



RSAEM

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Wars, Taxation and Representation: Evidence from Five Centuries of German History

This paper provides causal evidence for the effect of conflicts on the development of representative institutions in Europe. We use novel data on the universe of German cities between 1200 and 1750 to show that cities that experienced higher exposure to conflict subsequently had increased political participation through more electoral power for citizens and larger city councils. In response, citizens provided rulers with their consent to raise taxes. Hence affected cities developed more sophisticated tax systems but also increased spending on public goods. Exogenous variation in conflict intensities comes from changes in German nobles' positions within the European nobility network which we use to instrument for conflict.

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