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TAXATION AND VOTING RIGHTS IN MEDIEVAL ENGLAND AND FRANCE

Yoram Barzel and Edgar Kiser

ABSTRACT

We explore the relationship between voting rights and taxation in medieval England and France. We hypothesize that voting was a wealth-enhancing institution formed by the ruler in order to facilitate profitable joint projects with subjects. We predict when voting rights and tax payments will be linked to each other, as well as to the projects inducing them, and when they will become separated. We classify taxes into three types: customary, consensual and arbitrary. Customary taxes that did not require voting were dominant in both countries in the early medieval period. These payments, fixed for specific purposes, were not well suited for funding new, large-scale projects. Consensual taxation, in which voting rights and tax payments were tightly linked, was used to finance new, large-scale collective projects in both England and France. Strong rule-of-law institutions are necessary to produce such taxes. In England, where security of rule remained high, the relationship between tax payments and voting rights was maintained. In France, an increase in the insecurity of rule, and the accompanying weakening of voting institutions, produced a shift to arbitrary taxation and a disjunction between tax payments and voting rights. These observations, as well as many of the details we consider, are substantially in conformity with the predictions of our model.

KEY WORDS • medieval history • taxation • voting

Introduction

The relationship between taxation and voting rights has been a central issue in political philosophy and the cause of significant political disputes, as ‘no taxation without representation’ exemplifies. Yet social scientists have neither developed a theory nor conducted empirical analyses of the relationship. In this article, we spell out conditions under which the links between voting rights and tax

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payments will be strengthened or weakened. We address several specific historical questions, including: (1) Why was consent via voting in medieval states required for some taxes but not for others? (2) What is the relationship between the decline of feudalism and the development of voting institutions? And, (3) Why did the French nobility first pay direct taxes, then get an exemption from them, while their English counterparts paid throughout?

Medieval taxation consisted of distinct types of taxes whose purpose changed dramatically during the period. Schumpeter ([1918] 1954) referred to this change as the transition from 'domain states' to 'tax states' and Weber ([1922] 1968) called it the transition from 'traditional' to 'rational-legal' forms of authority. Their typologies, however, do not suit our purposes, since they do not focus on the relationship between taxation and voting rights. We distinguish among *customary taxes*, which do not require voting rights, *consensual taxes*, for which voting is required, and *arbitrary taxes*, which the ruler can set at will. Schumpeter's 'domain state' roughly matches our customary taxation, but his 'tax state' does not differentiate between consensual and arbitrary taxation – a distinction central to our analysis. Weber's 'traditional authority' combines both our customary and arbitrary forms of taxation, and his 'rational-legal' authority can include the arbitrary as well as the consensual form which he sees as dominant.

Schumpeter (1954: 16) argues that rulers' needs to fight more frequent wars led to the transition from a domain state to a tax state. The ruler's increased need, however, does not explain why consensual taxation replaced customary taxation in some places but arbitrary taxation replaced customary taxation in others. In addition, it takes two to fight. Schumpeter's argument focuses on the response of one state but fails to explain why wars became more frequent. We address these issues and provide an explanation of the transitions from one type of taxation to another. Weber, mainly interested in typology, did not provide a causal analysis of the transition from traditional to rational-legal forms (Bendix 1960: 383).

Studying the relationship between taxation and voting in medieval England and France in the early stages of the development of their voting institutions is relatively easy.¹ The voting institutions and tax systems that exist in contemporary democracies are complex structures that have been modified over the centuries. Both voting and taxes in most modern states encompass numerous state policies

(projects), each of which affects different subsets of citizens. For that reason, it is difficult to disentangle the causal relations between tax payments, voting rights, and state projects. The number of projects initiated in medieval voting institutions is small. Both English and French state taxes were confined mostly to war finance. These circumstances greatly simplify the empirical exploration of our arguments.¹ Although reliable quantitative data on taxation in this period are lacking (Major 1960: 21; Henneman 1967: 295),² qualitative data exist that allow us to test our model.

Our central hypothesis is that consensual taxation emerged as a result of the cooperation between (individually maximizing) rulers and subjects when acting as business partners. By this view, new taxes, to be spent at the ruler's discretion, were not extortionary payments but rather investments in particular projects. Efficiency requires that the partners of joint ventures share both in the venture's decision-making and in its residual. Specifically, when the contributors to a project have votes on its management proportional to their (marginal) contributions (taxes here) and to their share in the reward, the expected net income from the project is maximized. The collaboration, then, is expected to increase the size of the pie to be divided between the ruler and his voting subjects. The formation of voting institutions is an unintended consequence of the collaboration.

The agreements between rulers and subjects are enforced by long-term relations.³ Enforcement is especially fragile in the formative stages of the voting institutions. In Barzel (2000) and Barzel and Kiser (1997), we single out three factors that reduce the value of voting institutions and cause their decline: (1) exogenous shocks, (2) increases in the heterogeneity of voters' interests in state projects (see also Hoffman and Norberg 1994: 310), and (3) increases in the insecurity of rulers. The first two factors did not change significantly in France relative to England during the study period. The third factor, however, is useful for us because it changed in France much more than in England and it affords us the opportunity to test the main propositions of this article.

In sharp contrast to our approach, most explanations of the emergence of medieval voting institutions are based on a zero- or negative-sum game. They assert that initially the rulers were able to impose taxes arbitrarily (Poggi 1978; Tilly 1990; Olson 1993). As the nobility and other groups gained more power, they forced the king to transfer voting rights to them and to reduce their tax

burden. These writers also contend that both voting rights and tax payments reflect only the relative power of rulers and subjects (e.g. Tilly 1990: 64). They argue that as subjects became more powerful they got voting rights and were able to avoid paying taxes, while those becoming weaker were forced to pay taxes and were excluded from voting. For example, Poggi (1978: 36–42, 60–61) states that the development of medieval representative assemblies is caused by the increasing power of towns, and that their decline, and the resulting disjunction between tax payments and voting rights, is due to the increasing power of rulers.

Viewing all taxes as the consequence of only relative power cannot account for the actual relationships between taxation and voting rights in the medieval period (Hoffman and Norberg 1994). We agree that in the Middle Ages, as is the case in general, relative power determined the (initial) distribution of wealth and the corresponding tax burden. Rulers' attempts to impose new taxes, however, required consent. Moreover, the rich and powerful subjects who voted for taxes imposed them almost exclusively on themselves rather than on poor and powerless subjects who lacked voting rights.

Our argument that in the medieval era rulers and subjects made certain agreements that set the relationships between taxes, voting, and state projects is illustrated in medieval maxims that sound like platitudes but in fact reflect the agreed-upon behavior. One maxim regarding the relationship between the state and its subjects was that 'what touches all should be approved by all' (Strayer 1971). It was common to feudal law, customary law, and revived Roman Law in medieval Europe. We suggest that this maxim reflected real practices and was not an empty exhortation. A ruler who sought an extraordinary service or payment for a project he proposed had to ask for the approval of those affected by it. This maxim indicates a mode of behavior that corresponds to our basic premise: all asked to pay new taxes (i.e. beyond the initial customary payments) should have a say on it. One way of having a say is through voting rights. This maxim also implies that when the original 'customary' taxes were set the ruler securely committed not to increase them or raise new ones without the consent of all taxpayers.

Another maxim, one whose implementation would affirm the previous one, was 'when the cause ceases, the effect also ceases'. Tax payments in medieval Europe were linked to specific projects. The particular project is the 'cause' for which a tax was requested,

most often a looming war, and the 'effect' was the tax collected for the project. If the war did not materialize, the investment shares were expected to be returned, and, in fact, they usually were (Brown 1972).

These maxims were followed in England through our entire period, and through its earlier stage in France. Of course, maxims like these two are only indications of consensual aspects of taxation, not explanations of it. These maxims affected actions only to the extent that they were enforced by some collective action mechanism that could constrain the ruler. The institutional collective action mechanism for enforcement in the early medieval period when these maxims originated, it seems, was the feudal council (Sacks 1994: 18).

The Model

Novel to our approach is the perception of the ruler (monarch) and his subjects as wealth-maximizing business partners.⁴ We model the characteristics of the agreements between kings and subjects. We first note that medieval kings had the right to initiate all new projects, especially those at the national level. Medieval war projects, offensive and defensive, were that era's main venture that required large-scale collaboration in execution as well as in financing. Many consider power as the sole motive for action by both the king and subjects. In our model, power (implicitly) determines the initial wealth, and is desired for its ability to effect and prevent wealth transfers. It is not, however, anybody's sole objective, or sole utility function argument.

We proceed by analyzing a narrowly specified situation. A large-scale project that may benefit many individuals emerges. How should the project be financed and managed? The ruler could finance it himself, or raise the funds by imposing arbitrary taxes, and then use employed managers that he supervises to run it.⁵ Neither the individuals paying arbitrary taxes, nor those supplying management services for wages, are highly motivated to maximize the value of the projects in which they participate. We focus on projects that would benefit significantly from highly motivated participants. For these projects the king needs assistance in acquiring information on their value, as well as with their management and financing. Kings, then, would choose to develop projects jointly with some

of their subjects and let the project investors manage them. One form of cooperation is via voluntary investment where voting is used to make decisions.

One fundamental maximization principle that guides our analysis is that each individual's marginal reward should equal his marginal contribution. We expect the parties to structure their agreements so as to approximate this condition and thus maximize the net value of the projects they undertake (see also Buchanan and Tullock 1962: 85–96). A related maximizing principle, provided a project is worthwhile, is that its maximizing scale is where one extra dollar invested in it generates just one dollar in benefits. We expect the parties to attempt to operate at such a scale. The choice of the optimal scale is a simple matter when a single person finances the project and sells its services, but not when many individuals participate in it. In the case of military projects, many individuals had to contribute to finance them and to carry them out. The benefits from defensive (and to some degree offensive) military effort were primarily the avoidance of individuals' property loss. Being largely a public good, the benefits from the offensive effort to any individual were not separable from those to others.

We assume that the participants are aware of the benefits the project will generate. Suppose that for such projects the following will take place: 1. Individuals are assigned investment shares proportional to their benefits in order to finance it. 2. Information on the functional relationship between the scale of the project and its cost is centrally provided. 3. Individuals get to vote on the level of their investment, thus determining the scale of the project. 4. Once voted on, the individual's investment contributions are made compulsory, and thus are 'taxes'. Under these conditions the vote on the project would be unanimous, and its level would be optimal.

Applied to medieval England and France, our hypothesis is that as long as the rulers there were secure in their positions, they attempted to approximate the above arrangements, subject, however, to the costs of forming and maintaining the appropriate institutions. They had to see to it, then, that the benefits from the projects would be tightly tied to new taxes to be voted for by the projects' beneficiaries. Correspondingly, we expect them to have formed voting institutions to make decisions with regard to such projects. What rules or principles are such voting institutions expected to follow? If voting institutions are to maximize the value of the projects voted on and thus operate efficiently, only those contributing

to joint ventures and rewarded by a claim on the residual should vote, and only voters should make contributions.

Since rulers gain from such institutions, we expect them to create and enhance them. The agreements between rulers and subjects arrived at by way of these votes define the contributions of participants and the distribution of the gains between them, particularly their claims over the projects' residual income to induce the partners to make the project a success.⁶ The taxes here are voluntary investment shares, and voters choose whether they agree to such taxes, and what the tax rate should be.⁷ The taxes are compulsory only to prevent free riding. It is evident that subjects expect to gain from the taxes they vote for. Such taxes thus cannot be confiscated by the ruler.

Ideally, rulers and subjects would set the amount and type of tax payments to fit the nature of benefits produced by different projects. Erecting voting (and other) institutions is costly, however, and therefore the same institutions may be used for multiple purposes. If voting institutions are to be used on a continuing basis to finance projects as they emerge, a flexible tax system may allow a close match of payments to benefits. High collection costs for some types of taxes, however, limit the flexibility of tax systems and thus the precision with which benefits are matched to tax payments.

We expect tax payments and voting rights to be separated even when taxation is consensual under two types of circumstances, and then only temporarily. First, if the threat of an invasion materializes quickly, rulers may be granted the right to collect taxes without full consent through voting. This type of emergency is expected to be of short duration, so subjects will allow the ruler to collect taxes without voting only temporarily. Moreover, to prevent the ruler from becoming more autocratic during this period, we expect that control over him will be tightened.

Second, a temporary disjunction between voting rights and tax payments also may occur if conditions change slowly. For example, slaves or serfs are expected neither to vote nor to pay taxes for defense projects, as they are not much affected by the war outcome and are not residual claimants to its effects. However, as they become free and accumulate wealth, they stand to benefit from defense projects. As long as they are not taxpayers, defense projects produce positive externalities for these subjects. It is prohibitively costly, however, to start taxing each of the individuals as soon as they become beneficiaries. These subjects, then, may not immediately

gain voting rights and pay taxes. Eventually, however, these non-voters who are gradually becoming beneficiaries from state policies are expected to contribute to their funding, and sooner or later be included as voters as well. The reason is that rulers and other participants in voting institutions will attempt to internalize externalities. Another aspect of the last point is as follows. A transition in economic conditions may call for a switch to a new institution. Institutions tend to change abruptly. We expect, though, that during the transition period, until the appropriate institutions are formed, tensions will build up.

We now turn to the security of rule. A ruler has a set of agreements, some explicit and some implicit, with his subjects. The most fundamental of them is that at some initial point, reflecting the distribution of power, subjects have agreed to pay certain taxes, and the ruler committed not to raise these taxes (they are thus designated as 'customary'). The ruler then agrees that he will impose new taxes only after he secures the taxpayers' consent. The enforcement of the agreement not to raise taxes arbitrarily is basically by long-term relations; each party finds it advantageous to keep its part of the agreement.

As long as the ruler is secure on his throne he has no reason to renege. He may, however, become less secure either from external or internal threat. It should be emphasized that 'insecure' does not necessarily mean less powerful; rather that the assessment of his power relative to rivals is less accurate. When he becomes less secure, he may gain from breaking his promise, and arbitrarily raise certain taxes and confiscate some properties. Subjects are not entirely powerless to resist the ruler. They presumably have formed a collective action mechanism to protect themselves precisely from such impositions. By and large, there is a balance of power between the ruler and his collectively acting subjects. In any case, we predict that as it becomes more difficult to assess relative power, the ruler becomes less secure on his throne. His time horizon is then shortened and he will engage in arbitrary taxation and in other forms of confiscation.

The Relationship between Voting and Taxes in Medieval England and France

The early medieval monarchies were expected to 'live of their own,'

i.e. on domains income and on customary feudal revenue rather than on new taxes on their subjects. The level of their customary revenue, determined at the inception of their rule, presumably reflected their power relative to their subjects at that juncture. That, however, was also all the tax rulers could claim.

In the 12th and early 13th centuries, revenues from crown lands and customary feudal prerogatives accounted for roughly 75–80% of rulers' expenses in both England and France (Mann 1986: 418; Baldwin 1986: 156). The other 20–25% came from various forms of taxation, some semi-customary and some consensual (discussed below). The revenues served both the ruler's private expenditures and those of the state; the latter at the ruler's discretion.

New consensual taxes for specific cooperative projects were imposed during the medieval period. Both England and France made the transition from customary taxes to consensual taxes, and voting institutions were also developing in both countries. By the middle of the 14th century, rulers of both states were getting most of their revenue from consensual taxation, but these were becoming increasingly 'state' rather than 'personal' taxes.⁸ Table 1 provides an overview of the taxes we cover and of some of their features.⁹

In the 11th and 12th centuries, the main forms of taxation in England were: (1) The 'tallage' paid by towns and others on crown lands, and by Jews; (2) the 'danegeld' or 'geld' and later revived as the 'carucage' paid by all landholders; (3) 40 days of military service by tenants-in-chief, at times commuted into a money payment called 'scutage'; and (4) 'aids' paid by tenants-in-chief. Taxes in France through the 13th century resembled those in England in the 11th and 12th centuries, with the exception that there was no tax comparable to the danegeld (Strayer 1970: 142; Wolfe 1972: 4–8). These taxes were primarily customary, although the aids for military emergencies were partially consensual and the broadened scutage beginning in the late 12th century was partially arbitrary. Significantly, serfs other than those directly under the king were not subject to any of these taxes.

We summarize the evolution of customary taxation in the next section. The following section focuses on consensual taxation, and on the way in which the voting institutions that accompanied this new form of taxation developed in the two countries. We then explain the divergence of the two countries, with the shift to arbitrary taxation in France but not in England, and then present our conclusions.

Table 1. Characteristics of Different Forms of Medieval Taxation

	<i>Customary</i>	<i>Consensual</i>	<i>Arbitrary</i>
Main taxes	Danegeld, tallage, military service	Movables, fouage	Taille
Tax initially set by	Negotiation/imposition	Voting	Imposition
Frequency	Variable	Variable	Variable
Used for	Repeated, predictable, specified purposes	New collective projects	Ruler's new projects
Changed by	N.A.	Voting	Imposition
Residual claimancy	Ruler	Ruler/taxpayers	Ruler
Cause of decline	Rapid change	Shocks, insecurity of rule	Ruler's loss of power
Link between taxes and project	Usually tight	Tight	Loose
Main voting institution	Council	Parliament, estates general	None

Both countries relied on many different forms of direct taxation. We focus only on direct taxation, since this allows us to test the relationship of direct taxes to particular projects and to voting rights. In contrast, the frequency and rate of indirect taxation (customs) in England and France do not vary enough to allow an adequate test of our ideas.¹⁰

Customary Taxation: The Seed for Taxpayers' Consent

In this section we show that contrary to the implications of the power argument, the customary taxes in England and France were indeed fixed by custom. When it was unclear whether custom required tax payment, they were voted on by the feudal councils, and mostly paid by members of the council themselves. We indicate why, over time, each of these taxes became a relatively less important source of revenue for rulers.

Introduction

It was often stated that rulers of medieval states were supposed to 'live of their own'. By our interpretation this meant that they had to meet their normal expenses with a combination of the income from their own land and the various 'customary' taxes (in money and services) from their subjects. They were not supposed to supplement that income by imposing new arbitrary taxes. Given this interpretation, 'live of their own' is another maxim that seems to have actually been adhered to.

Customary taxes were imposed right after a new regime became established, and this is the major point at which power came into play. A number of authors stress the relationship between the level of the tax and relative power (Weber 1968; Ames and Rapp 1977; Tilly 1990; Olson 1993). We, too, view the tax level as a function of the balance of power between rulers and subjects at the time the tax was initially set. The ruler was attempting, as is obvious, to extract the maximum amount of tax revenue. We argue, as did Machiavelli ([1531] 1977), that in order to maximize the present value of their take, rulers implicitly committed themselves not to change these taxes arbitrarily. They also committed to collect and use some of them only for particular purposes, and, as we show, these taxes benefited subjects as well as rulers.

The taxes the nobles imposed on their serfs, like their own tax payments to the king, became customary levels of extraction. In the feudal setting of the Middle Ages, except for his private domain, the monarch had direct jurisdiction only over the nobility and other 'free men' of his realm. Serfs not on the royal domain were subjects of their lords and ruled by the king only indirectly. The level of taxes that the king could extract from the nobility derived in part from nobles' power to tax their serfs. Maximization by the king implied the direct taxation of the nobility, and the granting of complete rights to the nobility over its serfs. Serfs paid heavy dues to their masters, but as rule were not directly taxed by the king.

We distinguish between customary taxes, such as the tallage on the ruler's feudal subjects that provided for the personal consumption of the ruler, and that were transfers determined by relative power, and those designated for specific purposes benefiting both rulers and subjects. Scholars of medieval taxation have not grasped the nature of this latter category of customary taxation, and have

mistakenly assumed that these taxes were determined only by the distribution of power and benefited only the ruler.

An examination of the uses of customary taxes indicates that mutual benefit rather than power was often the dominant determinant of these taxes. For example, customary taxation included aids for marriage of the ruler's eldest daughter, knighting of the ruler's first son, and occasionally for ransoming the ruler. It seems reasonable to view the aids as a mechanism for increasing the continuity of the royal line which subjects valued. Another customary tax providing mutual benefits was 'in kind' service in the military. The military protected the assets of both rulers and landholding subjects, and direct participation made it more difficult for the ruler to confiscate subjects' wealth.¹¹

When the king attempted to collect taxes to meet problems as they arose, it was necessary to establish a procedure to determine whether these were legitimate problems. The voters-taxpayers expressed their view on the matter by voting. A positive vote indicated that they believed the tax would indeed make them better off. In this period, the council seems to have been the institution in charge of determining whether or not a customary payment was required.

If the situation was clear and not easily open to manipulation (e.g. was the ruler's eldest daughter getting married?), voting would not be required. However, when identification was unclear and contestable (e.g. did another country threaten militarily, and would the threat seriously affect subjects?), we expect voting to be more prominent. Thus we expect the use of voting to have depended on the purpose of the tax.

Tallage

Tallage was an intermittent tax paid either in money or in kind by the direct feudal subjects of rulers, and was spent at the discretion of the ruler (Green 1997: 240). The domains of rulers (where they were their own tenants-in-chief) initially paid taxes in kind in the form of military service, but this was soon commuted to money payments called tallage. Since it was a customary tax, it did not require voting. Although the tallage did not require voting by those who paid it, there were some negotiations with individual towns about its form and amount. Tallage on domain towns was one of the main parts of domains income in both England and France (Strayer and Taylor 1939: 41, 45).

From 1130 until 1312 in England, rulers collected tallage from all crown lands,¹² including towns (Young 1961: 42–43). Between 1217 and 1268, English rulers collected the tallage 12 times (Lyon 1960: 383). Its use began to decline after 1268, and it was last collected in 1312 (Hoyt 1950: 44; Brown 1989: 76).

The history of the tallage was similar in France. It was first paid by towns during the reign of Louis IX (1226–70) (Fawtier 1960: 194). Among other purposes, it was used in the 13th century for funding crusades (Strayer 1971: 164).

Jewish lenders were the other main group that paid tallage as feudal subjects of rulers in England and France. Usury law did not apply across religions, so Jews were the main money-lenders in the two countries in the 12th and early 13th centuries, and a major source of taxation to rulers. In the mid-13th century, however, Italians emerged as major lenders and Jews lost their unique value.¹³ Although taxes on Jews initially mixed customary and arbitrary elements, rulers turned to confiscatory taxation in both countries late in the 13th century. Confiscation in England was gradual, in France more abrupt, ending in expulsion in both cases, in 1290 from England and in 1306 from France (Barzel 1991).

The tallage was a classic feudal customary tax, and it declined in both countries with the decline of feudalism (Stephenson 1929: 302–5). Rulers, of course, are not expected to grant freedom to subjects without compensation. For example, the decline of the tallage in England occurred in the same period in which the towns were granted charters. With town charters, the towns purchased their freedom from the tallage.¹⁴ We expect that after that point they would pay additional taxes only when they expected to derive some benefit from them. Town charters shifted the status of inhabitants from vassals of the ruler to free men. By our model, free men with substantial property will form joint ventures with rulers, and will pay consensual taxes to fund these ventures.

*Danegeld*¹⁵

The danegeld, imposed in England but not in France, was patterned on a model that preceded the Norman conquest. It was a land tax paid by all landholders to combat threats of invasion by the Danes, assessed in different ways in different parts of the country (Green 1997: 222). It was first used in 991, with a consensual element – the consent of the council (*witan*) (Dowell 1888: 9). It lost its

consensual aspect in 1066, when it became a customary tax. Between 1066 and 1130 it was collected annually at a fixed rate not tied to particular defense needs, not requiring voting (Harriss 1975: 5), and authorized by the ruler alone (Lyon 1960: 146, 162).

Turning the danegeld into a customary tax is best understood as part of the redistribution of economic property rights that followed the Norman conquest. The ruler received fixed monetary payments – the danegeld – from landholding subjects. It emerged ‘arbitrarily’ but then became ‘customary’, which is underscored by the fact that land value assessments remained constant as long as the tax was used.

As it happened, the commitment not to alter the amount of the danegeld favored the taxpayers at the ruler’s expense, since by the reign of Henry I the real income from the tax declined because of inflation (Green 1981: 242). The danegeld was rarely used between 1130 and 1163 (Green 1997: 236); it was not collected at all by Stephen, used only twice by Henry II (1154–89), and abandoned after 1163 (Mitchell, 1951: 163; Harriss 1975: 6). In addition, rulers granted numerous exemptions from the danegeld (Green 1981; Sacks 1994: 17–18), so the tax yielded little revenue (Green 1997: 236). Many of these were granted by Stephen, possibly the result of increasing insecurity of rule during his reign (1135–54) (Harriss 1975: 5–6).¹⁶ The danegeld was reintroduced under the name ‘carucage’, but only collected infrequently from 1194 until 1220, and was not a major revenue source (Stephenson 1929: 306–7; Green 1981: 258).

Whereas the danegeld was a national tax in England, there was no equivalent tax in France. There were, however, regional taxes for external defense (Petit-Dutaillis [1936] 1964: 129; Green 1981: 241). The reason seems to be that many countries threatened parts of France, but no country threatened the whole of it.

Military Service and Scutage

The military obligations of tenants-in-chief consisted of service of up to 40 days a year, providing their own armor and a number of armed men and horses in proportion to their landholdings. This obligation was part of the customary feudal tax set in the 9th century in France and after the Norman conquest in England. It was an efficient tax for defense purposes in that the amount of payment was proportionate to the amount of land protected. In both countries, direct service

was replaced over time by money payments, called scutage (shield money), at the same frequency as the service and at a fixed rate that did not require voting (Harriss 1975: 9, 12; Green 1997: 227). We explore the causes of this shift in the form of taxation elsewhere (Barzel and Kiser 1997). Here we address the English rulers' attempt to turn the scutage from a customary to an arbitrary tax.

The nature of the tax began to change in 1168 when it was collected from sub-vassals for the first time, perhaps in response to increased costs induced by advances in military technology (Chew 1922: 324–5) that fixed customary taxes could not cover. As is evident, the imposition of a new tax on sub-vassals was contrary to custom; it also tended to undermine the latter's relationship with their direct superiors, the tenants-in-chief. King John (1199–1216) increased both the frequency and the rate of the scutage (Lyon 1960: 310–13). For example, John took the scutage 10 times in his 17-year reign, whereas it was only taken 6 times in the prior 36 years (Dowell 1888: 40–1). John's rule became less secure because of severe defeats in his private wars in France in 1201–4. As a result, he seems to have become more willing to discount the future costs of breaking customary agreements for the immediate gains of increased revenue. He attempted to transform the scutage from a customary tax on tenants-in-chief to an arbitrary tax on all rural landowners. As the arbitrariness of his action became more evident,¹⁷ the barons rebelled and proved that he did not have the increased power necessary to enforce this change.

Ascertaining whether or not military 'emergencies' required scutage payment was difficult and open to manipulation. One of the central complaints in the Magna Carta (1215) was the arbitrariness of the scutage. The proposed remedy was to require consent, i.e. making it subject to voting by the council. The Magna Carta, reacting to the aborted imposition of arbitrary taxes, marks the beginning of England's transition from customary to consensual taxation. It reiterated the implicit agreement that these *de facto* non-customary taxes may be collected only with the consent of those paying them. Between 1215 and 1257 the scutage was voted on in the council. Instead of becoming arbitrary, the scutage became consensual. However, owing to the general transformation in the way military projects were funded, the importance of the scutage declined; it was used only rarely in the 14th century in England, and the 1385 imposition was its last (Lyon 1960: 382–3).

Aids

'Aids' is a most intriguing tax. The term is 'a generic description of a wide variety of levies' assessed in different ways and used for multiple purposes (Green 1997: 238). The king imposed it when his eldest son was knighted, when his eldest daughter married, or when he had to be ransomed. It was also imposed for defense purposes. As the term implies, this tax was consensual (in part). Its imposition marked the transition from customary to consensual taxation in both countries.

Under certain circumstances defined by custom, rulers asked the barons for 'gracious aids'. The first of these was imposed in medieval England during the reign of Richard I (1189–99) (Hoyt 1950: 41). They were used with increasing frequency between 1216 and 1272 by Henry III (Haskins 1948: 59). The frequency of aids grants declined significantly after that; they were granted only three times over the next century – in 1302, 1346, and 1401 (Brown 1989: 76). In spite of the fact that towns were generally exempt from the aids (Haskins 1948: 60), historians view the gracious aids as the origins of modern taxation in England (Mitchell 1914: 346) and the foundation of regular national taxation in France (Fawtier 1960: 197).

Even when it was used, voting on aids was only loosely tied to tax payment. At least through the reign of William Rufus the voting procedure was not well developed. For taxes requiring consent, consent was given individually by those attending council meetings, and the decision of those present did not bind those who did not attend (Mitchell 1951: 161). Since in this period the composition of the council was not fixed, this system prevented exploitation by the ruler getting consent from some that was also binding on others. This system, however, encouraged free riding by simply avoiding attending meetings of the council. The ruler and nobles resolved the problem by agreeing on who should attend the council, and then making attendance mandatory.

What is 'customary' is not always well defined. Questions may arise about whether a project proposed by the king meets the criteria for customary contributions. Voting here puts an important right in the hands of the voters. The usefulness of voting depended on the clarity of the identification of what was customary. The less clear, the more open to manipulation, and the greater the need for voting. The marriage of the rulers' eldest daughter, the knighting of his eldest son, or the ransom of the ruler were clear-cut events,

so there was no need to vote for these aids. Indeed, voting was not usually used for these aids (Stacey 1987: 250). The continuity of the royal line was valuable to the subjects of rulers, and it seems reasonable to view these aids as subjects' contributions to enhance that continuity.

Aids were also used for defense emergencies, and these were very different types of projects. Taking the right steps in case of emergency was clearly valuable to subjects. Voting was needed to identify whether or not, from the subjects' perspective, a particular situation constituted an emergency. Identifying a defense emergency is much more difficult and consequently prone to manipulation than confirming, say, whether the ruler's son reached the age to be knighted. It would have been relatively easy for the king to drag his subjects into wars from which he was going to emerge in better shape than they were. To protect themselves, subjects made voting necessary for aids for war.

The intensification of war effort that made property more secure primarily benefited the nobility.¹⁸ Consistent with our reasoning, by voting for aids, nobles were taxing themselves for joint ventures from which they presumably expected to gain. Moreover, the nobility had to protect the forces and equipment it contributed. Therefore, the nobles sought some voting rights concerning the conduct of war, not just a share in financial costs and benefits.

At about the middle of the 13th century in England, rulers began to ask for military aids more frequently (Mitchell 1951: 151). Historians who view this form of taxation as arbitrary (e.g. Given 1990: 114, 248) have a hard time explaining why kings had to ask for the taxes. We argue that rulers proposed joint projects and invited nobles to participate. When nobles in the council were asked to contribute, i.e. to pay taxes, sometimes they agreed and at other times they refused (Harriss 1975: 14–15, 29, 39), as is common with business propositions. For instance, the council refused all nine royal requests for taxes between 1237 and 1272 (Mitchell 1951: 194). It viewed the wars under consideration as 'king's wars', not as national wars. However, when the project was deemed potentially profitable, the council willingly taxed itself to fund it. For example, in 1285 the English council voted a tax for war. Indeed, only the voters paid this tax (Strayer and Taylor 1939: 43; Baldwin 1986: 58).

The situation was similar in France. Although the council there developed later, it was the main voting institution that enforced customary taxation and voted on aids for new projects. As in England,

the French council could and sometimes did refuse to authorize the taxes requested by the king (Strayer and Taylor 1939: 146–7), indicating that he could not impose taxes arbitrarily.

Customary taxes worked well for certain limited objectives. However, when fundamental changes occurred, customary taxes often proved inadequate. We have already mentioned two factors that tended to decrease the effectiveness of customary taxation. First, since customary taxes were set to meet particular needs in particular conditions, rapid changes in conditions may have rendered the purpose of existing taxes inadequate. Moreover, changing conditions also created opportunities for new and different ‘projects’ which customary taxes, earmarked for particular customary projects, could not fund. Second, inflation would have eroded the real value of those customary taxes fixed in monetary units.

The Decline of Feudalism, the Development of Consensual Taxation and the Expansion of Voting Institutions

In this section we analyze the era in which full-fledged consensual taxation increased in importance. We focus on the effects of the decline of feudalism on the nature of the voting institutions that would accompany this form of taxation. Consistent with our model’s prediction, voting institutions were transformed in both countries, aligning these three elements more closely.

Our era is marked by the expansion of the ranks of free people, as numerous serfs were freed by buying out their customary dues. Many of these individuals were becoming more specialized and accumulating wealth. Two problems associated with this process are how to handle these individuals’ desire to participate in state projects, and how to finance the newly emerging large-scale projects for which customary taxation was inadequate.

How would rulers finance the newly emerging projects that they perceived as worthwhile but which were not covered by customary taxation? It may seem that they could simply impose new taxes for that purpose. Just because rulers discovered an attractive project, however, does not mean their power relative to their subjects had increased sufficiently to allow them to impose arbitrary taxes. Moreover, arbitrary taxation is often ineffective for financing projects of this type because the participating subjects are not then provided with the right incentives. If, as argued above, subjects are charged

with deciding whether or not to undertake the projects, if they are expected to finance them, and if they share in their benefits, they will be motivated to support projects that yield high gains. In these conditions, rulers may choose to develop projects jointly with some of their subjects. Voluntary consensual taxation, arrived at by using voting institutions, is one form of cooperation.

Of the many ad hoc voting assemblies in operation in both countries in the medieval period the feudal council of the nobility was the most important and institutionalized body. That council was an adequate voting institution for enforcing customary taxation and for consensual taxation of its members. With the massive increase in the number of people moving out of serfdom to become free subjects, the discrepancy between the composition of the feudal council and the total number of free subjects with resources became more acute. The council was increasingly becoming a less adequate voting institution (Haskins 1948: 60) since it included a small proportion of people affected by state projects. One source of tension is associated with 'feudal representation' by the council.

The effectiveness of 'feudal representation' depended on the degree of commonality of interests of the new freemen and the nobility that represented them, which in turn depended on the nature of the project considered. For a defensive war, a common project in this period, the two classes had similar interests. The reason is that most of the wealth of both groups was in the form of land. Now the holdings of the two groups were threatened simultaneously, and tax payment was commensurate with the land holdings. In this case, then, feudal representation seems to have been adequate.

Henneman (1983) notes that French nobles in the council did in fact protect the interests of those under them in the feudal hierarchy. To our knowledge, this form of 'feudal representation' had not been questioned during the 12th century in England or France. This suggests that the divergence of interests was not severe. Until the early 13th century, English and French barons in the council were still representing the 'community of the realm' when they voted the aids, scutage, and even the new movables taxes.

By early in the 13th century, however, these interests started to diverge. The inability to reach agreement is a good indication that the existing institutions were not working well. Contemporaries increasingly viewed council 'representation' as inadequate (Hoyt 1950: 44). Indeed, there were protests in England in 1220 and 1253

by those who paid taxes but lacked voting rights (Harriss 1975: 31), and in the middle of the century (1237–69), as already mentioned, barons consistently refused ruler's requests for general taxes. The situation was similar in the latter part of the 13th century in France.

The Provisions of Oxford (1258) established in England a new relationship between the payment of taxes and voting rights. Under these provisions, all taxpayers were to be given voting rights in parliament (Harriss 1981: 29–30). The process by which broader voting institutions came to replace councils in both countries is clearly inconsistent with power-based arguments about voting rights and tax payments, since existing voters in the council instigated the addition of these new voters.¹⁹ In both England and France, barons in the council began to suggest to the ruler the broadening of voting rights to include other taxpayers (McIlwain 1958: 676, 685). Positions in the voting institution were 'not a privilege to be guarded' (McIlwain 1958: 685), as they would be if voting was used only to prevent arbitrary royal taxation or to shift the tax burden to non-voters.

Why did the barons find it in their interest to include other taxpayers in a broadened voting institution? We offer three possible non-mutually exclusive reasons for the baron's behavior (though we do not have the data to test them). First, barons in the council could have feared that taxation without the vote would lead to revolts. Second, the amount nobles could charge their serfs to get out of serf status would be lower if these would-be freemen feared confiscation. Giving the would-be freemen voting rights would enhance the security of their property, and nobles could charge more for granting them freedom. Third, although new freemen paid taxes directly to the king, their former lords collected them on the king's behalf. Because these freemen were more mobile, the barons' cost of collecting these taxes increased. By shifting tax collection to the ruler, their problem became less acute. Thus, barons may have wanted these newly free men to have voting rights so that the ruler (and not them) would have to take charge of collecting tax from them.

Consensual Taxation in England

In England, the only significant new tax was the tax on movables. In this section we demonstrate that it was also consensual. We have argued that the central features of consensual taxation in this

period were taxes closely linked to particular projects, and voting rights tied to tax payments. We now inquire whether the history of the tax on movables supports the argument.

The tax on movables was paid by more people and brought in more revenue than any previous tax in England (Mitchell 1914: 354).²⁰ Henry II (1154–89) first imposed it in 1188 as the famous Saladin tithe for a crusade. It was used occasionally by Richard and by John, and seven times between 1216 and 1290 (Maddicott, 1975: 6). It began to be used more frequently after 1290; it was levied 6 times from 1290 to 1304. Not only did the frequency of the tax vary, its rate also varied from one period to another. The tax payments were geared to financing wars (Willard 1934: 18–19). It was imposed periodically (not annually) and at varying rates after 1334 and individuals' payments were not determined at the national level.²¹

The number of people who paid the movables tax was larger than for previous taxes. Our argument implies that the new taxpayers should be given voting rights, and that is exactly what happened. In this period, the council began to expand to what would become parliament. Every new request for the tax on movables was acted on only after consent to that tax. Early in the period, that consent was often given by individual assemblies of the taxed subjects (such as towns), later in full meetings of parliament (Willard, 1934: 13–14). Representatives of the shires (rear vassals) were added first (Mitchell 1951: 230), and shortly afterwards town representatives.²²

A minimum income of 40 shillings was required to be a taxpayer; and those below were exempt. The same minimum was also the cut-off for voting in the shires (Wilding and Laundry 1968: 624).²³ As new individuals met the property criterion, they were added both to the taxpaying and to the voting rolls. This close link between voting rights and tax payment strongly supports our argument. The fact that the poor were exempt from the taxes on movables (Willard 1934: 93–110) demonstrates that something other than relative power determined who paid taxes and that there was no representation without taxation.²⁴

Consensual Taxation in France

Consensual taxation in France developed similarly to that in England. This is to be expected, since the political development of

the two countries in the early medieval period was similar. Only later did the paths of the two diverge onto 'absolutist' and 'parliamentary' regimes. Through the 13th century the council was the main voting institution in France. In addition to enforcing customary agreements regarding taxation, its members sometimes voted additional taxes on themselves to fund new projects, and sometimes voted as 'feudal representatives' to impose taxes on those under them in the feudal hierarchy. As in England, the decline of feudalism made feudal representation in France less suitable for consensual taxation. In France too, a broader representative voting institution replaced feudal representation. With the development of the Estates General early in the 14th century, as with the English parliament, voting rights were extended and the level of self-imposed taxation increased.

There were, however, some significant differences in the development of consensual taxation in the two countries: (1) Unlike England, local voting institutions in France often had a greater role than national ones; (2) the tax on movables was much less important in France than in England, but other taxes, primarily the hearth tax, played a more important role in France; (3) the tie between voting rights and taxation in France was never quite as tight as in England; and (4) the transition to consensual taxation occurred later than it did in England. We now elaborate on these differences.

Although we focus primarily on the national level, in France defense needs varied by locality. Consistent with our argument, local taxes, the main purpose of which was defense, were especially important in France. These taxes were imposed by local and regional voting institutions, the most important of which were the provincial estates. For example, Charles VI allowed Perigueux to tax goods at 5% in 1383 to build and repair town defenses. Such practice was common in the 14th and 15th centuries, and was voted on locally (Allmand, 1988: 103, 110–11).²⁵

Taxes on movables were much less important in France than in England. As noted, in England the tax on movables was closely tied to the development of consensual taxation. As in England, taxes on movables in France were basically consensual, and were initially voted by the council. The form of voting was similar to that in the transitional period in England, with the council serving as 'feudal representatives' for those below them. In France, the tax was first imposed in 1146, used infrequently by Philip II (1180–

1223), and after that not used again until the end of the 13th century. It does not seem to have been very effective in France, never becoming a general form of taxation, which may be why it was not instrumental in the development of consensual taxation there.

Bates and Lien (1985) place the taxes on movables at the heart of their discussion. They argue that the cause for the general development of voting institutions was rulers' desire to impose that tax. They proceed to assert that since taxes on movables were relatively easy to evade, they could only be imposed by consensus. Taxation on movables is indeed more prone to evasion than taxation on land, but the extent of the problem varies across countries. The unification of England and its insular geography resulted in lower collection costs relative to countries with more difficult borders to patrol. Although in England voting and the tax on movables more or less coincide, French history refutes Bates and Lien's hypothesis: voting institutions evolved there even though this tax only played a minor role.²⁶

The hearth tax (*fouage*), a relatively easy to collect tax on fixed property, is most closely correlated with the development of the estates general. Philip the Fair used it first in 1294 (Ardant 1965: 221), and it was the most important form of direct taxation used in France prior to 1380. It was a tax for war and defense, paid by nobles as well as commoners. It was clearly consensual. Except in the 1370s, when it was imposed without consent, it was voted for every time it was imposed. Like many other taxes in France, it required the consent of both centralized and local voting institutions. The first hearth tax was voted by the council; later it required the vote of the estates general, the council's successor in these matters. In both cases the consent of regional voting bodies was needed as well (Strayer and Taylor 1939: 92; Lot and Fawtier 1958: 258).

Consensual taxation is dominant in France only in the first half of the 14th century. As in England, the decline of feudalism resulted in a broadening of both voting institutions and the tax base. Council consent was no longer seen as sufficient for broad-based taxation, and broader-based national voting assemblies were formed. The transition began with several ad hoc assemblies, and later the estates general began to evolve as a formal institution (Barzel and Kiser 1997).

During the formative stage of the French estates general (1302–59), voting and paying taxes were linked closely, and the early

14th century marks a high point in linking taxes and voting in the estates general. Our argument suggests that the non-free peasants should neither have voting rights nor pay taxes, and that free peasants should pay taxes and have voting rights as well. However, even in this period, taxation and voting rights were not as well matched as in England. There was, in France, one major group paying taxes that had no voting rights – the peasantry,²⁷ including both some free peasants and some serfs (Henneman 1976: 73).²⁸ Still, not all peasants paid, since the very poor were exempt from the *fouage*.²⁹

The Development of Arbitrary Taxation: the Exemption of the French Nobility

Arbitrary taxation, as we define it, is unilaterally imposed by rulers, altered at their discretion, and spent as they choose. In this form of taxation, voting is not used, and the relation between tax payments and taxpayers' benefits is at best loose. Two main forces induce new arbitrary taxation: (1) the increase in the power of rulers relative to subjects; and (2) the increase in the insecurity of rule.

The first is straightforward. As the relative power of the ruler increases, he is in a position to increase tax levels and to maintain them as long as the new balance of power remains. Indeed, when subjects recognize the change, they are expected to cede the ruler 'his due'; fighting him would be futile. Given the gain from stability and commitment not to change taxes, however, we expect that only a drastic increase in the ruler's relative power will lead to increased taxes.

The character of the second is very different. The ruler's inclination to impose new taxes is not from perceiving that his power relative to that of some subjects declines. Rather, it is because it becomes more difficult to assess changes in relative power, which makes a shift toward arbitrary taxation more likely. Both internal and external threats increase insecurity of rule, making the assessment of power more costly. They also shorten the ruler's time horizon. The ruler's cost of confiscation by arbitrary taxation is less since he values his credibility less, reducing the value of conforming to what he agreed to. The ruler is likely to take the gamble when he estimates that his relative power has increased. Being a gamble, its outcome is not guaranteed. The insecure rulers who attempt to

impose higher taxes on threatening subjects are risking revolt, especially if subjects' assessment of relative power differs from the ruler's, and if they are able to act collectively.

Among the means of enhancing their security, insecure rulers may attempt to defeat threatening subjects by securing loyal subjects' help. Being more closely aligned with the nobility than with other groups, the nobility seems to have been the group that could offer help at the lowest cost to the ruler. Rulers could reward them by exemptions from some taxes. The gain to the exempted subjects is greater than the cost to rulers, since the tax exemption constitutes confiscation from other taxpayers whose contributions will be increased, or their benefits from the project financed by the tax will decline. Confiscation is more likely when the group exempted from taxes retains voting rights. When we observe that such exemptions have been granted, we may conclude that something has already gone wrong with the voting institution.

We now consider how the above considerations apply to our era. In England, voting and tax payments remained tightly tied throughout the Middle Ages. Not so in France, as voting rights became increasingly separated from tax payments after the middle of the 14th century and some of the richest subjects of the king became exempted from direct taxes. At the same time, the estates general, the main central voting institution, atrophied. Why did this separation occur in France but not in England?

Most scholars pick up the story of arbitrary taxation in France in the 1430s. They view the estates general's loss of voting rights over direct taxes in 1439 as the turning point in the significance of the Estates General (de Tocqueville [1856] 1955; North and Thomas 1973; Ames and Rapp 1977: 170–2; Poggi, 1978; Zolberg, 1980: 695; Levi 1988). In our view, the foundation for arbitrary taxation and for the emasculation of the estates general was laid much before the 1430s. Arbitrary taxation was solidified in the 1430s, but it began decades earlier. We see 1439 not as a turning point, but as the final blow to an already weak voting institution.³⁰

The enfranchised nobility became exempted from direct taxation between 1360 and 1384. Henneman (1976: 310–11) notes that 'it was in the 1360s that the crown began to levy regular annual taxes without consent', and that 'the achievements of Charles VII's government in taxation . . . between 1435 and 1445 . . . amounted largely to a re-enactment of what had been done in the 1360s'. This is when taxation and voting rights get separated. We hypothesize

that this separation was the result of increasing insecurity of rule, and thus the real turning point in the decline of the estates general.

The data presented below support such a view. It is true that all the data come from one episode, but the episode has multiple facets. Henneman (1983) says that contemporaries in the 14th century offered two explanations for the noble tax exemption: (1) that in effect the nobles were taxed indirectly since their subjects (first serfs, later tenants) paid taxes; and (2) nobles provided military service so they should not have to pay monetary taxes as well. Although nobles were exempt from taxation during most of the history of the French monarchy, they were not exempt from any taxes between 1300 and 1370 (Tyrrell, 1968: 25; Henneman, 1976: 7, 278). Thus, for much of the medieval period, nobles not only voted, but also paid taxes.³¹ Whatever the merit of the two explanations, neither can explain why in the latter part of the 14th century nobles were made exempt from direct taxes that they had to pay earlier in that century.

De facto, noble tax exemption began in 1360, when the ruler decided to get most tax revenue from indirect taxes (aides, a sales tax, and gabelle, a tax on salt) (Mitchell, 1951: 119). These taxes fell most heavily on the towns. Since noble manors were largely self-sufficient, nobles got off fairly easily. The nobility did still have to pay the main direct tax of the period (fouage), so at that point in time their exemption was only partial. Their exemption was made more complete in 1380 with the termination of the fouage. The direct tax that replaced it beginning in 1384, the taille, did not apply to the nobility. Royal ordinances in 1388 and 1393 finalized the noble exemption from the taille and the aides (Henneman 1983: 17).

Insecurity of rule was increasing in France beginning in the 1350s, as indicated by multiple forms of revolt (Wright 1998: 5). Lewis (1968: 226) notes that 'magnate insurrection was endemic' throughout the later medieval period in France. The first move toward the noble exemption, the shift to indirect taxes, occurred just after one of the most serious revolts in French history, the Jaquerie of 1358. Marcel, the provost of the Parisian merchants, supported this large peasant revolt. At the same time, Charles V (1364–80), an underage prince (the king was held hostage by the English), was being threatened by his brother in law, Charles the Bad, who had 1000 of his own troops in the capital. The prince was involved in 'open war' against his own subjects (Mitchell 1951: 73).

The exemption of the nobility from direct taxation in 1384 occurred during a period of regency government (1380–88), just after a series of internal revolts in 1380–82 (Miskimin 1963: 442), and during one of the greatest external threats in French history, the early phase of the Hundred Years' War.³² The fact that Charles V's successor, Charles VI (called Charles 'The Mad') was intermittently insane certainly contributed to the insecurity of rule at this time. For the English, the Hundred Years' War was a set of offensive projects that the ruler proposed and that parliament endorsed (Fryde 1970: 243–4). Since the initiative for the war was in their enemy's hands, and its effect on the internal balance of power difficult to gauge, the war progressively increased the insecurity of rule in France (Henneman 1967: 275; Wright 1998: 1). It thus further hindered contracting between rulers and subjects and limited the development of voting institutions.

We expect that relative to the evolution of voting institutions, the earlier the rule becomes insecure, the more damaging the effects of the insecurity. This is reflected in the French experience relative to the English one in that the adverse effects of the insecurity of rule in France brought about by the Hundred Years' War were magnified by the relative lack of prior development of the estates general (Lewis 1972: 16; Harriss 1976).³³

The most important effect of insecurity of rule was the uncoupling of voting rights and tax payments. Beginning in the 1360s with the shift to indirect taxation that nobles largely avoided, nobles began to vote on taxes that they did not pay. Our notion that new taxes are investment shares in worthwhile projects implies that tax exemption should be coupled with the loss of voting rights. However, in France, nobles continued to vote in the estates general and in regional estates when they stopped paying taxes.³⁴

Our argument stressing the insecurity of rule is very different from the proposition that the power of a group is inversely related to the taxes it will pay. In fact, the evidence from France directly contradicts the prediction of a power-based argument. The exemption of the French nobility came at a time when their resources and relative power were declining. As a result of the plague, the incomes of nobles were declining from 1348 until about 1420 as labor became more costly relative to land, decreasing the incomes of landowners.³⁵

In a period in which the English parliament was gaining power, the estates general was declining. Our hypothesis is that the decline was the result of this disjunction between voting rights and tax

payments, which in turn was caused by increasingly insecure rulers in France choosing to buy the support of the nobility by exempting them from taxes.³⁶ In order to maintain their support, and thus his security, the king lessened their tax burden. In effect, he bought the support of the nobility with resources confiscated, albeit indirectly, from other taxpayers.³⁷

By the 1430s, the estates general lost its limited power to vote taxes. Most of the regional estates lost such power shortly after this (see Tyrrell 1968, on Poitou). In our view the decline in the power to vote taxes was due to the separation of voting rights and tax payments that occurred decades earlier.³⁸ This separation had turned the estates general into an inefficient voting institution.

Conclusion

We have traced the transition in medieval England and France from customary taxes that did not require voting to consensual taxes that did. These customary taxes were primarily associated with the position of rulers in the feudal hierarchy. To a substantial degree the decline of feudalism consisted of serfs buying out their tax (and other) obligations. We argue that the new taxes imposed during that era were neither arbitrary nor extortionary. Although new taxes were initiated by rulers, it is highly improbable they were extortionary if they required the consent of those that paid them. We have demonstrated that these new taxes were correlated with new voting rights in both countries, first in their councils and later in parliament in England and in its counterpart, the estates general in France. In England, where security of rule remained high, the relationship between tax payments and voting rights was maintained. In France, an increase in the insecurity of rule led to a disjunction between tax payments and voting rights – a shift to arbitrary taxation. Our argument suggests that this unraveling of the connection between voting and taxation is what made the estates general ineffective, and was the primary cause of its decline.

NOTES

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1. Our reasoning is general, but does not apply to contemporary states without significant elaboration. Note that the connection between medieval voting institutions and what political scientists call democracy with universal voting rights is tenuous (just as the voting in modern corporations is unlikely to evolve further toward democracy).
2. Rey (1965) does contain some useful quantitative data for France, but he begins in 1388, at the tail end of our period.
3. Third party enforcement by an independent judiciary was also important in these cases, but an analysis of the role of the courts is beyond the scope of this paper. See Kiser and Barzel (1991: 414–15) and Sacks (1994: 15–16) for arguments about the role of the judiciary in medieval England.
4. Our work builds on several prior theoretical and historical arguments. Theoretically, our model draws on Buchanan and Tullock's (1962) work on the formation of constitutions and systems of voting, North's (1981) 'neoclassical theory of the state', and North and Weingast's (1989) discussion of credible commitments. However, none of these authors directly address the relationship between taxation and voting rights. We have also drawn on new historical accounts of medieval states that stress cooperation as much as conflict (Hoffman and Norberg 1994: 297, 305–6; Sacks 1994; Green 1997: 221–2).
5. We use the term 'arbitrary' only as shorthand for 'not in accord with the original agreement'. We assume that the ruler always sets the level of such taxes so as to maximize his present value. However, we largely abstract from the effect that arbitrary taxation has on the ruler's reputation.
6. When the residual claimancy is shared, partners are induced to free-ride on the effort of others. We expect separate mechanisms to be developed to minimize this form of dissipation.
7. Even though they were landowners, rulers did not have voting rights in these institutions. We do not know why this was the case, but it does not contradict our model. Rulers had effective veto power since they proposed all projects, and in any case they would be expected to support projects that would benefit all landowners.
8. In contrast to the prevailing argument that sees taxation as a function of rulers' power, our argument suggests that increases in taxation should be correlated with a decrease in the proportion of taxes that fund 'personal' expenses of rulers. The data, however, are inadequate to test this implication.
9. Although the boundary separating customary and non-customary taxation is not sharp, predictions concerning cases at the poles may be clear cut.
10. In both countries, rulers also got revenue in the form of the provision of justice, fees and tolls from commerce and from the royal mint. Since these fees are primarily for service rather than taxes, they will not be discussed below.
11. Nobles were customarily obligated to provide 'hospitality' to travelling rulers and their retinues. In exchange, they received judicial services. Moreover, rulers and nobles could then more accurately judge their relative power, which would make violent disputes between them less likely.
12. Different state projects presumably affected the value of the ruler's lands. Historical accounts, however, have failed to consider the size or the significance of the effect.
13. It is not clear why Italian lenders became exempt from the usury restriction at that time.

14. Towns' payments for charters presumably were at least equal to the value of the tallage that was removed. Since rulers should have been given some incentives to continue to protect towns, we expect towns to have made annual payments for charters.
15. This section is more speculative than most, because reliable information on the danegeld is sparse. However, because of its historical importance we cannot omit it from our discussion.
16. Our argument suggests that factional disputes would result in specific individual exemptions, and this seems to have been true in the case of the danegeld.
17. John engaged in additional forms of confiscation. First, he increased both the frequency and the rate of tallage (Hoyt 1950: 144) to levels not sanctioned by custom. Second, under him several barons were brought to trial and convicted of treason. In the process, John got rid of some rivals and inherited their estates.
18. Only fighters should pay for offensive wars in which the entire reward is in loot. Offensive war, however, may produce defensive advantages as well, benefiting the country as a whole. By our view, general taxes in England would have been more likely to finance an offensive war against France than one against Ireland, as the former posed a serious threat and the latter did not. Scotland seems to lie between the two.
19. Maddicott (1975) argues that the increase in taxation and in the number of people who paid in this period was due to the rulers' increased need for revenue resulting from more frequent and more extensive wars. The causality, however, seems to go in the opposite direction. As the cooperation with subjects was enhanced (North and Weingast 1989), and as the value of the property protected by the military expenditures was higher, rulers invested more in the conduct of war (which made wars seem more 'expensive'). On their part, subjects found it more profitable to contribute to these ventures.
20. Movables included crops, personal property such as cows, oxen, and household goods and other possessions (but not houses and land) (Willard 1934: 3).
21. Beginning in 1334, the tax on movables was no longer levied as a proportion of actual personal property, but was commuted to a fixed lump sum payment on the whole community (called 15th and 10th even though they were not actual proportions). With this change, the English system became more like the French, with local subjects making decisions about who should pay to meet the amount required from the locality.
22. These taxes were higher for the towns than for rural areas (Willard 1934: 9), but then towns did not contribute military service.
23. Voting and tax payment were also closely linked within English villages on projects carried out at the village level (Ault 1960: 15). The relationship between voting rights and tax payments was much more complicated in English towns (Wilding and Laundy (1968: 624–6). This is not surprising, because the towns were diverse and each decided its own constitution. The situation was similarly complicated in French towns (Lewis 1968: 246–62). Unfortunately, the data are not available for either England or France to test our arguments about voting and taxation at the level of towns, although it is clear that non-voters were taxed in some English towns (Tait 1936: 282).
24. Another form of direct taxation was the poll taxes used in 1222, 1377, 1379, and 1380. Although used too infrequently to merit extended discussion here, they do seem to basically conform to our notion of consensual taxation. They were

approved by voting institutions, the first by the council and the rest by parliament, and they were paid by all but the very poor. In 1222, the 'feudal representation' by the council left a disjunction between voting and tax payment common in that transitional period, but all of the latter poll taxes matched voting and tax payment closely.

25. The funding of bridge-building in the towns of medieval France provides another example of the relationship between voting and paying taxes. Prior to about 1250, when trade was mainly local, French bridges were generally financed by local contributions (Boyer 1976: 91). As long-distance trade developed, ruler and localities made agreements on bridge-building, and the bridges were paid for by a mix of locally voted taxes on local users and supplemented by taxes on other community members (Boyer 1976: 92–101, 104–5). The system worked well enough; bridge-building increased between 1250 and 1350 (Boyer 1976; see also Petit-Dutaillis 1964: 199–200 and Rogozinski 1982: 142–5).
26. Bates and Lien's argument has another problem. Even where there is a consensus for imposing a tax, each voter will still attempt to evade it. Thus the difficulty of taxing mobile resources requires an administrative solution; it cannot be resolved with voting institutions.
27. In this period, the line between 'free' and 'serf' was often blurred, since there were many intermediate and mixed statuses.
28. The period when peasants had no voting rights might have been part of a transitional state in which institutions had not yet changed to fully accommodate the decline of feudalism. With the exemption of the nobility from taxation (to be discussed below), the transition to a more efficient voting institution was foreclosed.
29. For example, in Montpellier in 1366 there were 2300 taxable hearths with 2200 below the minimum taxable value (Henneman 1976: 199).
30. We thus agree with (and provide a theoretical foundation for) Wilkerson's (1972: 100) argument that 'the basis for either success or failure in both countries had been laid long before the Hundred Years' War'.
31. The three main taxes in this period were the aids, gabelle (a salt tax), and the fouage (Henneman 1976: 2).
32. Ames and Rapp (1977: 174–5) also suggest that when nobles become powerful relative to rulers, they will make a deal with rulers for an exemption from taxes. However, they focus on the provision of protection, not the insecurity of rule.
33. The same holds true for the timing of the plague, another exogenous shock. Henneman (1968: 405) notes that the plague had greater negative effects on the development of voting institutions in France than it did in England because of the relative lack of prior development of the estates general.
34. Voters who vote on taxes they do not pay get the right to capture others' wealth. Since nobles made no direct investments in the joint ventures with the state, they had no incentive to ensure that the projects voted for would have a positive joint value, much less positive net value to those paying the taxes; only that they themselves would gain from them.
35. See Anderson (1974) on the weakness of the nobility.
36. Ames and Rapp (1977: 170–2) argue that since the war was on French soil, French subjects willingly gave up their voting rights to ensure provision of protection. As we state above, such behavior makes sense only if restrictions are placed on the ruler to prevent usurpation of power. It is difficult to see how

- giving up voting rights would allow subjects to ensure that rulers would do anything for them in the future.
37. Currency debasement in the 14th century was common in France but rare in England. This suggests that French rulers had higher discount rates than English monarchs. In some years, Philip IV and Philip VI got half or more of their total revenue from manipulating the currency (Monro 1972: 22). In England in 1335, Edward III debased the silver coinage for the first time in 60 years. In 1352, parliament passed a Statute of Purveyors preventing rulers from further debasing currency. English coinage was only altered twice in the following 110 years (Monro 1972: 13–35).
 38. The *taille* was levied without the consent of the estates general in the 1380s, but the estates general did consent to it in 1421 (Henneman 1976: 303–7).

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