

Shifting Elites: State Formation, Absolutism, and the Thirty Years' War

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Abstract

This paper studies the bureaucratic-military state as a political equilibrium emerging from a reduction in the bargaining power of local elites. In the context of the Holy Roman Empire in the early modern period, we empirically trace the impact of the Thirty Years' War — which weakened the landed nobility vis-à-vis the sovereign — on the trajectory of bureaucracies, standing armies, and early forms of parliament. We demonstrate that places with higher exposure to the war experienced stronger growth of the state after 1648, as measured by the number of state positions and size of the military. At the same time, political participation of local elites in parliament was eliminated. Instead, the landed nobility in war-stricken places was more likely to join the ranks of both the bureaucracy and the army. We hence provide empirical evidence that institutions are the result of political bargaining between power holders in society.

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1 Introduction

Governance arrangements differ widely across both historical and contemporary societies. Even among the subset of regimes that hold a monopoly of violence, the degree to which these arrangements constrain the power of the sovereign is highly variable. Theories of state building highlight the key role of political bargaining between power holders in society (Acemoglu and Robinson, 2006), but empirically studying the role of social conflict in the emergence of governance is complicated by the lack of suitable cross-country comparison groups over sufficiently long time horizons.

This paper studies the bureaucratic-military state as a political equilibrium emerging from a reduction in the bargaining power of local elites. In the context the Holy Roman Empire in the early modern period, we empirically trace the impact of the Thirty Years' War — which weakened the landed nobility vis-à-vis the sovereign — on the trajectory of bureaucracies, standing armies, and early forms of parliament in 260 states over more than two centuries.

We first describe two political equilibria — parliamentary and absolutist — formally as results of bargaining between local nobles and the ruler. We then propose a two-step argument about how the Thirty Years' War facilitated the unravelling of the parliamentary equilibrium, toward absolutism: First, the war amassed competences in the hands of territorial sovereigns, who collected war taxes and raised armies in response to the heightened threat environment. Second, the war decreased the rents of the landed nobility, since depopulation due to military campaigns and the plague led to higher labor costs. Following the Peace of Westphalia, the local elites in the most affected places were hence too weak to restore the ex-ante political equilibrium. Positions in the military and bureaucracy provided outside options, especially for the poorest among the landed nobility, hence further strengthening the power base of the sovereign.

From this framework, we derive sharp predictions about how the interaction between the baseline distribution of political power and exposure to the Thirty Years' War map into political outcomes. Empirically, we demonstrate that places with higher exposure to the war experienced stronger growth of the state after 1648, as measured by the number of state positions and the size of the military. At the same time, political participation of local elites in parliament was eliminated. Instead, the local nobility in war-stricken places was more likely to join the ranks of both the bureaucracy and the army.

The Holy Roman Empire, a loose confederation of hundreds of sovereign political en-

tities, is an ideal setting to study theories of state formation: we can trace emergent states over centuries, while the overarching institutional framework, as well as factors of culture and geography, are relatively constant within our borders of analysis. A substantial collection of novel data allows us to depict the relevant bureaucracies, armies, and local elites in great detail. We assemble lists of all regiments and regiment leaders in the states of the Holy Roman Empire over time, as well as, for a subset of territories, biographies and appointment details for the universe of state employees starting in the 16th century. To measure parliamentarism, we note the timing of the existence of deliberative institutions in all territories. The local impact of the Thirty Years' War is quantified through the location of armed conflict and war-induced plague episodes at a fine level of spatial resolution. From a collection of biographies of notable individuals (*Deutsche Biographie*), we extract the locations, professions, and nobility status of over 150,000 individuals during our time period of interest.

This paper contributes to literature on the historical development of states, which in the European conflict has mostly emphasized the role of warfare and inter-state competition (Tilly, 1990; Besley and Persson, 2008; Gennaioli and Voth, 2015; Dincecco and Onorato, 2017; Schönholzer and Weese, 2022). Many theoretical studies explore the role of elite incentives in state-building investments (Greif, 2008; Besley and Persson, 2009; North et al., 2009), with empirical studies focusing on single states (Garfias, 2018; Garfias and Sellars, 2021; Chen et al., 2021; Bai et al., 2022). In this project, we assess the influence of intra-state developments on political equilibria across multiple states over a long time span.

Our research is concerned with the internal bureaucratic organization of the state (Weber, 1978; Finan et al., 2017; Xu, 2018; Besley et al., 2022). This is among the first studies to empirically consider the composition of nascent, and in many cases ultimately unsuccessful, state-building projects at the level of individuals.

Finally, we provide a quantitative contribution to a literature on the emergence and unravelling of deliberative institutions and autocratic rule in state-making (Acemoglu and Robinson, 2020), where a large body of historical works has focused on European early modernity (Hobsbawm, 1954; Anderson, 1979; Ertman, 1997; Clark, 2006).

The remainder of the paper is organized as follows. In Section 2, we give an introduction to the Holy Roman Empire with an eye to its political power groups. In Section 3, we distill the historical overview into a framework of political equilibria. In Section 4, we introduce our datasets. In Section 5, we present the empirical findings. Section 6 concludes.

2 Historical Background

2.1 The Holy Roman Empire: Territories and Estates

The Holy Roman Empire existed from the 9th until the beginning of the 19th century in Central Europe. We focus on the early modern period, 1550–1789, a time period that saw the emergence of bureaucratic states, standing armies, and absolutism. The Empire consisted of a large number of territories, both secular (such as kingdoms, dukedoms, and free imperial cities) and ecclesiastical (such as prince-bishoprics), and was headed by an elected emperor (Whaley, 2012a; 2012b; Wilson, 2016). Rather than with the Emperor, territorial sovereignty lay with the rulers of these constituent territories, who decided on the administrative organization of their lands (Klein, 1974, p. 3). The rural elites consisted of landed nobility, who had access to rents from agriculture, and lived under the protection of the territorial rulers.

In the larger territories, these elites from the 15th century onward, began to form coalitions, so-called “Estates”, to jointly represent their interests with the territorial ruler. Rulers were in increasing need of monetary revenues and military support as governance became more complex and war technology more expensive. Hence, the Estates were convened at irregular assemblies (diets) to provide taxation or soldiers on a once-off basis, and for specific purposes (Finer, 1997, p. 1027). In turn, the local elites received protection and privileges, for example the right of jurisdiction over their peasant subjects.

2.2 Bureaucratic and Military Organization

In the context of increased governance complexity, the bureaucratic capacity of rulers began to grow: both at court and in decentralized offices, roles became more differentiated, oversight through bookkeeping increased, and institutions were more and more separated from the individuals that held positions within them. Also, military arrangements based on mercenaries proved less and less sufficient in the context of the modernization of warfare. Attempts at the imposition of permanent rule and standing armies met resistance from local elites, who successfully protected their social position and political power through the early 17th century.

2.3 The Thirty Years' War and Absolutism

At its conclusion in 1648, the Thirty Years' War, which had grown from a local religious revolt in Bohemia into near-total European warfare, had cost the lives of over five million civilians and left entire villages depopulated. This placed a considerable economic burden on the landed elites, who struggled to maintain their sources of income given the drastically reduced supply of labor.

Governance arrangements changed rapidly in some states of the Holy Roman Empire in the decades following the peace accords, giving rise to absolutist forms of rule. The Imperial Recess of 1654 gave sovereigns the permission to continue standing armies in peacetime. Implementing this permission required breaking the resistance of local power holders in order to access stable funds, which were necessary to maintain an army. This was not possible under a regime in which Estate diets granted irregular taxation. In many territories, rulers ceased to convene diets, imposed permanent taxation, and instituted a standing army.

3 Framework

We now examine the connection between local elite power and the emergence of absolutism in a theoretical framework. To do so, we first abstract the historical background to describe the two political equilibria: parliamentarism and absolutism. Then, we show how, within the framework, local shocks can lead to the unravelling from the parliamentary to the absolutist equilibrium. The predictions from this exercise are then empirically tested in the following section.

3.1 Setup

Within a territory, there are $N + 1$ agents: a ruler and N members of the landed nobility. Land is distributed among the local nobles according to a known distribution. They extract resources (money, agricultural surplus, soldiers) from their lands. The ruler, on the other hand, has an advantage at providing public goods (military protection, judiciary privileges).

3.2 Parliamentary Equilibrium

Local nobles form a coalition (so-called “Estates”) and jointly bargain with the ruler. This parliament provides armies and taxes in a one-off fashion. In turn, the ruler provides grievance resolution by providing public goods.

3.3 Absolutist Equilibrium

Local nobles are atomized: no parliament is convened. Instead of one-off resources, the ruler has access to standing armies and permanent taxation. The rulers pay wages to bureaucrats and military personnel.

This equilibrium is self-reinforcing since a larger army and bureaucracy guarantee easier access to taxes, which allow for the expansion of the bureaucracy and military. This equilibrium also instills a new social order, which derives from the ranks that members of the bureaucracy or military can obtain.

3.4 Unravelling

The external threat that the Thirty Years’ War poses to territories leads to the — allegedly temporary — build-up of armies and taxation. In the absence of local shocks, the local elites grant these large armies and taxation requests on a once-off basis, like in peacetime parliamentary activity. With local shocks to population, land productivity is diminished. Local elites then bring less surplus to the table in parliament, which hampers the demobilization of war-time military and ruler bureaucracy. At the same time, small landholders cannot support their offspring, and the military provides an outside option. This leads to the unravelling of the parliamentary equilibrium.

4 Data

To trace these proposed mechanisms quantitatively, we bring together a variety of data sources, many of which are first digitized in the context of this research endeavor.

4.1 Territories and the Thirty Years' War

The basis of our analysis are the 2,390 cities in the *Deutsches Städtebuch* (Keyser et al., 1939-2003), an encyclopedic compendium on cities in the Empire,¹ as digitized in Bogucka et al. (2019). From Cantoni and Weigand (2021), we extract the conflict incidence during the Thirty Years' War for each of the cities, and we additionally digitize plague incidence during that time period. We also know the territorial history of each city at a yearly basis from Cantoni et al. (2019), allowing us to trace rulers over time. To measure grievances between different social strata, we consider 40,000 litigation cases at the High Court of the Holy Roman Empire from Schildt and Amend-Traut (2022). Population estimates come from Pfister and Fertig (2010), and wage estimates from Pfister (2010).

4.2 Bureaucracy

The *Deutsche Biographie* (Hockerts and Lanzinner, 2022) provides information of 730,000 notable individuals in the German-speaking lands, including birth and death year, professions, and residential locations over the life span. We categorize individuals by whether they have a role in a state bureaucracy, and whether they are of noble status. We assign individuals to the closest city they live in, and hence to a history of war exposure and territorial affiliation.

For a subset of territories, we observe complete lists of all individuals employed by the state over time, mostly called *Beamtenlisten* or *Dienerbücher*. For each local office or central government position, this data notes the name, role, and time period of activity of a person, as well as brief biographical information. We digitize and categorize these lists for the states of Bavaria (Ferchl, 1908) and Württemberg (Pfeilsticker, 1957).

4.3 Military

To identify notable military personnel, we additionally classify whether an individual in the *Deutsche Biographie* has a role in the military and their nobility status.

Tessin (1986) documents the regiments in each European territory, classified by purpose (cavalry, artillery). From this source, we also know the name of the head of the regiment at any point in time. We link regiment heads to the biographical data from the *Deutsche Biographie*.

¹This data source covers all cities within the borders of Germany in 1937.

Finally, for a subset of territories, we observe more complete lists of military personnel. In Prussia, these are the *Preußische Armeelisten*.

4.4 Parliaments

For the universe of territories present at the outset of the Thirty Years' War, we collect data on the time at which Estates were convened in parliaments, consulting works by local historians.

This data collection allows for analyses at three margins of interest. First, we can trace the outcomes of individuals, as they are exposed to the Thirty Years' War. We can aggregate this information to the level of villages and towns, to measure local state and bureaucracy presence and composition, and finally to the political composition of territorial entities.

5 Descriptive Results

We measure the impact of the Thirty Years' War both through direct conflict exposure and plague incidence. Figure A.1 shows the two margins of exposure.

5.1 Political Trajectory

We first turn to state growth. Figure A.2, Panel A, shows the number of active regiments in the Holy Roman Empire over time. The initial increase during the Thirty Years' War is clearly visible, as is the partial devolvement following the Peace of Westphalia, and the rapid increase in military capacity thereafter.

In Figure A.2, it becomes visible that 9 out of 19 territories stop to convene parliaments in the decades following the Thirty Years' War. However, conditional on having a parliament two decades after the Peace of Westphalia, no territory abolishes parliament until the end of the Holy Roman Empire in 1789.²

²Note that the ending for the parliament in Ansbach-Bayreuth is due to the dynasty dying out, and the territory being united with Brandenburg-Prussia.

5.2 Mechanisms

Figure A.3 shows the key mechanism through which the Thirty Years' War affected local nobility. A large shock to population (Panel A) coincided with an increase in real wages (Panel B), and a spike in conflict over agricultural labor (Panel C), as measure by the incidence of peasant-landlord cases at the Imperial High Court of the Holy Roman Empire.

5.3 Political trajectory, by Exposure

Panel A of Figure A.4 shows the number of overall state positions over time, split by low or high war exposure of locations. A divergence is visible during and after the Thirty Years' War, with more exposed states building up capacity. Panel B shows that larger numbers of nobility live in exposed areas from the late 17th century onwards.

Finally, we turn to the composition of the state in Figure A.5. Panel A shows the composition of the military separately for locations with low or high war exposure. The nobility share follows the same trend leading up to the Thirty Years' War and then diverges, with higher nobility shares in the military in places that were exposed to the war. A similar increase in nobility prevalence can be observed in the Bavarian bureaucracy during and after the Thirty Years' War, as is evidenced by Panel B.

6 Conclusion

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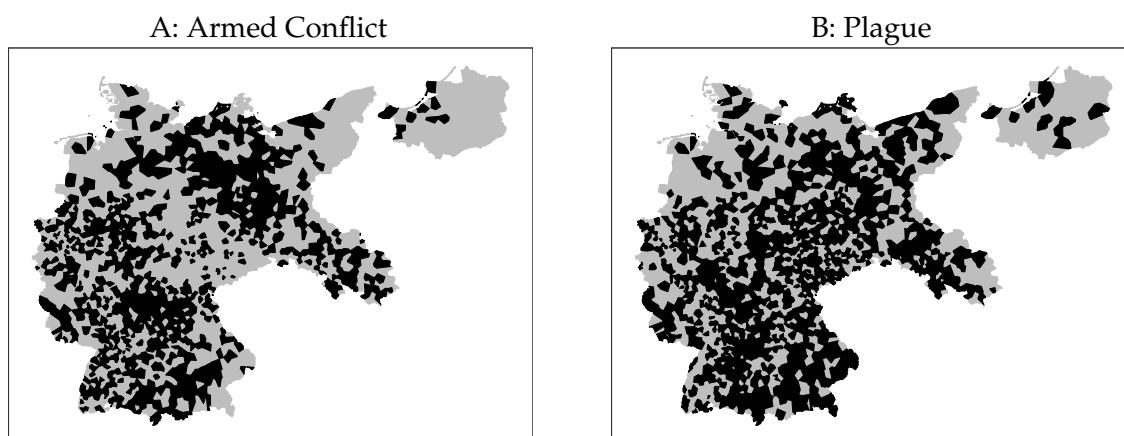
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Supplementary Appendix: For Online Publication

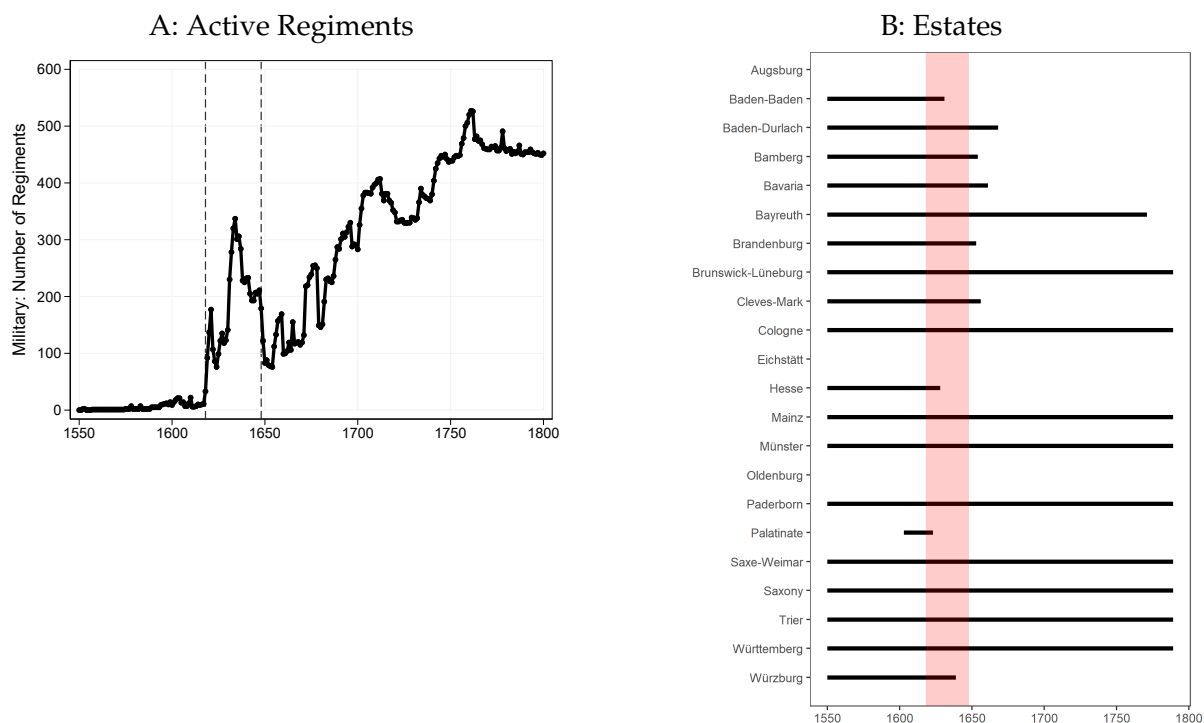
A Tables and Figures

Figure A.1: Thirty Years' War Exposure



Note The panels show the spatial incidence of (A) any military attacks or (B) any plague outbreaks in the time period 1618 – 1648 for 2,390 cities in the Holy Roman Empire.

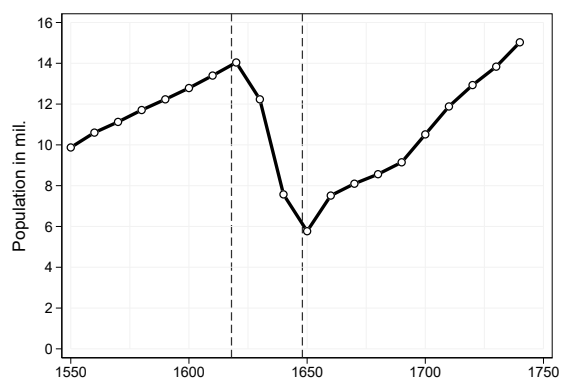
Figure A.2: Time Series: Military and Parliaments



Note Panel A shows the number of active regiments in the Holy Roman Empire over time. Panel B shows the time periods in which Estates were active in select territories of the Holy Roman Empire.

Figure A.3: Thirty Years' War Exposure: Mechanisms

A: Population



B: Real Wages

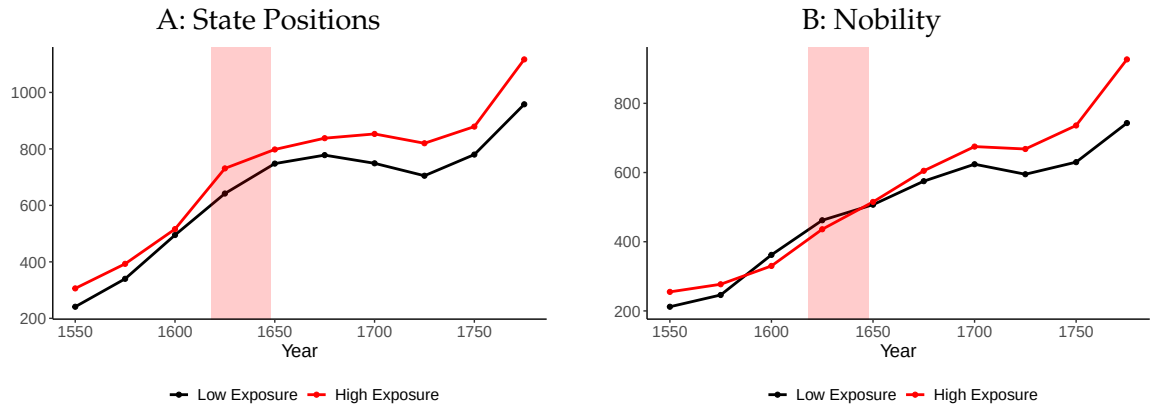


C: Land Conflict



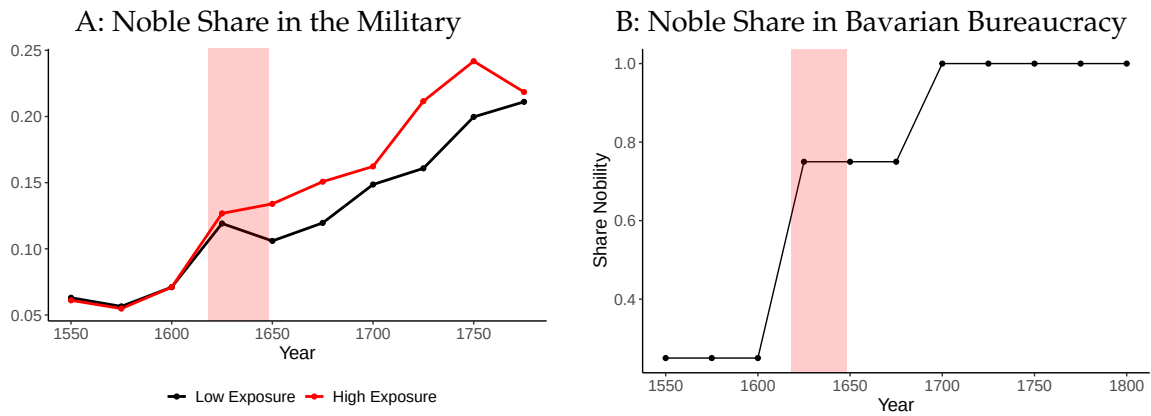
Note Panel A shows population in the Holy Roman Empire over time. Panel B shows real wages over time. Panel C shows peasant-landlord cases at the Imperial High Court over time.

Figure A.4: State Capacity By Exposure



Note The panels show the number of individuals in the *Deutsche Biographie* who (A) have a state position or (B) are noble, separately by exposure to the Thirty Years' War.

Figure A.5: State Composition By Exposure



Note The panels show (A) the share of nobility among individuals in the *Deutsche Biographie* who have a state position, separately by exposure to the Thirty Years' War or (B) the share of nobility among Bavarian so-called *Rentmeister*.