Does establishing representative democracy increase commitment to repay public debt? This book develops a new theory about the link between debt and democracy and applies it to a classic historical comparison: Great Britain in the eighteenth century, which had strong representative institutions and sound public finance, versus ancien regime France, which had neither. The book argues that whether representative institutions improve commitment depends on the opportunities for government creditors to form new coalitions with other social groups, which is more likely to occur when a society is divided across multiple political cleavages. It then presents historical evidence to show that improved access to finance in Great Britain after 1688 had as much to do with the development of the Whig Party as with constitutional changes. In France, the balance of partisan forces made it unlikely that an early adoption of “English-style” institutions would have improved credibility. Given the importance of government credibility for different issues, the arguments developed here will be relevant for a wide range of scholars.

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PUBLIC DEBT AND
THE BIRTH OF
THE DEMOCRATIC STATE

France and Great Britain, 1688–1789

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When I first began work on this book I was interested in exploring whether the eighteenth-century experiences of France and Great Britain could provide general lessons about the link between representative democracy and policy credibility. Like many other scholars, I had been influenced by an article published by Douglass North and Barry Weingast in 1989 that argued that the constitutional changes associated with the Glorious Revolution of 1688 had allowed the British state to commit to repaying its debt and thus to gain unprecedented access to finance. Their argument also seemed well supported by the experience of ancien régime France, where the monarchy had near absolute authority, yet it struggled to find deficit finance and regularly resorted to default. While fascinated by the comparison, I was struck by several unanswered questions; most importantly, why would granting greater authority to Parliament in the United Kingdom result in commitment to repay debt when government creditors at this time had only limited representation in the House of Commons? I was also surprised to discover that many historians of eighteenth-century Britain considered that the emergence of cohesive political parties after 1688 was as significant a development as the constitutional changes following the Glorious Revolution. To confront these issues, in this book I have sought to develop new theoretical propositions about public debt and democratic politics and then evaluate them using historical evidence from France and Great Britain during the eighteenth century. In doing so I have been helped by a great number of people, all of whom have proved open to a research project which is necessarily interdisciplinary. A number of people read and commented on several preliminary papers that laid the basis for the final book, including Lawrence Broz, Keith Dowding, Macartan Humphreys, Phil Keefer, Gilat Levy, Richard Mash, Ken Scheve, Ken Shepsle, Barry Weingast, and Stewart Wood. I was also fortunate to
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