economic, and informational connections to London); a dummy for boroughs controlled by the treasury (altogether 13).
Table 9: MP Votes Supporting the Great Reform Act in 1832

Dependent variables: Share of votes in favor of the Reform Act at different points in 1831

<table>
<thead>
<tr>
<th>Vote in:</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1831</td>
<td>0.056</td>
<td>0.189***</td>
<td>0.142***</td>
<td>0.154**</td>
<td>0.141**</td>
<td>0.259***</td>
<td>0.166**</td>
</tr>
<tr>
<td>— December 1831 —</td>
<td>royal only</td>
<td>(0.063)</td>
<td>(0.067)</td>
<td>(0.050)</td>
<td>(0.077)</td>
<td>(0.056)</td>
<td>(0.094)</td>
</tr>
<tr>
<td>Farm Grant 1348</td>
<td>-0.258***</td>
<td>-0.337***</td>
<td>-0.204***</td>
<td>-0.209**</td>
<td>-0.215***</td>
<td>-0.310***</td>
<td>-0.181***</td>
</tr>
<tr>
<td>(0.059)</td>
<td>(0.068)</td>
<td>(0.055)</td>
<td>(0.083)</td>
<td>(0.070)</td>
<td>(0.071)</td>
<td>(0.060)</td>
<td></td>
</tr>
<tr>
<td>Disenfranchise</td>
<td>0.722***</td>
<td>0.658***</td>
<td>0.732***</td>
<td>0.750***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(0.056)</td>
<td>(0.092)</td>
<td>(0.074)</td>
<td>(0.063)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swing Riot within 10km</td>
<td>0.097*</td>
<td>0.129</td>
<td>0.070</td>
<td>0.138</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>(0.052)</td>
<td>(0.083)</td>
<td>(0.107)</td>
<td>(0.095)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 1831 votes</td>
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<td>✓</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County FE</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Controls†</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>R$^2$</td>
<td>0.11</td>
<td>0.19</td>
<td>0.59</td>
<td>0.60</td>
<td>0.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td>186</td>
<td>180</td>
<td>176</td>
<td>78</td>
<td>176</td>
<td>170</td>
<td>166</td>
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<tr>
<td>Mean of dep. var.:</td>
<td>0.46</td>
<td>0.55</td>
<td>0.55</td>
<td>0.69</td>
<td>0.55</td>
<td>0.56</td>
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<tr>
<td>First stage F-stat.:</td>
<td>58.4</td>
<td>26.1</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Notes: This table shows that medieval Charters of Liberties are a strong predictor of voting behavior of MPs in the Great Reform Act of 1832: MPs from chartered boroughs were significantly more likely to support the Reform Act. All regressions are run at the borough level. Robust standard errors in parentheses. * p<0.1, ** p<0.05, *** p<0.01. † Additional controls include the following variables constructed by Aidt and Franck (2015): second order polynomials of borough-level population and population density in 1831; market integration (travel distance between any given constituency and the 243 other constituencies weighted by the population); Distance to urban center (travel days from each constituency to the nearest of the 13 largest towns in 1831); Connection to London (graphical, economic, and informational connections to London); a dummy for boroughs controlled by the treasury (altogether 13). # Two-stage least square regressions that use the following variables to predict farm grants by 1348 in the first stage: location on the sea coast, on a navigable river, and on Roman roads, and the interaction of these three variables with status as royal borough, as well as the status as royal borough itself.