

TITLE: Does military pressure boost fiscal capacity? Evidence from late–modern military revolutions in Europe and North America

AUTHORS: Oriol Sabaté (Universitat de Barcelona)

ABSTRACT: Warfare and military competition have been defined as important driving forces for the expansion of fiscal capacity during late–modern times. However, the empirical evidence remains inconclusive, and we still lack a historical narrative that explains how warfare has affected the evolution of late–modern fiscal systems. This article aims to fill this gap by analysing the effects of warfare on fiscal development in the light of the so–called Revolutions in Military Affairs that took place in Western countries since the mid–nineteenth century to the present. The results suggest that the interplay between warfare and fiscal expansion has followed an inverted “U–shape” pattern, in which changes in military tactics and technology have pushed public revenues up until the destructive power has passed the nuclear threshold level. Additionally, the results pose that politics is relevant to complete this war–led narrative.

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