

Discussion of "Justices of the Peace: Legal Foundations of the Industrial Revolution"

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March 21, 2025

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- 2 Big picture suggestion: capacity drives structural transformation (but is it legal capacity *per se*?)

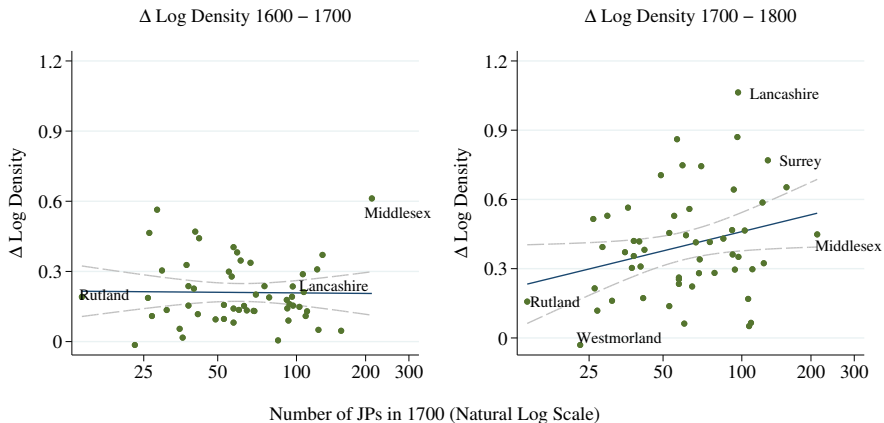
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- 2 Big picture suggestion: capacity drives structural transformation (but is it legal capacity *per se*?)
- 3 Additional suggestion: clarify formal, common law versus informal, customary law. How did the transition happen?

The Main Argument

- The Industrial Revolution's technological advancements, along with a “raft of new market-supporting legislation,” activated an existing stock of “street-level” legal capacity (Justices of the Peace, JPs).
- This capacity was installed for reasons unrelated to potential economic growth, enabling causal identification.
- This activation, in turn, catalysed economic growth. Collectively, this provided the “legal foundations of the industrial revolution.”

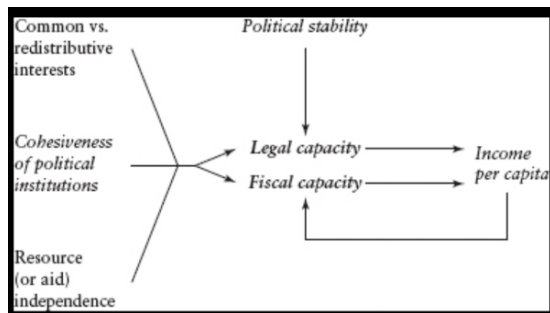
The Main Argument in a Figure



Empirical Findings and Implications

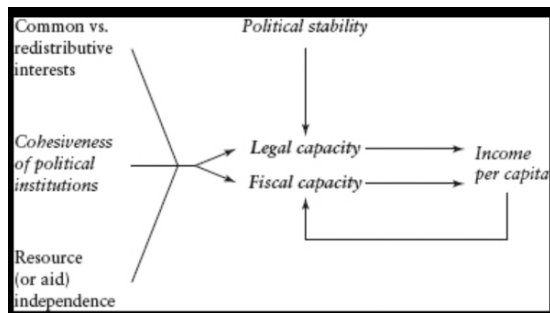
- An increase of 1% in county legal capacity (JPs in 1700) is estimated to have led to approximately 0.4% greater urban population by 1840.
- JPs also led to:
 - ▶ A 100% increase in the number of patents over time.
 - ▶ Transition from agriculture to manufacturing (towns with coal) and services (towns with harbors).
 - ▶ Increased infrastructure and poor relief spending.
- **Implication:** Street-level capacity *causally* drives dramatic differences in economic progress over the long sweep of history (140 - 150 years). Novel data, crisp and consistent results. Little doubt remains.
- → Empowering local elites to execute state functions can unlock long-term structural transformation and innovation.

Contribution in context:



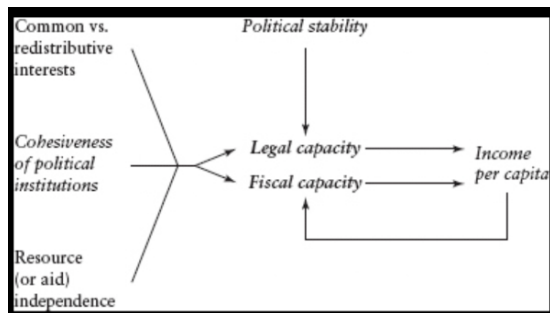
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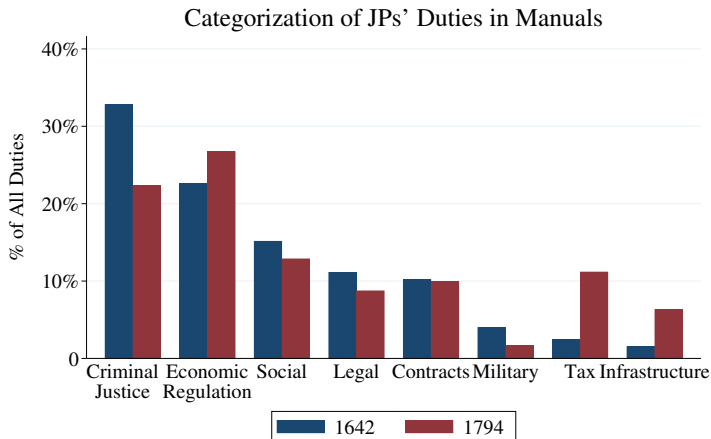
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Does it matter? The history of the UK provides insight on how to develop durable, open, inclusive, and effective institutions.

Breakdown of JP Responsibilities



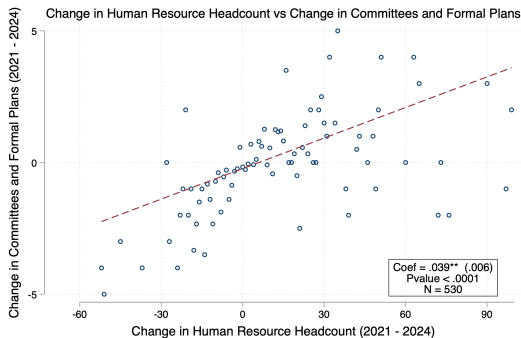
Breakdown of JP Responsibilities

Table 7: JPs positively impacted outcomes that were directly related to their duties.

	Dependent Variable =				
	(Log) Expenditure On:				
	(Log) Apprentices	Poor Relief	Criminal Justice	Bridges	Highways
(Log) JPs 1700	1.39*** (.124)	1.61*** (.216)	1.33*** (.151)	2.03*** (.338)	1.26*** (.164)
(Log) JPs 1700 x_post-1750	-0.02 (.075)	-0.31 (.193)			
Baseline Controls	Y	Y	Y	Y	Y
Coordinates	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y
N	4,940	1,188	1,896	1,896	150
Counties	52	54	54	54	54
Period	1710– –1804	1748– –1839	1792– –1839	1792– –1839	1812– –1838

Installing Street-Level Capacity Today

In 2017, Nepal created 753 new local governments. The “Local Infrastructure Support Programme” is the flagship effort to build their capabilities. Goal is to install the “right” street-level capacity for the long run.



- Street-level capacity: Administrative staff. Engineers.
- Processes: Procurement committee. Infrastructure maintenance committee. Periodic plan. Infrastructure needs assessment.

Counterfactual: What legal institutions existed outside of JPs?

Key Considerations:

- Who enforced laws where the JPs did not exist? Was it overlapping informal actors?
- What other laws and policies did these alternatives pursue?
- How should we interpret regions with fewer JPs? Were they substituting enforcement with common law or customary law?
- The paper has a “dosage response” flavor—was lower JP presence leading to a legal system that was less aligned with national law and policy?

The Transition from JPs to Formal Courts

Additional Questions:

- When and how did legal disputes transition from JPs to formal courts?
- Did both venues co-exist for some time, handling similar cases?
- What can this history tell us about modern-day common law countries where customary law still prevails over formal courts?

Conclusion

Key Points:

- The paper makes a major contribution by linking capacity to long-run innovation, structural transformation, and development.
- Distinguishing between a legal capacity vs. fiscal (or collective) capacity, to me, remains fuzzy. Coordinating local elites to serve the state is a multi-faceted intervention.
- What did the world look like before and after JPs? Was England also a case of multiple overlapping providers of informal justice?