

## **Political Geography and Pre-Industrial Development:**

### **A Theory and Evidence for Europe 1000-1850**

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We present a theory of the drivers, and a measurement of the patterns, of the evolution of historical sovereign polities over time and space in Europe, and we investigate the policies they adopted and the impact they had on pre-industrial urban development. We study the strategic interaction among ruling elites competing militarily for territorial control and economically for rent extraction. We characterize the endogenous evolution of the equilibrium number, size, borders and type of polities, identifying the timing and location of appearance (and disappearance) of city states and the transition from domain reigns to modern territorial states. The model predicts the emergence of hard borders and a reversal in the role of locations' centrality for development. We measure the territorial evolution of sovereign polities by assembling geo-referenced yearly panel data on the political geography of each location in Europe for the period 1000-1850 and we investigate its implications for pre-industrial urban growth. Results document a changing role of polity size and type and a reversal of centrality from across to within polities which is associated to increasing importance of domestic market potential after the XVII century.