Marketing Sovereign Promises

How did England, once a minor regional power, become a global hegemon between 1689 and 1815? Why, over the same period, did it become the world’s first industrial nation? Gary W. Cox addresses these questions in Marketing Sovereign Promises. This book examines two central issues: the origins of the great taxing power of the modern state, and how that power is made compatible with economic growth.

Part I considers England’s rise after the revolution of 1689, highlighting the establishment of annual budgets with shutdown reversions. This core reform effected a great increase in per capita tax extraction.

Part II investigates the regional and global spread of British budgeting ideas. Cox argues that states grew only if they addressed a central credibility problem afflicting the ancien régime – that rulers were legally entitled to spend public revenue however they deemed fit.

Gary W. Cox is the William Bennett Munro Professor of Political Science at Stanford University. Cox has written numerous articles and is the author of The Efficient Secret (winner of the 1983 Samuel H. Beer Dissertation Prize and the 2003 George H. Hallett Award), coauthor of Legislative Leviathan (winner of the 1993 Richard F. Fenno Prize), author of Making Votes Count (winner of the 1998 Woodrow Wilson Foundation Award, the 1998 Luebbert Prize, and the 2007 George H. Hallett Award), and coauthor of Setting the Agenda (winner of the 2006 Leon D. Epstein Book Award). Cox was elected to the American Academy of Arts and Sciences in 1996 and the National Academy of Sciences in 2005.
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Marketing Sovereign Promises

Monopoly Brokerage and the Growth of the English State

GARY W. COX

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How did England transform from a minor regional power into a global hegemon over the long eighteenth century (1689–1815)? Why, over roughly the same period, did it become the world’s first industrial nation?

A powerful line of argument holds that the reform of England’s political institutions after 1689 laid the ground for its later military and economic success. Yet, many prominent economic and political historians have argued that the facts just do not support the institutionalist theory. The stakes in this debate are high because institutionalist ideas have been deployed to explain not only England’s rise but also the great military and economic divergence between Europe and the rest of the world.

The first part of this book reconsiders England’s rise. My account of what changed constitutionally differs from both previous institutionalists and their critics. I stress, for example, a reengineering of the budgetary reversion – to establish what I call rule-of-law budgets – as the root reform. Relatedly, my account of the consequences of constitutional reform differs. For example, I view the enormous increase in per capita tax extraction as the most important single consequence of the Revolution’s reforms, with the revolution in debt being a side effect. Understanding the historical origins of the British state’s great taxing power, and why and how it could be made compatible with political liberty and economic growth, are central issues that this book addresses.

The second part of this book investigates the spread of British constitutional ideas about budgeting to the rest of the world. Theoretically, I argue that states could attain “modern” levels of revenue extraction only if they addressed a central credibility problem afflicting all ancien
régime states: because rulers were legally entitled to spend any revenues they might receive however they saw fit, they could not credibly commit to spend those revenues in particular ways. Empirically, I provide various kinds of evidence that tax receipts per capita reached modern levels only after reforms bolstering the credibility of the executive’s expenditure promises. At the same time, I show that many rulers have reengineered the budgetary reversion in their own favor, with fundamental political and economic consequences.

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