Public Expenditure and State Development in Early Renaissance Western Europe: A Comparative Study of the Iberian Peninsula (ca. 1350-1500)

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From the 1350s onward, Western European states developed public finances amid economic and social transformations. Traditional interpretations emphasized the central role of parliamentary taxation, highlighting how representative assemblies granted subsidies to monarchs to finance warfare, with far-reaching consequences for the political evolution of the region. Recent research, however, has qualified this view by showing that a share of these revenues became permanently consolidated under royal control. Monarchs thus enjoyed discretion over their allocation, with unintended consequences: in the absence of effective oversight mechanisms and clear incentives, public expenditure grew unchecked. This expansion further exacerbated the impacts of contemporary monetary scarcity, ultimately plunging most public finances across the region into a deep crisis that would shape the policies of the early Renaissance.

Although this evolution is well understood regarding fiscal revenues, public expenditure has remained comparatively understudied. This paper examines these developments in the Iberian Peninsula, where three Crowns—Aragon, Castile, and Portugal—coexisted with distinct institutional frameworks. The analysis focuses on the role of the sovereign in authorizing and executing expenditure, as well as on the degree of autonomy enjoyed by institutions responsible for financial oversight.

Based on this comparative approach, it is proposed an initial interpretative framework on the role of public expenditure in state finances of Western Europe during the early Renaissance, contributing to a reassessment of theories and models—mainly based on revenue and debt analysis—proposed by Richard Bonney, David Stasavage, and Mark Dincecco. Attention will be paid not only to representative assemblies but also to other agents involved in financial governance which also exercised significant influence over spending decisions. This study will further examine the payment mechanisms to explore how methods were devised to a improve efficiency in resource allocation, particularly through decentralization, offering an understanding of the role of local societies in state development.