Public finance is a major feature of the development of modern European societies, and it is at the heart of the definition of the nature of political regimes. Public finance is also a most relevant issue in the understanding of the constraints and possibilities of economic development. This book is about the rise and development of taxation systems, expenditure programs, and debt regimes in Europe from the early nineteenth century to the beginning of the First World War. Its main purpose is to describe and explain the process by which states raised and managed financial resources. The book presents studies of nine countries or empires that are considered highly representative of the widest European experience on the matter and discusses whether there are any common patterns in the way the different European states responded to the need for raising additional resources to pay for the new tasks they were performing.

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Paying for the Liberal State

The Rise of Public Finance in
Nineteenth-Century Europe

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The idea for this book occurred in the Azores in November 2006, at the annual conference of the Portuguese Association of Economic and Social History. We organized for that conference a session on the formation of public finance systems in nineteenth-century Europe. This session included papers contributed by some of the authors of the chapters in this book. Our initial aim was to explain the functioning of public finance institutions using parliamentary debates as a main source of historical analysis. This was conceived as a partial outcome of a research project at the Research Centre on Portuguese Economy (CISEP), Technical University of Lisbon, and Instituto de Ciências Sociais, University of Lisbon, funded by the Fundação para a Ciência e a Tecnologia (project reference POCTI/HAR/44207/2002) and the Banco de Portugal. However, we realized that the scope of the project could be considerably enlarged, given the relevance and opportunity of launching comparative research on different European experiences concerning the formation and consolidation of contemporary fiscal states. This idea of a broader comparative analysis was discussed and enriched in a seminar organized at the European University Institute, Florence, in March 2008, where the final structure and outline of the book were established. We are most grateful to the authors of chapters in this book for their active participation in the discussions during the preparatory meetings in Azores and Florence, as well as for their comments and responses during the subsequent phases of preparation of the book. We wish to especially thank Giovanni Federico for his collaboration in the organization of the Florence meeting.

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