
1688 and All That: Property Rights, the Glorious Revolution and the Rise of British Capitalism

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Abstract

In a seminal 1989 article, Douglass North and Barry Weingast argued that by making the monarch more answerable to Parliament, the Glorious Revolution of 1688 helped to secure property rights in England and stimulate the rise of capitalism. Following North and Weingast, Daron Acemoglu, Simon Johnson and James Robinson wrote that in the English Middle Ages there was a ‘lack of property rights for landowners, merchants and proto-industrialists’ and the ‘strengthening’ of property rights in the late seventeenth century ‘spurred a process of financial and commercial expansion.’ There are several problems with these arguments. First, property rights in England were relatively secure from the thirteenth century. A major developmental problem was not the security of rights but their feudal nature, including widespread ‘entails’ and ‘strict settlements’. Second, 1688 had no obvious direct effect on property rights. Given these criticisms, what changes could instead have promoted the rise of capitalism? A more plausible answer is found by addressing the subsequent Financial and Administrative Revolutions, which were pressured by the needs of war and Britain’s expanding global role. By the 1750s, these developments stimulated reforms to landed property rights, the growth of collateralizable property and saleable debt, and the technological innovations of the Industrial Revolution.

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