

Demanding ‘credible commitment’: public responses to the failures of the early financial revolution

North and Weingast’s notion of ‘credible commitment’ arguably offers a reasonable understanding of the factors that allowed the development of a trusting relationship between the state and their potential creditors over the long term. Yet, they failed to recognise the difficulties that were encountered along the way. This paper will highlight some of those difficulties and will show that at times when credible commitment was in doubt, supporters of the financial revolution held the government to account through the published media and by direct action. This is important for two reasons. Firstly, the contemporary debate regarding the financial revolution, as it is presented by some historians, may lead us to presume that there would have been little public outcry had the government reneged on its debt. Indeed, we might argue that hostility towards financiers had always made default popular with many segments of the population. Yet, clearly opinion was not quite so one-sided and the reaction against potential default was considerable. Secondly, the fact that the public creditors were willing to act to protect themselves shows that credible commitment was not just created from above by the Glorious Revolution and the subsequent development of the institutions of government, it was *demande*d from below by the people who invested in the financial revolution.

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