The Lopsided Political Effects of Proprietary Income

A Comment on Nilsson's The Money of Monarchs

Jørgen Møller

Abstract
Rentier state theory holds that external rents from sources such as natural resources stabilize autocracies and suppress democratization. However, as Nilsson (2017) observes in his recently defended doctoral thesis, in historical perspective rents from the domestic economy in the form of proprietary income have been a much more important source of finance for autocrats. In this comment, I endorse Nilsson's general argument that increases in proprietary revenue tend to facilitate autocratic regime changes. But I identify an important scope condition: domestic proprietary income is likely to have the the same effect as taxation – and hence the opposite effect of what Nilsson theorizes – if the extraction of it visibly affects the lives of the public in adverse ways. In this situation, proprietary income creates political opposition among the citizens, in turn destabilizing autocracy and facilitating the development of institutions of constraints. This is demonstrated by revisiting an important development in the High Middle Ages, namely the opposition sparked by monarchs' manipulation of coinage in the Iberian Peninsula. These events paved the way for a "money-tax" agreed upon in the nascent representative institutions. This, in turn, sheds additional light both on the origins of medieval parliaments and on the political effects of proprietary income.

Introduction

The most prominent theoretical insight to come out of "Middle East Studies" is surely "rentier state theory". This body of theory claims that the access to external "rents" from sources such as natural resources, remittances, foreign aid, tourism and tolls have stabilized autocracies in the Middle East and Northern Africa in the period after decolonization, and especially since the oil crisis in the 1970s (e.g. Mahdavy 1970; Beblawi 1987; Ross 2001; 2015). There are three core characteristics of such rents: they derive from external sources, they

Jørgen Møller är verksam vid Statsvetenskapliga institutionen, Aarhus universitet.
E-post: jm@ps.au.dk

accrue directly to the state, and their extraction engages only a small minority of domestics (Beblawi 1987; see Ross 2001, 329). Though critics exist, there seems to be a general agreement that external rents of this ilk stabilize autocracies, particularly via what Michael J. Ross (2001) terms the "rentier effect" and the "repression effect", respectively.[1]

External rents are not a novel phenomenon. For instance, a number of scholars have observed that the Castilian incomes from American silver allowed the Spanish Habsburgs to become more autocratic in the 16th and 17th centuries (e.g. Tilly 1990, 124–125; Karl 1997, Chapter 2). However, in historical perspective, what might be termed "domestic rents" have been much more prevalent. These domestic rents have accrued from sources of income under direct control of monarchs, whether due to royal ownership or traditional "regalian rights". The most well-known is income from landownership, that is, from rulers' demesne or domain. But we find many other examples of domestic rents, ranging from tolls and state monopolies to income from the sale of offices.

This is the point of departure for Klas Nilsson's (2017) *The Money of Monarchs: The Importance of Non-Tax Revenue for Autocratic Rule in Early Modern Sweden*. In this elegantly written thesis, which was defended successfully at Lund University in February 2017, Nilsson takes rentier state theory as a starting point in order to shed new light on regime developments in in early modern Europe in general and early modern Sweden in particular. He presents a straight and simple claim: access to streams of non-tax revenue facilitates autocratic regime changes. While a number of social scientists and historians have made observations that may be said to support this point (see Nilsson 2017: 45–47),[2] to my knowledge Nilsson is the first to theorize this argument in a more general sense.

To do so, he conceptualizes non-tax revenue as "proprietary", that is, flowing from assets over which the ruler claims direct ownership. This distinguishes these incomes from public revenues, which are levied on assets owned by citizens. To know when a revenue is proprietary and when it is public, Nilsson embeds perceptions of legitimacy of ownership into his conceptualization. On this basis, *The Money of Monarchs* proposes a new, *autarkic* path of European

1 The "rentier effect" makes autocrats immune from the need to tax their citizens and able to bribe the population using windfalls from proprietary income. The "repression effect" consists in the ability to use the rents to boost repressive agencies such as the police and the army (Ross 2001, 332–336).

2 An example that I came across while reading Nilsson's work is Wim Blockmans's (1998: 35) article on "Representation" in *The New Cambridge Medieval History, Vol. VII* where he notes that "…not all monarchical states developed representative institutions: the silver mines of Thuringia and Meissen allowed their princes a sufficient income not to have to appeal to their subjects until the fourteenth century, as did its grain revenues for the Teutonic Order in Prussia". Tellingly, Blockmans does not pursue this point.

regime formation, where hikes in proprietary revenue pave the way for autocratization. This theoretical argument is applied empirically in an in-depth analysis of three key historical episodes in early modern Sweden: the reigns of Gustav I (r. 1523–1560), Karl XI (r. 1672–1697), and Gustav III (r. 1771–1792). This empirical analysis contributes to a better understanding of the Swedish case, which has puzzled many scholars (compare Anderson 1974; Tilly 1990; Downing 1992; Ertman 1997).

This brief summary does not do full justice to the thesis, which includes a number of other contributions. But it captures the core idea: that in historical perspective, proprietary income generally has the same effects as "external rents" in resource rich countries today (Nilsson 2017, 5). I fully endorse this argument. But in what follows, I claim that this relationship is bound by an important scope condition, namely that the proprietary revenue in question does not spark significant domestic contention. As alluded to above, Nilsson tries to handle this problem via perceptions: if citizens do not perceive the asset to be proprietary, then by definition we are dealing with the kind of public revenue that does spark contention – and therefore according to a large literature facilitates the opposite of autocratization, namely constraints on the rulers.[3]

There are several problems with this solution. First, perceptions are blurry, meaning that it is often difficult to establish empirically whether a particular asset is proprietary or not. Second, in empirical terms this demarcation creates a potential problem of circularity as we only know that a revenue is proprietary when it is demonstrated that people accept this, which could easily be taken to mean that they do not protest against it. However, my main objection is much more straightforward. As we shall see, even if ownership is clearly recognized by broad swatches of the populace, under a specific set of circumstances proprietary revenue can still spark significant political opposition. In this situation, proprietary revenue is likely to foster opposition which can lead to a political settlement where the autocrat accepts certain limitations on his/her power. This, in turn, helps shed light on some of the scope conditions for rentier state theory, an issue I return to in the Conclusions. Furthermore, this finding also contributes to the voluminous recent scholarship on the origins of medieval representative institutions (e.g. Stasavage 2010; 2016; Van Zanden et al. 2012; Blaydes & Chaney 2013; Abramson and Boix 2014; Boucoyannis 2015; Møller 2017).

3 This idea goes back to the core insight of "fiscal sociology" that it was the medieval transition from the "domain state" to the "tax state" that caused the rise of representative institutions – and hence constraints on the executive – in Europe (Schumpeter 1991[1917/1918]; see Moore 2004; see also Mann 1988, 116; cf. Nilsson 2017, 3).

The Argument

My argument about the political effects of proprietary revenue can be understood via the very causal process that these incomes – according to Nilsson (2017) – are supposed to short circuit, namely the resistance historically unleased by taxation (Schumpeter 1991[1917/1918]; Hintze 1975[1931]; Zagorin 1982; Tilly 1990; Moore 2004). The point is that under particular circumstances the extraction of proprietary income is no different from any other attempt to mobilize the domestic economy for state-building, political repression or warfare (Zagorin 1982; Parker 1996 [1988]; Tilly 1990; Downing 1992).

This can be understood via Tilly's (2006, 423) notion of the "extraction-resistance-settlement cycle". In medieval and early modern Europe, this cycle was unleashed when the princes' extraction of resources had adverse consequences for the livelihood of particularly elite groups. This bred political opposition, which the rulers had an interest in trying to defuse. This was initially done via relatively loose agreements, which – due to commitment and monitoring problems – were vulnerable to breaking down. Over time, renewed reistance paved the way for a more effective compromise. The best way of achieving such a lasting settlement was by embedding the agreement in power-sharing institutions that reduced commitment and monitoring problems (Svolik 2012). Such a settlement insured that neither party – the monarch or the elites – reneged.

In medieval Europe, these institutions normally took the form of parliaments or representative institutions. More particularly, as long ago pointed out by Blockmans (1978, 200–202), early representative institutions were used as a forum where elite groups attempted to safeguard their economic interests (see also Blockmans 1998, 52, 57–60). The very fact that these economic interests became the object of sustained bargaining between princes and elite groups in political institutions had two important side effects: First, it contributed to shoring up representative institutions as permanent political institutions; second, it contributed to increasing the sense of what was public in a society where the state apparatus, such as it was, had traditionally been seen as an outgrowth of the prince's household.

In what follows, this argument is applied empirically via a focus on the proprietary revenue that accrues from the regalian right to mint coins.[4] The stability of the coinage was arguably was the most important economic issue for elite groups in the High Middle Ages. Bargaining over a stable coinage was therefore something that occurred all over Europe, and the solution found was broadly similar in many places, namely that rulers "sold" a stable coinage against a tax granted by elite groups in representative institutions (Bisson 1979; Kagay 1981; Blockmans 1978, 200–202; 1998, 57–58). More particularly, the historical investigation below shows how bargaining over a stable coinage contributed to the

4 Nilsson (2017: 34; 149) lists this as a specimen of proprietary revenue several times in his thesis.

development of the first documented representative institutions in medieval Europe, namely those of the Christian realms of the Iberian Peninsula. It also shows how the consequent political settlements stabilized rule and increased the public realm.

Historical analysis

After the breakdown of the Carolingian order in the 9th and 10th centuries, the Christian parts of the Iberian Peninsula knew little in the sense of public order as castle-based elites dominated and waged private wars on each other (Bisson 1977, 290; 2009; Kagay 2003, 60–61). In this anarchical setting, the right to mint coins (*moneta*) – which had traditionally been a regalian right and responsibility (Bisson 1979, 2; Procter 1980, 26) – had to a large extent seized to be a public institution. As Thomas Bisson (1979, 5–7) points out in *Conservation of Coinage*, coinage in the 10th and 11th centuries had become confused with patrimonial income, indeed, it had become what he expressly terms "proprietary". Local rulers not only achieved rents from the operation of minting coins in general but also regularly debased coins to take a cut of the precious metal.

Especially the latter practice, which created inflation, had adverse consequences for important elite groups, including townsmen and nobles. First, debasement was a nuisance for commercial transactions and therefore harmed townsmen (Blockmans 1998, 60). Second, it also hurt landed elites who derived a large part of their income from nominally "fixed incomes from dues, rents, and tolls" (Bisson 1979, 60). In the Iberian Peninsula and parts of Southern France, these practices paved the way for an interesting compromise where monarchs, as part of a more general "peace", began to "sell" elite-groups a promise not to debase coins for a specified period (Bisson 1979, 13). Recall here that the control of coinage was proprietary, a regalian right. In contemporary parlance what historians now describe as a "money-tax" was thus at first seen as a "ransom", that is, as a sale, not a tax (Bisson 1977, 298–99).

The assemblies that historians have traditionally regarded as the first instances of genuine representative institutions in medieval Europe were seemingly called to facilitate this sale. There is a general consensus in the literature that the first medieval representative institutions were summoned by King Alfonso IX in the realm of Leon in 1188, 1202, and 1208 (Marongiu 1968, 61–62; Van Zanden et al. 2012, 838; Boucoyannis 2015, 315, fn. 86). At the second of these assemblies, the towns of Leon established a precedent by granting King Alfonso the aptly termed *moneda* against a promise of not debasing the currency for a seven-year period (O'Callaghan 1975, 267; Procter 1980, 54, 108).[5]

5 Again, according to historians, Alfonso IX basically "sold" the promise of stable coinage at this occasion (Procter 1980, 54).

This tax was later levied by the kings of Leon-Castile (the two realms had unified in 1230). For instance, at the *cortes* at Valladolid in 1282, King Sancho IV received the *moneda* against a promise of stable coinage (O'Callaghan 1989, 134). Likewise, it was granted by the towns of Portugal under the name of *monetagio* at the first Portuguese *cortes* at Leira in February 1254, and by 1261 it had been established that the Portuguese *cortes* should authorize future changes of the coinage (O'Callaghan 1975, 361)

On the basis of the admittedly scarce historical evidence, the money-tax of Leon, Leon-Castile, and Portugal seems to be a classic case of a *quid-pro-quo* between rulers and their elites. As any other such political settlement, it was vulnerable to rulers pocketing the ransom and then reneging on the agreement. This probably explains why the bargain was sealed in the *cortes* (cf. Svolik 2012). However, it is difficult to fully appreciate these dynamics because the royal archives for Leon and Castile in the medieval period have not come down to us intact (Procter 1980, 2). To analyse the origins and institutionalization of the Iberian money-tax, it therefore makes more sense to turn to the neighbouring Crown of Aragon where the royal archives have survived and where the data is therefore more plentiful (Kagay 1981, 1).

COINAGE IN THE CROWN OF ARAGON

The Crown of Aragon was a composite "count-kingdom" [6] created in 1137 when the county of Catalonia and the kingdom of Aragon were joined under a common ruler. It later expanded via the acquisition of the kingdom of Valencia. The first evidence of a "money-tax" in this area can be dated to 1118, where the count of Barcelona received it at Cerdanya (Bisson 1979, 51–52). It became a regular phenomenon under the name of *monedaje* after 1205 where count-king Peter II seemingly received it in several parts of his realm (Bisson 1977, 298; Kagay 1981, 112, 157). During the long reign of count-king James I – aka. the Conqueror – between 1213 and 1276 "the confirmation of coinage became the ruler's concession for the consent of his magnates and towns to taxes" (Bisson 1979, 114).

I have compiled an original dataset of assemblies in the Crown of Aragon in the period 1100–1327, which makes it possible to analyse the political processes surrounding the *monedaje* in-depth. The dataset is coded on the basis of a PhD dissertation by a historian which, based on an extensive survey of primary sources, maps all assemblies in the Crown of Aragon's four political subunits Aragon, Catalonia, Valencia, and Aragon-Catalonia(-Valencia) in the period 1064–1327 (Kagay 1981; see Møller 2017). For each assembly, the dataset reports

6 After 1137, the Aragonese monarch was count of the county of Catalonia but king of Aragon (and after 1238 also king of Valencia).

whether one or more of the following reasons for summoning applies: taxation (not related to coinage), coinage, land peace, war, and succession.

This dataset thus makes it possible to isolate the assemblies where a "money-tax" was granted. We find a total of 107 assemblies in the Crown of Aragon in the period 1100–1327. The *monedaje* was granted at no less than 10 of these instances. As already mentioned, the first money-tax was received by count Ramon Berenguer III at an assembly at Cerdanya in 1118. As reported in Table 1, the other nine instances date to the reigns of James I and James II (r. 1285–1295).

Table 1. Assemblies where a "money-tax" (coinage) was agreed, The Crown of Aragon, 1100–1327

Political unit	**Time and place**	**Ruler summoning**	**Type of assembly**	**Groups summoned**	**Reasons for summoning**	**Concessions granted**
Catalonia	1118 (April 4), Cerdanya	Ramon Berenguer III	Pre-parliament	Nobles, clergy	Coinage, Land peace	None
Aragon-Catalonia	1217 (June 19), Monzon, June 19	James I	Pre-parliament	Nobles, clergy, townsmen	Coinage	None
Aragon-Catalonia	1218 (Sept. 5), Lerida	James I	Pre-parliament	Nobles, clergy	Coinage, Land peace, Succession	None
Aragon	1221 (April 19), Monzon, April 19	James I	Pre-parliament	Nobles, clergy	Coinage	None
Aragon	1223 (March 18), Daroca	James I	Parliament	Nobles, clergy, townsmen	Coinage	None
Aragon-Catalonia	1236 (Oct. 15), Monzon	James I	Parliament	Nobles, clergy, townsmen	Coinage, Land peace, War	None
Valencia	1266 (April 13), Valencia	James I	Parliament	Townsmen	Coinage	None
Catalonia	1292 (March 21), Barcelona	James II	Parliament	Nobles, clergy, townsmen	Coinage, Taxation	Fixed assemblies, Appoint officials
Aragon	1300 (Aug–Sep), Zaragoza	James II	Parliament	Nobles, clergy, townsmen	Coinage, Taxation, War	None
Aragon	1307 (Aug–Sep), Zaragoza-Alagon	James II	Parliament	Nobles, clergy, townsmen	Coinage	Fixed assemblies

As Table 1 shows, the dataset also registers whether the assemblies were what Marongiu (1968) terms "pre-parliaments" or genuine representative institutions/parliaments (operationalized as instances where townsmen attended as representatives of their town councils), which groups attended, and whether

the count-kings gave the assembly the following concessions: fixed convocations; the right to audit expenditure; veto on declaring war; the right to adjudication; and the right to appoint royal officials.

On the basis of these data, a couple of simple observations can be made. First, at Bisson (1979, 51–52) observes the early Catalonian use of the money-tax were intimately connected with the 12th century "peace and truce" movement. This had begun as an attempt by the Church to establish a "Peace of God" (*pax et treuga Dei*) in the anarchical 10th and 11th centuries (Bisson 1977; Kagay 2003, 61) but it was then appropriated by 12th and 13th century rulers as a secular land peace (*pax et treuga*). At Cerdanya in 1118, at Lerida in 1218, and again at Monzon in 1236, the "money-tax" was explicitly linked with – or even subsumed by – the establishment of a land peace. So, the case seems to be that the king first "sold" the *monedaje* against guaranteeing the peace, which included a stable coinage. In these early instances, we thus find pretty clear evidence that "[t]he conservation of coinage was the response of provincial societies to the exploitative moneta of the eleventh and twelfth centuries" (Bisson 1979, 189).

Next, we can note that the use of the money-tax figures prominently in the two periods that have been singled out as most crucial in the development of representative institutions in the Crown of Aragon: the early 13th century and the late 13th and early 14th centuries (Møller 2017; see also Kagay 1981). The former of these periods, circa 1217–1236, was the one where pre-parliaments developed into genuine representative institutions or parliaments (known as *corts* in Catalonia, *cortes* in Aragon). The latter period was the one where these representative institutions consolidated by receiving or usurping a number of hitherto royal prerogatives, including most important future fixed convocations (annual, biennial, or triennial) (Møller 2017). This is also reflected in the broadening of participation – documented in Table 1 – as townsmen come to regularly attend the assemblies. This lends *prima facie* evidence to Bisson's (1977, 309–10) conclusion that the use of assemblies to establish land peace, including a stable coinage, was an important step in the development of the *corts* and *cortes* in Aragon and Catalonia. But let us probe these dynamics more in-depth.

The *monedaje* was granted to James I no less than five times in the period 1217–1236, the first three times in pre-parliaments and the last two times in genuine parliaments where townsmen arrived as representatives of their town councils. In 1205, the *monedaje* had seemingly been levied only once for an entire reign (Peter II's), but in 1223 it was granted against a promise to stabilize coinage for a ten-year period, followed by seven-year periods in 1236 (and again in 1266). At this point in time, no institutional prerogatives were granted to the *corts* or *cortes* as a concession for accepting the money-tax.

Perusing the description of these events in Kagay (1981), we can make some pretty simple observations. First, in spite of his promises and the money-tax, James I kept exploiting the coinage of both Aragon and Catalonia. This was why

the issue was at the center of assemblies in 1217, 1218, 1221, and 1223. Second, the way it was dealt with at these assembles was very much an associative affair which established a series of safeguards to avoid either the king or other persons (say, his councilors or magnates) reneging. For instance, the king and the elite-groups repeatedly promised that counterfeiters would lose their property and be excommunicated, and in 1218 and 1223 a number of so-called *adelantados* from different towns were chosen to police the agreement. Finally, the pause after 1236 seemingly reflects that a lasting deal was worked out so that James I "was assured a fairly steady income in Aragon" (Kagay 1981, 112) against mending his ways with respect to exploiting coinage.

Fast-forward to the second period where the *monedaje* appears, under James II. We find three grants of *monedaje* during James II's rule: in 1292, 1300, and 1307. As the years indicate, the practice of granting it for a seven-year period now seems to have become well institutionalized. Furthermore, based on Kagay's (1981) narrative descriptions, we now find no evidence that the count-king reneged on the agreement and exploited coinage in-between these deals. The stability of the agreement probably owes something to the fact that the representative institutions had now themselves become much more institutionalized – they had become "permanent political institution with definite judicial and legislative functions" (Kagay 1981, 173; Møller 2017). Tellingly, two of the assemblies where coinage was on the agenda also feature royal concessions of future fixed convocations: at Barcelona in 1292 and at Zaragoza-Alagon in 1307.

These developments indicate that over time the *quid-pro-quo* over coinage was sealed with institutional concessions by the monarchs, first in the form of genuine representative institutions, later via the consolidation of these assemblies as permanent public institutions. These concessions seemingly made it easier to uphold the bargain over coinage, just as recent work on power-sharing institutions in autocracies argues (Svolik 2012). More particularly, the developments in The Crown of Aragon corroborates Bisson's (1979, 189) observation that "the immutability of coinage figured among the most basic imperatives upon which an enlarged consultative representation was founded".

Conclusions

In this comment, I have argued that domestic rents – in the form of proprietary income – are likely to create the same opposition as taxation has historically done if the extraction of such income has visibly harmful consequences for (particularly) elite-groups in society. I developed this argument via a dialogue with Nilsson's (2017) work on the *The Money of Monarchs* and applied it in a historical investigation centred on the exploitation of coinage on the Iberian Peninsula in the High Middle Ages. An in-depth analysis of this process in the

Crown of Aragon showed that rulers' manipulation of coinage sparked opposition, which paved the way for a compromise centered on monarchs being granted a "money-tax" in representative institutions against the promise to conserve the coinage for a specified period; first a ruler spell and later a particular number of years. These settlements were initially relatively ineffective but over time – as they became embedded in institutions of constraints – they came to have staying power. This was an important impetus behind the representative institutions that were created in the Crown of Aragon in the 12th and 13th centuries.

The analysis thus shows that an issue that had hitherto been seen as a regalian right was gradually transformed into a public issue that had to be dealt with in representative institutions. This bargaining, which seen from the vantage point of elite groups concerned a vital economic issue, facilitated both the creation of constraints on rulers and contributed to a widening of the public realm. These developments belie the notion that domestic proprietary income always facilitate autocratization or autocratic stability.

Here, we can return to Nilsson's (2017) work. *The Money of Monarchs* actually contains a couple of empirical examples which illustrates this point well. Nilsson at some point analyses Gustav III's attempt to establish a royal distilling monopoly in order to extract rents from thirsty Swedes. This attempt to bolster the state with proprietary revenue "was arguably *not* successful: instead of effectuating a reduction of popular discontent – which was originally generated by the liquor tax – the monopoly instead engendered significant protest, in particular within the peasant estate" (208). So, what we have here is an example of the kind of proprietary revenue that sparks contention because it adversely affects the livelihood of citizens (though peasants rather than elite groups). This can be compared with what is probably the most clear-cut example of proprietary revenue with autocracy-enhancing effects in the thesis, namely Gustav I's silver bonanza from the Sala mine in the mid-16th century. Mining at Sala was mainly done by German settlers who "were not well-positioned to challenge the crown's pretensions to ownership" (149).

Many similar examples could be adduced from a survey of early modern Europe. Take, for instance, the numerous revolts that the proprietary sale of offices sparked in e.g. early modern France (Zagorin 1982). These are normally referred to as "tax revolts" but in fact they were revolts against the attempt to extract rents from the monarchs' proprietary right to name officers such as judges.[7] Nilsson's discussion of these issues show that he has already gone some way towards recognizing that proprietary revenue can sometimes be contentious. What I have done in this comment is mainly to draw out the implications of this. I would like to finish by noting that this is really just a footnote

7 Nilsson (2017: 36) lists such "venality" as an example of proprietary revenue.

to Nilsson's (2017) impressive work. It does not take anything away from his general contribution but only goes to show that causal relationships in social science are often complex or at least intricate.

Turning from medieval and early modern Europe to the present, what are the implications of this footnote for rentier state theory? A very simple point can be made: The autocracy-stabilizing effects of external rents are premised on these rents mainly accruing from sources that are relatively isolated from societal concerns and interactions. The extraction of oil in the Middle East and Northern Africa is probably the best example in this regard. The oil fields are either directly operated by the state or by foreign firms that have bought concessions from the government. Moreover, even where a state firm – such as Saudi Aramco – is in charge, many of the employees are foreign experts or foreign manual labour. In that sense, the oil exploration is isolated from the daily lives of the public, just as was the case for the silver mining at Sala in 16th century Sweden. Moreover, potential societal costs – such as inflationary pressures in the form of "Dutch decease" – are largely invisible even for elite groups.

However, such isolation is not a defining attribute of external rents and other sources can spark opposition that might trump the regime stabilizing effects of rents. For instance, situations were rulers take a cut of remittances from workers abroad – e.g. via currency conversions – might have different effects than oil money, in spite of the fact that rentier state theory has tended to lump the two together. Recall in this connection the recent findings that remittances increase the likelihood of democratic transitions and spur societal protests in autocracies (Escribà-Folch, Meseguer & Wright 2015; 2017). Or take what is a pretty clear equivalent to the medieval manipulation of coinage, namely autocrats' attempt to derive rent from their manipulation of the currency rate. Most recently, this has sparked opposition in Venezuela where the discrepancy between the official and the black-market value of the Bolivar has increased by leaps and bounds.

These examples go to show that the mechanisms identified in the historical investigation are still relevant today. As Nilsson (2017) suggests, it is therefore high time that rentier state theory is tested against evidence from medieval and early modern Europe. More particularly, it follows from these observations that the aggregate effects of proprietary income are only likely to be autocracy stabilizing or autocracy enhancing when the mechanisms identified by Ross (2001) trump the countervailing mechanism theorized above. This may be said to support Beblawi's (1987) original insight that a scope condition of recent rentier state theory is that rents mainly accrue from external sources and engage few domestic workers. Such rents can be extracted at low political costs because they do not affect peoples' daily life in (observably) adverse ways.

Two other implications are worth fleshing out. First, the analysis shows that institutions constraining the executive can be an outgrowth of domestic politi-

cal conflicts – not solely something created by external conflict. This is important because a number of authors have recently argued that in the absence of the generalized geopolitical competition that characterized Europe from the High Middle Ages onwards, the development of such institutional checks is not to be expected (e.g. Tilly 1990; Krasner 2005). Second, the findings identify one of the ways in which the advent of representative institutions affected subsequent state-building (Møller 2015). By making public issues that had traditionally been patrimonial or proprietary, representative institutions facilitated the later advent of bureaucratic institutions, which were premised on removing the distinction between the proprietary ownership of rulers over the state apparatus, on the one hand, and the common weal, on the other (Ertman 1997).

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