This volume examines the major trends in public finance in developed capitalist countries since the oil crisis of 1973. That year’s oil shock quickly became an economic crisis, putting an end to a period of very high growth rates and an era of easy finance. Tax protests and growing welfare costs often led to rising debt levels. The change to floating exchange rates put more power in the hands of markets, which was associated with a growing influence of neo-liberal thinking. These developments placed state finances under considerable pressure, and leading scholars here examine how the wealthiest OECD countries responded to these challenges and the consequences for the distribution of wealth between the rich and the poor. As the case studies here make clear, there was no simple ‘race to the bottom’ in taxation and welfare spending: different countries opted for different solutions that reflected their political and economic structures.

Marc Buggeln is Lecturer in Contemporary History at Humboldt University, Berlin.

Martin Daunton was Professor of Economic History at the University of Cambridge from 1997 to 2015, and previously Astor Professor of British History at University College London.

Alexander Nützenadel is Professor of Economic and Social History at Humboldt University, Berlin.
The Political Economy of Public Finance

*Taxation, State Spending and Debt since the 1970s*

Marc Buggeln
*Humboldt-Universität zu Berlin*

Martin Daunton
*University of Cambridge*

Alexander Nützenadel
*Humboldt-Universität zu Berlin*
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List of Contributors

STEFANO BATTILOSSI is Associate Professor of Economic History and Jean Monnet Chair of the History of European Monetary and Financial Integration at Universidad Carlos III, Madrid. His research interests include international banking, financial regulation, fiscal policy and the development of securities markets in historical perspective, with a special focus on western Europe in the nineteenth and twentieth centuries. He has published papers in The Economic History Review, the European Review of Economic History and Cliometrica, and contributed chapters to the Cambridge Economic History of Modern Europe (Cambridge: Cambridge University Press, 2010), The Oxford Handbook of the Italian Economy since Unification (Oxford: Oxford University Press, 2013) and The Oxford Handbook of Banking and Financial History (Oxford: Oxford University Press, 2016). He is editor (with Y. Cassis) of European Banks and the American Challenge: Competition and Co-operation in International Banking under Bretton Woods (Oxford: Oxford University Press, 2002); and (with J. Reis) State and Financial Systems in Europe and the USA: Historical Perspectives on Regulation and Supervision in the Nineteenth and Twentieth Centuries (Farnham: Ashgate, 2010). He serves as managing editor of the Financial History Review.

Contributors


MARTIN DAUNTON is Emeritus Professor of Economic History at the University of Cambridge, where he was Head of the School of the Humanities and Social Sciences until retiring in 2015. He is the author of Trusting Leviathan: The Politics of Taxation in Britain, 1799–1914 (Cambridge: Cambridge University Press, 2001); Just Taxes: The Politics of Taxation in Britain, 1914–1979 (Cambridge: Cambridge University Press, 2002); and of two surveys of British economic history since 1700. He is currently completing a book on the economic governance of the world since 1933.


GISELA HUERLIMANN is a senior researcher at the Institute of History and chair of the History of Technology at ETH Zurich, and a senior lecturer at the University of Zurich. Her publications include ‘Steuern’, in
Contributors


DAVID K. JESUIT is Professor of Political Science and Public Administration at Central Michigan University, Mount Pleasant. From 2000 to 2003 he served as project manager of the Luxembourg Income Study. His research has been published in *Political Research Quarterly*, *Social Science Quarterly* and *Socio-Economic Review*, among other journals. He was co-editor of and contributor to *Governance and Public Management: Strategic Foundations for Volatile Times* (London: Routledge, 2014).

BENJAMIN LEMOINE is a researcher in political science and socio-economics at CNRS and has been based at Paris Dauphine University (IRISSO) since 2013. His most recent publications include *L’ordre de la dette. Enquête sur les infortunes de l’état et la prospérité du marché* (Paris: La Découverte, February 2016); ‘Dealing with the State. The Politics of French Sovereign Bond Transaction and Wholesaling’, *Sociétés Contemporaines* (December 2013); and ‘Measuring and Restructuring the State: Debt Metrics and the Control of Present and Future Political Order’, in D. King and P. Le Galès (eds.), *Transforming European States* (Oxford: Oxford University Press, forthcoming). After developing a genealogical approach to the problem of public debt in France in order to show how sovereign debt techniques not only shape economic and social policies, but also political entities such as states and cities, he is now working on public debt diplomacy and the politics of sovereign debt restructuration, as well as the relationship between law, private finance and the reshaping of sovereign debt, where his current fieldwork is in Argentina, Greece and the United States.
Contributors

PETER H. LINDERT is an economic historian, Distinguished Professor of Economics at the University of California – Davis, and a Research Associate of the National Bureau of Economic Research. His works on the welfare state and inequality include his prize-winning Growing Public: Social Spending and Economic Growth since the Eighteenth Century (Cambridge: Cambridge University Press, 2004); and (with Jeffrey G. Williamson) Unequal Gains: American Growth and Inequality since 1700 (Princeton, NJ: Princeton University Press, 2016). With Leticia Arroyo Abad he is currently writing on the history of fiscal redistribution.


ALEXANDER NÜTZENADEL is Professor of Economic and Social History at Humboldt University of Berlin. Publications include Stunde der Ökonomen. Wissenschaft, Expertenkultur und Politik in der Bundesrepublik 1949–74 (Göttingen: Vandenhoeck & Ruprecht, 2005); (ed. with Christoph Strupp) Taxation, State and Civil Society in Germany and the United States from the 18th to the 20th Century (Baden-Baden: Nomos, 2007); (ed. with Cornelius Torp) Economic Crisis and Global Politics in the 20th Century (London: Routledge, 2013). He is currently working on a book on real estate markets and financial crisis 1870–1930.

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