Between Shared and Conflicting Interests. The Political Economy of Markets for Public Debt in the Dutch Republic, 1600-1795
H.A. Feenstra
Summary (small) PhD Thesis: Between shared and conflicting interests. The political economy of markets for public debt in the Dutch Republic, 1600-1795

This study analysed provincial debt management policies within the Dutch Republic. Novel in this thesis is that it not focussed on the central province of Holland, but on three other provinces, namely Zeeland, Friesland and Groningen. Whereas Amsterdam’s function as an international hub for public debt attracted much scholarly attention, virtually nothing is known about borrowing by the other provinces that formed the Dutch Republic. Moreover, Holland is often taken to stand for the entire Dutch Republic in international comparisons. This study argues that Holland was not representative.

The study contributes to the historiography of the Dutch Republic in three regards. Firstly, by taking federal state formation processes seriously, it uncovers the consequences of the institutional fragmentation. It demonstrates on the one hand that the legal fragmentation hampered the integration of the markets for public debt, since it hindered cross-border contract enforcement. On the other hand, the fiscal fragmentation caused an uneven distribution of the fiscal burden. Secondly, it outlines the limits of the economic integrations within the Dutch Republic, by studying private market interest rates. Thirdly, it nuances the widely-held believe about the flawlessness of Dutch public credit during the early-modern period, as uncovered multiple sovereign defaults. How well the debtholders protected their interests explains the differences in the debt management policies and in the market yields for bonds of various provinces that reflected the differences in defaulting risk for the provinces. To a lesser credit spreads could be explained from an incomplete market integration.