

May Weberian Bureaucracies be Instruments of Change in Non-Democratic Regimes?

The case of the 18th Century French ‘Bureau du Commerce’

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Abstract

This article explores the decision-making process of a small French agency that was in charge of the oversight and support to the supply side of the proto-industrial part of the economy in the eighteenth-century France, characterized by absolutist monarchy. The question we ask, is whether, against the odds, its rules and procedures endowed the *Bureau du Commerce* with a capacity to act as an agent of change, or whether its *de jure* constitution was *de facto* overwhelmed by the pressure of a thoroughly rent-seeking environment. We analyze the case of the distribution of *privileges*, i.e. individual franchises and rents, to private entrepreneurs. Policy implementation responded to a bottom-up process whereby each applicant sent his demand to the *Bureau* in Paris, which then investigated the case and decided whether or not to support him. Thanks to well-kept archives, we have been able to code the 535 individual applications that were received and processed between 1700 and 1791. We identified the conclusions reached, the parties and experts involved in each case, and the qualitative arguments leveraged by each of them. Hence, we are able to test on a case-by-case basis whether the final outcomes were determined by the procedure. We show that, indeed, decisions issued by the *Bureau* are correlated to the positions expressed by the key voices in the deliberation process (for or against each submission) and by the *substantive* arguments that they raised *within the procedure*. In other words, the competing positions of the various voices and their motives are significant predictors of the final decisions. Broad or impersonal criteria that shaped the distribution of rents to private manufacturers can thus be observed *ex post*. The fact that they remain stable for a long period characterized by multiple rulers and substantial political changes (four kings, a regency period and more than ten heads of government) suggests that the mix of hierarchic division of labor, information gathering, and collegial deliberation actually supported a rather consistent and impersonal development policy despite the absolutist monarchy that ruled at that time.

1. Introduction

Although characterized by absolutist monarchy, French eighteenth century has seen the emergence of modern institutions. Established in 1700 and aiming at regulating activities of commerce and industry, the Bureau du Commerce is notable one. The function of the Bureau du Commerce was to allocate rights and privileges to private entrepreneurs through a multi-player and consultative decision-making process.

In previous studies Beuve et al. (2017a ; 2017b) show that during two decades of relative political stability and economic prosperity under the Louis XV reign (1724-1744), the Bureau du Commerce performed on an impersonal and rational way. On the one hand the decision of the Bureau were closely aligned with the arguments and recommendations made by the different actors and experts consulted during the decision process. On the other hand the decisions seem to be led by economic motives and the collective interest rather by specific interests.

In the current study, we exploit the whole experience of Bureau du Commerce (1700-1791) to extend the investigation on the decision-making of this institution beyond the 1724-1744 period. The eighteenth century has been characterized by multiple political and institutional changes, with the reign of three different kings and a decade of regency period. The analysis undertaken in the current study then allows to explore the decision-making process of Bureau du Commerce in greater details and in particular to test further whether it was really insulated from political (absolutist) leaders.

The results support this hypothesis. They evidence similar patterns to previous results obtained on a narrower and stable period and suggest that heads of State or heads of government exert limited impact on the outcome of the Bureau activities, translating its independence from political power. Overall, it suggests that the Bureau acted as Weberian bureaucracy — on an impersonal and meritocratic basis — as it had initially been designed to deliver a modernization policy insulated from the ‘cronies and cliques’ mode of governance characterizing the Ancien Regime France. While the bureau and its policy, addressing a relatively small fraction, while strategic, of the economy, were insufficient to reform the regime and to prevent its collapse, it is certainly one of the loci where the modern French state was gradually invented.

2. A short history of the Bureau du Commerce

The absolutist regime that gradually emerged under the Ancien Régime from the late sixteenth century onwards came to maturity with the ascent to power of Louis the XIVth, who reigned from 1661 till 1715; after a period of regency (1715-1723), the state machinery was inherited by Louis the XVth (1723-1774), then by Louis the XVIth (1774-1792). What primarily characterized this regime was not however the undivided authority and power of the King, who reigned in fact over a kingdom thinly fragmented in provinces, partly self-governed cities, seigniorial and aristocratic fiefdoms, a multitude of jurisdictions, not to mention of population divided in a great number of status groups – the estates, the guilds, etc.

The intrinsic flaw in this regime, which caused its eventual collapse, was the tension between the defense of the social and political order, hence the rent-seeking equilibrium between elite fractions, and the attempt to further the political and economic unity of the kingdom, so as to reinforce it vis-à-vis its main European competitors. Against this background, the centralizing project of Louis the XIVth should first be understood as a successful drive to subjugate the three main alternate sources of power, all with their own claims to legitimacy: the judiciary, around which the medieval monarchy had been established; the traditional aristocracy, which was soon corralled in Versailles and expelled from the key sites of power; and the intermediate bodies, like the cities, the Provincial Parliaments, or the Estates General (never to be convened between 1614 and 1789). Centralization and bureaucratization were thus instruments in the construction of a structure of power and resource allocation that circumvented these more traditional bodies.

Colbert, Louis XIV's most influential minister during the early years of his reign (1661-1683) remains the most representative figure here. He was the key man who modernized and developed the *Contrôle Général des Finances*: an early form of Ministry of finance, which became in practice the core of this new, partly modernized state apparatus, in charge of public finance and taxation, but also domestic and foreign trade, agriculture, guilds and manufactures, etc. Over time, the exact perimeter of its activities moved with the fluctuations of power politics among ministers.

The Bureau du Commerce was established in 1700, partly as an attempt by the *Contrôle Général* to consolidate its control over trade issues, especially against the Secretary of the Navy. The creation of the Bureau also corresponds to a renewed attempt to co-opt representatives of the industrial and merchant elite into position of both expertise and interest representation. Many earlier attempts, since the early seventeenth century, had either failed, or had been given only a short-term mandate. The Bureau however met an enduring success thanks in part to two significant innovations: the creation of Chambers of Commerce in the main trading cities, which became key interlocutors of national policy-makers; and the *Députés du Commerce*, i.e. a college of high-reputation, experienced merchants, with close links to the Chambers, who became a key feature of the Bureau du Commerce.

From a formal, institutional perspective the early decades of the Bureau du Commerce were marked by much instability. First created as the *Conseil de Commerce*, it became a more settled organization with the creation of the *Intendants du Commerce* in 1708. After the death of Louis the XIVth (1715), the Bureau was briefly dissolved, though it continued operating, as a more low-key agency under the regency period until the beginning of the Louis the XVth reign in 1724. Indeed this 10-year period of regency was characterized by swaying in the power system. Since in the *Ancien Régime* all the authority derived from the person of the King, the Regent had to compromise with the various social/political forces that in the specific context of the post-Louis XIV period attempted to recover their past influence and autonomy. Hence the government in Versailles and Paris was characterized by its weakness, which explains the succession of crises — which includes the collapse of the Law system (1716-1720) — and the accumulation of drifts in practices (i.a. in the distribution of pensions to aristocrats). The fact that the body responsible for dealing with industry and trade was considered as a bureau rather than as a council explained how it nevertheless resisted the troubled period that followed the death of Louis XIV. That said, the Bureau du Commerce was less formally organized during this period than later on.

After the ascent to power of Louis XV (1723), its structure and decision-making rules formalized and stabilized. The new reign came indeed with a reshaping of many components of the state machinery. In June 1724, The *Contrôleur Général des Finances* held an inaugural session aimed at establishing the new organization and procedure of the Bureau, at the same time he sent circulars to various gears of the royal machinery. From that point he delegated the investigation and the

preparation of decision in matter of “Commerce” to the Bureau, and the components of the bureaucracy had to report directly to the Bureau on the related matters.

The next two decades, under the de facto prime-ministership of the Cardinal Fleury (1726-1743), may be seen as a kind of low-key golden age in the discrete history of the Bureau du Commerce. This was also a period marked by few wars, relative economic prosperity and rather orthodox colbertist policies, especially regarding support to manufactures. From the 1750s, the influence of the Physiocrats rather weighed against the Bureau, especially so during Turgot’s brief stay at the head of the *Contrôle Général des Finances* (1774–76). The Bureau thus remained on the margin of this last attempt at reforming the kingdom. Finally the Bureau du Commerce experience ended up with the end of the reign of Louis XVI (starting in 1774) during the French Revolution.

3. An overview of the Bureau du Commerce’s mechanics

3.1. A multi-player institution

What marks the organization of the Bureau du Commerce — most clearly after 1724 — is the fine articulation between three elements: a hierarchic, rather modern bureaucratic organization aimed at investigating cases, and keeping tracks of the decision made, and overseeing implementation ; and two colleges aimed at deliberating and preparing decision, one made of high-level bureaucrats from various ministries and agencies, the other of outside trade experts (the *Députés du Commerce*).

i. The administrative structure was in the hands of the President of the Bureau — a *Conseiller d’Etat* — who until 1744 was also appointed as *Directeur du Commerce*, hence responsible for the implementation of the decision made by the Bureau. He reported directly to the *Contrôleur Général des Finances*, or Ministry of Finances ; and, from the reform of 1724, provincial *Intendants* and *Inspecteurs des Manufactures* had to report him. All the relevant claims and cases were sent directly to him by the gears of the state machinery. He was supported by four *Intendants du Commerce* (five after 1767) who were responsible for both a geographic area and (after 1744) for specific economic branches. In practice, they managed the day-to-day work at the Bureau, they interacted

with the agents of the *Contrôle Général* in the provinces and took care of ulterior implementation as of the conservation of files and archives. The position of *Intendant du Commerce* was an office, hence it had to be paid for and was transferable (until 1774). Most of the *Intendants du Commerce* were *Maître de Requêtes*, hence with rather less social and political capital than the *Intendants des Finances*, a pattern that became more marked after the mid-century (Garrigues, 1998). Lastly a secretary of the bureau was responsible for keeping files and coordinating the paperwork. He was in charge of writing the minutes — today's the most complete archive of the bureau — and was also responsible for hosting the meeting of the *Députés du Commerce* in the Parisian house where the Bureau was established.

ii. The top men in the *Bureau du Commerce* interacted closely with their peers within the *Contrôle Général* and in other ministerial departments. Mobility and flexibility across the different departments and bureaus had long been typical of working practice among the *Maître de Requêtes* and the *Conseillers d'Etat*. Beyond this, a formal college made decisions. Together with the President of the Bureau and the *Intendants du Commerce*, a set of top bureaucrats — qualified as *Commissaires* — represented various gears of the state machinery in the meeting during which the cases, once investigated, were debated and decided. It included a representative of the *Conseil de la Marine*, and the *Lieutenant Général de Police* (responsible for public and market order in Paris). Some additional *Commissaires* were appointed at different periods. Representatives of the tax farm also participated to the debates, though they did not take part in the final decision. One of the remarkable features of the *Bureau du Commerce* was therefore its capacity to rely on this type of traditional decision-making forum, while at the same time interacting closely with the expert bureaucracy of the *Contrôle Général des Finances*, and with a more innovative college of experts: the *Députés du Commerce*.

iii. The *Députés du Commerce* were ten to 14 well-established, experienced merchants who were partly elected from the largest trading cities and partly co-opted by the central bureaucracy. Most of them, before joining the Bureau, had a long experience either in municipal government or in the traders' courts, with a typical background in long-distance trade, shipping, banking—and, occasionally, slave trading. In other words, they belonged to a class of often-powerful private interests that generally operated outside the guilds and across the closed, highly regulated markets of those days. As merchants, they also had a good knowledge of existing technologies and products,

market practices (including the old Law Merchant), and the economic geography of both the kingdom and foreign countries.

The Députés were expected to contribute as both experts in commercial affairs and as representatives of their city of origin, though in practice the first mandate became the most important. The sustained flows of correspondence, memorandums and briefs between cities and their Députés reflect indeed a lot of dissatisfaction, if not frustration, on the side of the municipal authorities and the chambers of commerce, which paid for the latter's remuneration. Some cities even stopped supporting them during some periods and had to be called to orders by the CGF. Still, nothing in the way the Députés worked and addressed the King's men suggests a notion of political representation or legitimacy; significantly there was just no hint that the latter were in any sense bound by their collective opinion. If the college of the Deputés ever argued in the name of any superior notion, they would speak in the name of "the good of the commerce", which was framed as a fully legitimate sub-part of the public good, or of "the good of the kingdom" (Kessler 2007, Smith 1995).

3.2. The decision-making process

Whereas the concept of state-building evokes grand notions like the rule of law, civic participation or constitutional commitments, how state bureaucracies contribute to such endeavors and how they are actually built up are generally seen as secondary questions. In practice, bureaucracies seem to attract the attention of social researchers only when they are dysfunctional or corrupt, or when they escape the control of their principals; that is, when they diverge from Max Weber's classical criteria of expertise, hierarchy and impersonality.

What is often missed from the old Weberian text is that, although Weber announces that bureaucracies will eventually perform like ideal instruments, he envisages them also as a force for change: a historic social phenomenon that has considerably affected how modern societies work and how they are governed. In Weber's view, the expansion of bureaucracies since the early-modern period is a core feature of the more general development of impersonal, law-based states (or *Rechtsstaat*). By transferring administrative duties from "*personal trustees, table-companions,*

or court-servants” (Weber; 1978, II, p. 956) to specialized, permanent organizations, the rulers gained considerable power, both within their countries and against their neighbors. To Weber, the close historical and theoretical connection between the impersonal character of bureaucracies and that of market exchanges was critical: predictable rule-making and rule enforcement allow for a superior “calculability” of microeconomic decisions and, by extension, with other things being equal, a higher capacity for economic agents to optimize resource mobilization.

This idealized type of bureaucratic model has often been associated with the traditional ethos of the French bureaucracy, or that of the Second German Reich, which were founded on a principle of relative autonomy vis-à-vis special interests. In this view, States and governments should serve a broader understanding of the public good than what the addition of ad-hoc interest coalitions would warrant, and if necessary, they should assume the role of the ultimate agents of change. Theories of “modernization” during the 1950s and 1960s have, for instance, underlined the role of partially authoritarian, bureaucratic states in overcoming sectorial or communitarian divisions (Rosenberg, 1958; Ward and Rustow, 1964). More recently, the literature on economic development in East Asia has also emphasized that relatively autonomous bureaucracies can act as a coordinator of private interests, thanks to a time horizon that extends beyond the short-term view of most economic agents (Amsden, 1989; Wade, 1990; Rodrick, 1997). The counterargument defends the position that partially autonomous bureaucracies only signal that, in practice, the state has become despotic and possibly oppressive. From this perspective, bureaucrats should be subjected to absolute heteronomy, or capture, so that the responsibility for balancing interests is left to a hopefully constitutional political process, where citizens have political agency. If the regime is illiberal, then bureaucracies should be expected to implement the distribution of rents, as agreed among fractions of the dominant elites.

This article does not defend a normative view of what bureaucracies should do. Rather, it raises the anterior question of a bureaucracy being designed by policymakers as an autonomous organization to help them reach their policy objectives. The question we ask is to what extent the small bureaucracy of the Bureau was able, by the virtue of its own procedural rules, to shape policy decisions in a consistent, means-end oriented manner. Alternately, if the *Bureau du Commerce* was entirely dominated by rent-seeking politics, its formal rules would not leave their mark on decisions.

Although affected by institutional changes during the eighteenth century, its decision-making process remained quite stable to deal with the applications submitted by private entrepreneurs to get privileges, i.e. set of franchises and rents aimed at supporting their businesses. The set of privileges that could be obtained encompassed notably the legal capacity to operate, typically to run a business outside guilds or to exploit a resource (like a mine, a river, etc.), the cost structure of the firm or its exposure to competition, and the income of the entrepreneurs or his associates. On the other hand, straightforward subsidies or state-loans were exceptional. Privileges were therefore a set of heterogeneous and specific advantages granted to an entrepreneur for a given period of time to favor the development then the sustainability of a business (see Section 3.3).

Entrepreneurs who applied for the right to establish an independent business, and possibly for some extra benefits, first had to submit a written application. Claims concerned new projects, though entrepreneurs could ask for a renewal or an extension of existing privileges. The format of these applications was very standardized as the procedure imposed its logic of justification/discussion to all stakeholders involved in the process. Indeed, franchises and rents were eventually granted on the basis of the interest of the project, the need to support it to guarantee success, and the costs of this support for the crown or the economy. The whole procedure was built to attempt to weigh collective benefits and costs, which included the potential adverse effects of the privileges; and all the parties involved in the procedure add to argue along these lines. Here is how the Bureau du Commerce proceeded.

i. Submission. Individual claims reached the Bureau. These claims, or placets, encompassed a description of the project, including technical details, conditions of implementation, and historic background. The entrepreneur then justified his claim in function of the expected collective benefits, or precedents, and of the risk and costs of his venture. Then came the detailed list of requested privileges. The application could also include samples/prototypes of the products, testimony by experts, etc.

ii. Instruction. The instruction phase then started with the transmission of applications to one of the four Intendants du Commerce (not to be confused with the provincial Intendant; i.e. the agents of the Ministry of Finance in the provinces), who coordinated the investigation. The principle here was that all stakeholders to each case had a right to bring opinion, arguments and information. Most

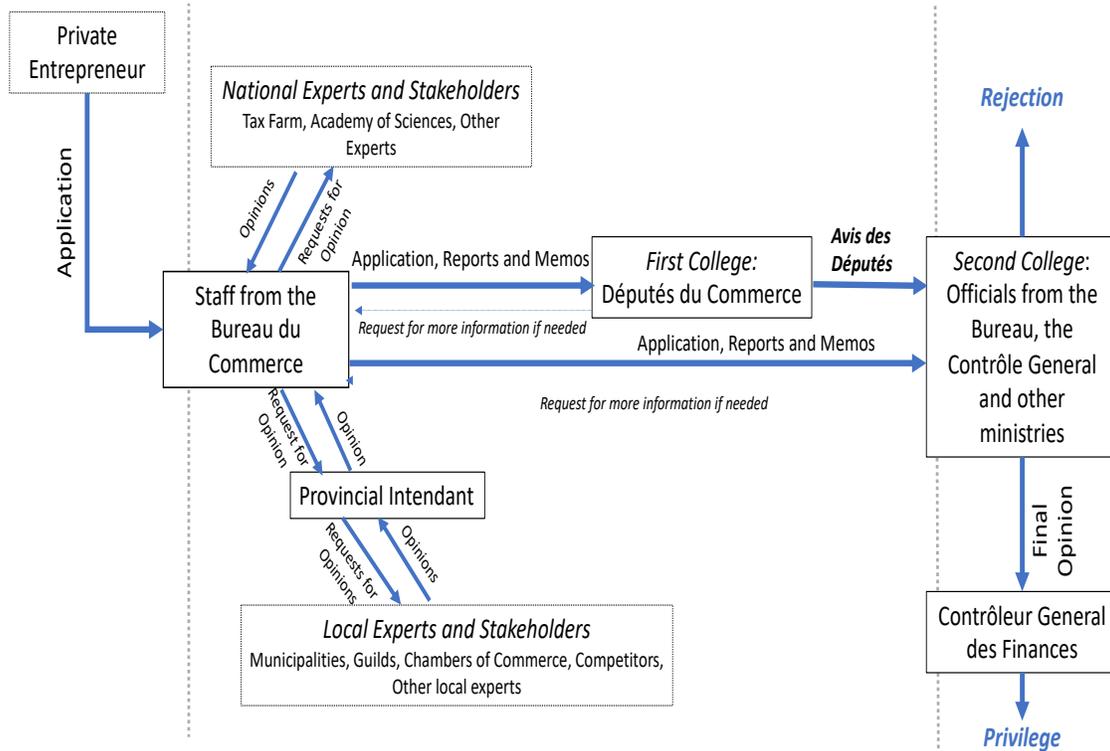
often, the provincial Intendants were asked to report on the impact of the project on the local economy: they would consult with local authorities, Chambers of commerce, guilds, established manufacturers, etc. They sent back to the Bureau, reports that assessed the potential impact of the project for the local demand (e.g. supply conditions and pricing) and for the supply side (competitors and potential complements in the value chain, pressure on natural/local resources, etc.). Besides, the Bureau du Commerce could also consult authorities from other regions, members of the Academy of Sciences (when the project was based on a claim of technical innovation), the tax farms, etc.

iii. The initial submission and these reports were then transmitted to the Députés du Commerce, who would read and discuss them during one of their twice-weekly collective meeting (organized at the office of the Secretary of the Bureau). In case no further information was required, a collective Avis des Députés was written, with a summary of the claim, a discussion of the various arguments pro and against, and a collective proposal that detailed the list of privilege that should be granted to the entrepreneur. Detailed motivations for each of them were provided.

iv. Decision. The whole file, plus the Avis des Députés, was then transmitted to the college of top bureaucrats who would discuss the case during one of the thrice-monthly meetings. The Députés attended these meetings, but they would not speak, unless invited. This was the decisive moment when all elements of information and expertise were on the table, so to allow for a collective, final proposal, based on sound arguments and careful appraisal of each individual submission. The assembly proceeded to a detailed assessment of the quality of the project, the qualification of the entrepreneur, the direct and indirect benefits that could be expected for various stakeholders. As said, they also considered potential negative impacts of their potential support to a venture, typically as regard to competition and market access, or over-use of scarce local resources. This resulted into a proposal sent to the Minister as a collective, unanimous position, proposing either to accept, reject, or curtail the demand.

v. After a few weeks, the proposal was confirmed, returned to the Bureau where a royal decree was prepared, checked in another plenary session of the college of highflyer bureaucrats, before being enacted as a Royal Decree: an Arrêt.

Figure 1. The decision-making process of the Bureau



Taken as a whole, this procedure reflects a deliberation process that was not structured as a negotiation whereby competing parties would try to reach a compromise and balance their respective interests in a mutually satisfactory manner. Rather, the language used and the criteria for granting privileges were predicated on notions of due process, private rights, respect for precedents, and some idea of the common good. Provided a submission was not entirely rejected, the deliberation aimed in practice at tailoring each package of benefits to the specifics of each investment project and to its potential costs and benefits for the economy, local or national.

3.3. An overview of grants and privileges

The ‘menu’ of privileges from which individual applicants could draw can be grouped into six main blocks: a legal right to operate a business, a territorial exclusivity, personal tax reductions, custom duties exemptions, privilege access to (upstream or downstream) markets and financial support. This classification has the advantage of allowing for a form of ordering within each of

these six blocks, thanks to the relative homogeneity of the respective privileges. We shall thus use this ordering as a ‘quasi-metric’, or a proxy for a measure of the ‘intensity’ of the privileges being requested and/or obtained by each project. This ‘intensity’ reflects the number of privileges granted when they are cumulative (for example, tax cuts) or the scope of the privilege when they can be ranked.

A first block of privileges deals with the legal status of the firm; allowing producing and selling goods. Then, the investor could ask for a ‘*privilège exclusif*’ which provided more institutional leverage but generally implied compliance with statutory regulations (especially in the textile industry); his firm would often be called a ‘*Manufacture*’. Finally, there was the status of ‘*Manufacture Royale*’, which added a degree of grandeur in a society where symbolic display was a tangible resource.

A second set of privileges concerns territorial exclusivity. This is the monopolistic feature that has attracted a lot of attention, primarily from Ekelund *et al.* (1981,1989). However, these exclusivities came with two important caveats. First, their spatial extent was generally limited to a perimeter of less than 20 or 40 kilometers (that is, five to 10 lieues, according to the old units) around the firm; sometimes it covered a given province, and most rarely a monopoly franchise over the whole kingdom. In this latter case, the privilege concerned a technological innovation (possibly imported) and so resembled a modern-day patent. The second caveat is that (except for these quasi-patents) exclusivity did not imply market closure, but only covered the ability to produce: outside competitors could enter the local market, so that the competitive advantage for the protected producer was a function of transportation costs and internal tariffs. Besides, the way in which exclusivity provisions were discussed by the Bureau reflects the clear assumption that they were exceptions to the rule of market competition: their aim was either to guarantee to the entrepreneur a given income stream, or to limit the pressure on scarce local resources, such as wood or fresh water. It should also be noted that the monopolies that were granted by the Bureau had no fiscal counterpart: the privileges did not serve as an instrument for the administration to extract revenue indirectly from the economy, as in the case of tax farms, salt mines, or the tobacco monopolies.

A third set consists of personal tax exemptions targeted at the entrepreneurs and their business partners, occasionally skilled workers (or *ouvriers*). These exemptions could apply to taxes in kind,

such as serving in the local militia or hosting soldiers from the royal army ; or, more rarely, breaks could also extend to monetary taxes on income flows, such as the *taille*.

Then come tax exemptions that directly affected the competitive position of the firm; hence they presented a potentially much more distortionary character than the previous categories. This block includes custom duties on imports and exports and, more importantly, internal tariffs and tolls that proliferated between provinces, at the entrance of cities, or along roads and rivers.

The fifth category of privilege covers privileged (sometimes exclusive) access to markets. In a context of generalized control of access to economic resources and markets by a proliferation of authorities, entrepreneurs wanted to secure access specially to imported inputs, or to specific material produced in some regions or cities.

The sixth category refers to requests for grants or loans by the Crown. In the absence of credit system and without a legal basis to manage shareholding, entrepreneurs were desperately seeking for capital, while the very barely got support from a crown that was itself short of money.

4. Data and empirical strategy

4.1. Collecting data and encoding the deliberation process

In order to explore how decisions were come to, and made, at the *Bureau du Commerce*, we identified all the cases dealt with by the Bureau over its whole period of activity that is from 1700 to 1791 and mobilized the utter case records (request files, minutes, final decision official documents) available from the French National Archives, that consists in 535 cases. We coded how the main parties involved in the decision process argued about each claim — i.e. the list of privileges that should be granted or not, and the justification for these recommendations. For each of the claim, we collected additional variables that are used for various control. Each project is identified in terms of localization and jurisdiction, of date, and industry. Moreover, we characterize whether it concerns luxury industries and foreign entrepreneurs, to control if what is sometimes claimed in the literature — the idea according to which the French “industrial policy” of that time was strongly biased by the mercantilist project — is relevant or not. For each case, then we have a

detailed list of the privileges claimed for, and of those granted. This allow us, not only to see if the claim was accepted or not, but also to what extent it was restricted. Also, we can track category by category of privileges the preferences of the various stakeholders in the process. Second, for each of the “contributors” to the decision we established the list of the justifications they proposed or endorsed to grant/restrict/refuse privileges. This enables us to track how the arguments of the main parties weighed in the final decision made by the bureau. Our meticulous data collection strategy allows us then to build different metrics to measure the “extension” of the privileges requested or granted, and the arguments put forward by the different contributors to the decision process and how they interact and impact upon.

As said, the procedure led all stakeholders to comment on each of the demand and justification included in the initial claim. Moreover, during the process the contributors commented on or endorsed the comments eventually made in the earlier steps; i.e. the Députés du Commerce on the Provincial Intendant’s report; the Commissaires of the Bureau on the arguments by the Intendants, Députés and the Académie des Sciences. The careful identification, collection, and encoding of all qualitative arguments brought to the discussion make possible a systematic test of whether the decisions made at the Bureau were actually outcomes of its deliberation rules, or whether these rules and qualitative arguments had no impact whatsoever; that is, whether the Bureau only rubber-stamped decisions made elsewhere.

More specifically, original files have been coded so that resulting dataset enables to observe opinion expressed by intendants (*dintend*), then by deputies (*ddeputy*), and the final decisions made by the commission in the bureau (*dfinal*). Each of these variables takes three values. 0 indicates a rejection, 1 corresponds to curtailed acceptance of the requested privilege, and 2 shows that the demanded privilege is accepted. (See Tables 1 and 2 for further description and descriptive statistics.)

INSERT TABLES 1, 2

In addition, we have access to arguments that were discussed in favor or against each demanded case along with the arguments raised by the demander itself. We have categorized arguments into positive or negative based on the archived records. Further, we have classified arguments into

- economic arguments: whether the business contribute (or not) to the local development, to the wealth of the country, to the trade balance (either by substituting to importation or by contributing to exporting);
- arguments concerning innovation: whether the business is about manufacturing an actually innovative and useful product or is based on a process innovation that deserve to be rewarded and protected;
- public interest, since the entrepreneurs may claim his business is generating positive externalities (as providing work to the poors, or providing some public good, or even serving the interest of the crown);
- legal precedents: whether the request is justified by the granting of similar privilege in the past or should be denied because it infringes already granted rights or status.

Finally, additional explanatory variables are added to the models as control variables and to investigate further the decision-making process within the Bureau du Commerce (see Table 5).

- Luxury aims at testing whether, as it was often claimed by many historians, the French ‘Mercantilist’ policy was biased in favor of the production of luxury goods aimed at being exported (or at substituting to importation)
- Foreign Entrepreneurs so as to see if the policy of ‘importing’ skilled labor, especially from England and the Netherland, impacted significantly on the privilege granting policy
- Paris (or the various French Regions) to check if there were geographic biases, either in favor of the capital’s region or in favor of some other regions since they had all very strong political and economic specificities;
- Textile was the high-tech industry of the time, and therefore subject to specific attentions and very well regarded by the Crown and its bureaucracy;

Lastly, we check whether the various kings or their prime ministers who often embodied different policy options, and of course came to power with contrasted networks of cronies and political alliances, significantly impacted upon the decision process and the outcome of the bureau.

INSERT TABLES 3, 4, 5

4.2. Empirical - identification strategy

In the hierarchical bureaucratic process, the decision was first influenced by the intendant's opinion (based on his knowledge and his network in the province), then by the opinion of the college of deputies, before being debated and made by the members of the commission. Therefore, in the first column of Table A (see Appendix) that is model A1, we assess whether the opinions of intendants and deputies affected the final decision. Therefore, we take final decision as dependent variable in the model.

In addition, we test if arguments of deputies and intendants influenced the final decisions in columns 2 and 3 (models A2 and A3), if arguments made by intendants have affected the opinion of deputies in column 4 (model A4), and finally if arguments initially put forward by the applicant have affected the opinion of the intendants (model A5).

The econometric approach used relied on ordered logit models and can be written as follows:

$$p_{ij} = \Pr(\text{Decision}_j = i) = \Pr(K_{i-1} < \beta_1 x_{1j} + \beta_2 x_{2j} + \dots + \beta_k x_{kj} + u_j \leq K_i)$$

Where K is number of possible decisions that is mentioned in the result tables as cut points. Decision variables of $dfinal$, $dintent$, and $ddeputy$ can take 3 possibilities $\{0,1,2\}$. For instance, the probability of final decision ($dfinal$) to be accepted (or taking value 2) is:

$$K_1 < \Pr(\text{Decision} = 2) \leq K_2$$

x are explanatory and control variables and β are coefficients to estimate.

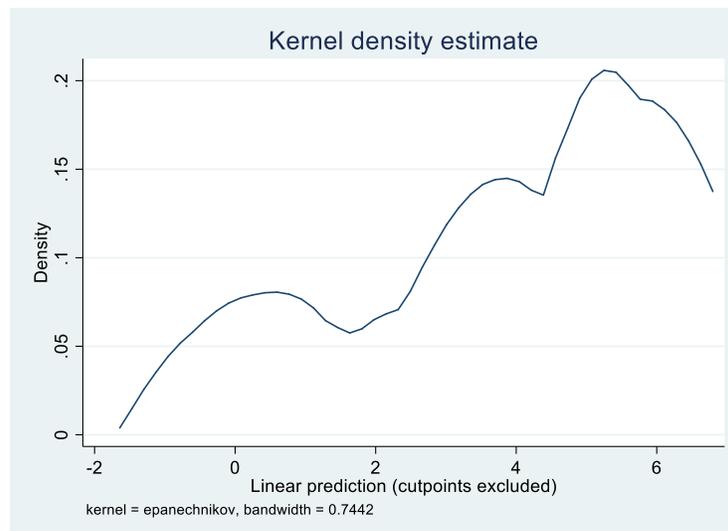
Moreover, we control if the privilege is claimed in Paris, if the business is about a luxury product, if the entrepreneur is a foreigner, and if the business is in the textile industry.

Results of this model are shown in Table A. Adding to this model, we have controlled for crown and ministry periods in Tables B and C, and for five major French regions in table D.

To control whether the nature of the demanded privilege has affected the main results, we have categorized privileges into seven categories, and we added them as extra control variables in table E.

Our results show the probabilities that each control or explanatory variables can affect the decision making. (*The marginal results of the logit models and predicted scores of observations are under calculations and will be available shortly.*) We have two cut points from tables A to E because each dependent variable can take three possible choices. Estimated scores are distributed based on cut points. For example, the density function of model A1 in the Table A is as below.

Figure 2. Density function of ordered logit (model A1)



Based on model A1 cut points are on the scores of 1.8 and 4.5 that are observable as inflection points in the Figure 2.

In the second series of results we investigate whether arguments raised by final decision-makers have affected specific obtained privileges. We have categorized privileges into six variables of *manufacture*, *territory*, *taxperson*, *taxeconomic*, *marketaccess*, and *finance*. *manufacture* and *territory* can have four possible outcomes {0,1,2,3} because there are different levels for a given privileges and different scope for territory exclusivity (from local to national). Other dependent outcome variable takes the value 0 or 1 (see Table 1 and 2).

Therefore, the model to be estimated is as follows:

$$p_{ij} = \Pr(\textit{privilege}_j = i) = \Pr(K_{i-1} < \beta_1 \textit{FinalArgument}_j + \beta_2 x_{2j} + \dots + \beta_k x_{kj} + u_j \leq K_i)$$

As the previous model, we have tested various specifications by taking different time frames and regions into account.

5. Results and insights

Investigating the determinants of decisions delivered by the Commission, we focus in particular on the role played by opinions and arguments raised by intendants and deputies. Results displayed in Table A in Appendix first highlight that opinions expressed by the two clusters of experts positively and significantly affect the final decision of the Commission. In other words, column 1 indicates that the Commission follows the recommendations of intendants and deputies for supporting its decisions of acceptance, curtailing and rejection. In addition, next columns of the Table A show that some of the specific arguments raised by experts are also explaining the outcome of a case. Column 2 shows that the negative arguments raised by deputies regarding the economic, innovation, public interest and legal dimensions of a case are statistically associated with a more negative outcome, unlike positive economic arguments that play favorably for a claimant. Arguments of intendants seem less critical. Columns 3 and 4 suggest that only their economic arguments affect the final decision of the Commission and the opinion of deputies. Finally, no argument raised by the claimants exerts a systematic effect on the outcome of a case.

The robustness of this first series of result is tested further and results are presented in Tables B, C, D and E in Appendix. Evidence from these tables suggests that this first series of results holds when controlling for the different heads of States, chief ministers of State, regions of request origin, and the nature of privileges requested. In addition to this, Table B evidences some heterogeneity in the outcome probability of cases among the sovereigns. We observe in particular that cases have a significantly lower probability to be rejected under the Regency than during other periods. In fact, political power headed by Philippe d'Orléans during the Regency (1715-1723) is characterized by a lesser legitimacy resulting in more granting and concessions that are observable in the distribution of privileges by the Commission during this period. This result is illustrated

graphically by Figure 1 where we observe that a demander has in average about 20 percentage points more chances to obtain what he claims under the Regency than during other periods. This result is still true for the Regency when controlling for the arguments of intendants (Figure 2). Unlike kings, we do not observe greater proneness to granting privileges associated with certain chief ministers of State (Table C). Some regional discrepancies are observed in Table D. Graphically we see in Figures 3 and 4 that depending on the models estimated entrepreneurs from the North-West and North-East may benefit from a probability of obtaining what they claim of respectively about 65% and 55% as compared to about 40% for other entrepreneurs. The policy implemented by the Commission is then more active in the northern half of France. This suggests a political will to achieve the industrial development of the territory by supporting even more its northern part that is more closely connected with fast developing northern Europe territories such as Flandres and the United Kingdom – implying higher export opportunities and competition intensity in the North half of France. Finally, Table E suggests that some privileges requested are granted more frequently than others. Figures 5 and 6 show in particular that the greater the scope of the requested territory exclusivity, the lesser the probability of positive outcome delivered by the Commission. For a more detailed analysis we compute the margins associated to these results, allowing to quantify the magnitude of effects more precisely.

INSERT FIGURES 1, 2, 3, 4, 5, 6

Results from Table 6 show that opinions expressed by intendants and deputies have affected the final decisions made by the Commission. Specifically, results highlight how the opinions of these experts influence the probability that the case be eventually ‘*curtailed*’ (columns 1, 3, 5 and 7), and ‘*accepted*’ (columns 2, 4, 6 and 8). Columns are presented by pair in order to control for effects that might be specific to kings’ reigns (‘*crown periods*’), chief ministers of State (‘*ministry periods*’), geographic patterns (‘*five regions*’), and privileges requested by claimants (‘*demanded privileges*’), and correspond to the first model of Tables B, C, D, and E respectively.

Results presented in column 1 of Table 6 suggest that a stronger level of support from intendants significantly decreases the probability that a case be curtailed by 16.1%. This effect is even almost twice stronger for the opinions of deputies (-30.9%). In addition, these results are strongly

significant and quite robust to various specifications. They are not qualitatively or quantitatively affected by the use of the four categories of fixed effects above-mentioned.

This first insight is not straightforward to interpret in economic terms since the final decision of '*curtailing*' can be a positive or negative outcome for the claimant depending on how high and realistic its expectations were -and the opinions expressed by intendants and deputies-. An intuitive interpretation would be to consider that when intendants (deputies) recommend an acceptance, the case decreases its chances to be eventually curtailed by the commission by 16.1% (30.9%) as compared to when intendants (deputies) recommend a curtailing. This is in line with the results displayed in columns 2, 4, 6 and 8 that highlight a positive association between favorable opinions of experts and acceptance. More precisely, a stronger level of support from intendants (deputies) is associated with a probability of final acceptance by the Commission increased by 25.4% (48,6%). This result is robust to controlling by the above-mentioned fixed effects introduced in columns 4, 6 and 8 and suggest that it is not driven by any specific political leader (kings, chief ministers of State) or case features (region of origin, nature of privileges requested) effect. Rather, results suggest the final decisions of the Commission have been based of the recommendations of deputies and intendants during its whole period of functioning regardless the identity of the rulers and the characteristics of the claimants. The policy-making process of the Bureau du Commerce seems then stable over the century and independent from political power.

Taken together the marginal effects of the determinants of curtailing and acceptance, suggest that a positive recommendation from experts causes a reduced probability of final curtailing since it actually increases the probability that a case be eventually accepted by the Commission. In addition, as previously observed in Table A, either because they are more influent, either because their recommendations are expressed after those of intendants offering them a plausible enhanced judgement, or either because a combination of both effects, the voice of deputies is more determinant than the voice of intendants. Precisely, deputies are almost twice more determinant than intendants.

INSERT TABLE 6

Beyond the crude opinion of experts that consists in expressing a recommendation of acceptance, curtailing or rejection, we considered the arguments raised by experts as determinants of the Commission's decisions. In a sense, recommendations of experts are based on the arguments they raised and can be viewed as the aggregated result of these arguments. Table 7 highlights how arguments raised by deputies on the one hand, and intendants on the other hand are explicative of the final decision delivered by the Commission, when controlling for dummy variables equaling to 1 for *Luxe* and *Textile* industries, for claims made in *Paris*, for *Foreign* entrepreneurs, and successively, for the identity of rulers, the origin region of the demander and the privileges he claimed. A first observation of results suggests that most categories of arguments raised by deputies are associated with the output of a case, whereas only economic arguments raised by intendants have a statistically significant effect in explaining the Commission's decisions. This could be interpreted as the fact that the expertise of the intendants is limited to - or judged more relevant by the Commission - economic issues. Unlike intendants, all categories of arguments expressed by deputies seem to be taken into account by the Commission. In addition, it appears that once taken into account the arguments of deputies and controlled by the identity of rulers, cases originating Paris display a lower probability to obtain a greater level of acceptance. This may suggest some heterogeneities in the probability of granting Paris-based cases among rulers. A similar insight can be observed for the textile sector, that receives a significant positive coefficient when regional fixed effects are added to the model. Finally, we observe that results are not driven by period or demand specific effects since they appear to be qualitatively not sensitive to the addition of political periods, geographical and nature of privileges fixed effects. The decision-making process of the Commission is then rather homogeneous along the whole 18th century and the different types of requests.

INSERT TABLE 7

Turning to the margins allows a finer observation of the effects associated with arguments raised by deputies (Table 8) and by intendants (Table 9). Unsurprisingly, negative arguments raised by deputies are associated with a lower probability of acceptance. A negative argument expressed by deputies in either one of the four established categories (economic, innovation, public interest, legal) reduces the probability of acceptance by 23 to 32%. Symmetrically, we may expect positive

arguments to support acceptance. Results display that this support effect is limited to positive economic arguments raised by deputies. When deputies mention positive arguments regarding innovation, public interest or legal dimensions of a case, it does not significantly increase its chances of being accepted. In accordance with previous observations, the voice of intendants seems to be considered by the Commission only when dealing with economic issues. In fact, by raising a positive economic argument, intendants increase the chances of acceptance by 30-35% that is even stronger in magnitude than the relative effect associated to deputies (18-25%). The Commission then seems to rely on the expertise of deputies on a greater perimeter of issues than intendants, however the Commission is particularly sensitive to the arguments of intendants when they regard the economic dimension.

INSERT TABLES 8 & 9

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Tables and figures

Table 1. Dependent variables' descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
dfinal	453	1.0883	.8446448	0	2
dintend	193	1.46114	.75677	0	2
ddeputy	311	1.067524	.8377812	0	2
obtain_manufacture	533	.9080675	1.168586	0	3
obtain_territory	533	.3358349	.7668968	0	3
obtain_taxperson	533	.1801126	.3846422	0	1
obtain_taxeconomic	533	.0938086	.2918362	0	1
obtain_marketaccess	533	.1050657	.3069261	0	1
obtain_finance	533	.0581614	.2342682	0	1

Table 2. Dependent variables' descriptions

Variable	Description
dfinal	Final decision by bureau de commerce (0=refuse,1=conditional acceptance, 2=accepted)
dintend	Decision by intendant (0=refuse,1=conditional acceptance, 2=accepted)
ddeputy	Decision by deputy (0=refuse,1=conditional acceptance, 2=accepted)
obtain_manufacture	Obtained privilege regarding manufacture. 0=no privilege 1= authorization of production OR utilizing mines OR Liberte Installation 2=manufacture patent, 3=Royal manufacture status
obtain_territory	Obtained privilege on utilizing territories 0= no privilege 1= Droit Preemption OR Exclusive local territory 2= Exclusive regional territory 3= Exclusive national territory
obtain_taxperson	1= TailleImpotsAssociés OR TailleImpotsOuvriers OR TaxeAlcooltabac OR GuetGardeMiliceLogement
obtain_taxeconomic	1= TaxeEntreeInputs OR DroitsDouaneInputs OR TaxesDouaneMarchandises
obtain_marketaccess	1= DroitImportation OR ExclusiviteInputs
obtain_finance	1= SubventionRente OR Pret

Table 3. Explanatory variables' descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Luxe	533	.0675422	.2511944	0	1
Entrepreneur_Etranger	533	.0506567	.2195016	0	1
paris	427	.1147541	.3190988	0	1
textile	523	.4110899	.4925026	0	1
chef_LouisXIV	533	.0506567	.2195016	0	1
chef_Philippe	533	.0412758	.1991143	0	1
chef_LouisXV	533	.7842402	.4117349	0	1
chef_LouisXVI	533	.1238274	.329694	0	1
SouthWest	392	.1020408	.3030888	0	1
SouthEast	392	.2602041	.4393065	0	1
NorthEast	392	.2882653	.4535341	0	1
NorthWest	392	.1836735	.3877125	0	1
NorthCenter	392	.1658163	.372391	0	1
pr_manufacture	533	1.549719	.7898944	0	3
pr_territory	533	.7448405	1.03082	0	3
pr_taxperson	533	.249531	.4331481	0	1
pr_taxeconomic	533	.1707317	.3766278	0	1
pr_marketaccess	533	.1369606	.3441287	0	1
pr_monopoly	533	.0712946	.257558	0	1
pr_finance	533	.0675422	.2511944	0	1
minister_Dubois	533	.0412758	.1991143	0	1
minister_Conde	533	.1125704	.3163638	0	1
minister_Fleury	533	.3939962	.489093	0	1
minister_Choiseul	533	.011257	.1055994	0	1
minister_Vergennes	533	.0243902	.1544024	0	1
minister_Brienne	533	.0675422	.2511944	0	1
minister_Necker	533	.0281426	.1655355	0	1

Table 4. Argument variables' descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
arg_demander_Poeco	533	.5515947	.4977981	0	1
arg_demander_Neeco	533	.0281426	.1655355	0	1
arg_demander_Poinov	533	.1651032	.3716224	0	1
arg_demander_Neinov	533	0	0	0	0
arg_demander_Popublic	533	.2457786	.4309524	0	1
arg_demander_Nepublic	533	.0093809	.0964901	0	1
arg_demander_Polegal	533	.1031895	.304492	0	1
arg_demander_Nelegal	533	.0131332	.1139521	0	1
arg_intendant_Poeco	533	.2270169	.4192971	0	1
arg_intendant_Neeco	533	.065666	.2479301	0	1
arg_intendant_Poinov	533	.0225141	.1484876	0	1
arg_intendant_Neinov	533	.0187617	.1358099	0	1
arg_intendant_Popublic	533	.1106942	.3140478	0	1
arg_intendant_Nepublic	533	.0300188	.1707992	0	1
arg_intendant_Polegal	533	.0262664	.1600768	0	1
arg_intendant_Nelegal	533	.0487805	.2156112	0	1
arg_deputy_Poeco	533	.2814259	.4501172	0	1
arg_deputy_Neeco	533	.1932458	.395215	0	1
arg_deputy_Poinov	533	.0600375	.2377795	0	1
arg_deputy_Neinov	533	.1125704	.3163638	0	1
arg_deputy_Popublic	533	.0844278	.2782895	0	1
arg_deputy_Nepublic	533	.0919325	.289202	0	1
arg_deputy_Polegal	533	.0281426	.1655355	0	1
arg_deputy_Nelegal	533	.1106942	.3140478	0	1
arg_decision_Poeco	533	.3639775	.4815943	0	1
arg_decision_Neeco	533	.1500938	.3574989	0	1
arg_decision_Poinov	533	.0712946	.257558	0	1
arg_decision_Neinov	533	.0844278	.2782895	0	1
arg_decision_Popublic	533	.1669794	.3733078	0	1
arg_decision_Nepublic	533	.0938086	.2918362	0	1
arg_decision_Polegal	533	.0525328	.2233085	0	1
arg_decision_Nelegal	533	.1181989	.3231467	0	1

Table 5. Argument variables' descriptions

Variable	Description
arg_Poeco	1=presence of a positive economic argument
arg_Neeco	1=presence of a negative economic argument
arg_Poinov	1=presence of a positive argument about innovation
arg_Neinov	1=presence of a negative argument about innovation
arg_Popublic	1=presence of a positive argument about public benefits
arg_Nepublic	1=presence of a positive negative about public benefits
arg_Polegal	1=presence of a positive legal argument
arg_Nelegal	1=presence of a negative legal argument

Table 6. **Margins** of determinants of final decisions controlled for deputy and intendant opinions.

	B1		C1		D1		E1	
	curtailed	accepted	curtailed	accepted	curtailed	accepted	curtailed	accepted
dintend	-0.161*	0.254**	-0.178*	0.279**	-0.169*	0.267**	-0.155*	0.249**
	(0.07)	(0.09)	(0.07)	(0.10)	(0.07)	(0.09)	(0.07)	(0.09)
ddeputy	-0.309**	0.486***	-0.296**	0.462***	-0.300**	0.474***	-0.295**	0.473***
	(0.10)	(0.10)	(0.09)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)
Luxe	0.286	-0.449	0.295	-0.461	0.167	-0.264	0.279	-0.447
	(0.17)	(0.24)	(0.17)	(0.25)	(0.16)	(0.24)	(0.17)	(0.24)
Entrepreneur_Etranger	-0.083	0.130	-0.081	0.126	-0.173	0.274	-0.137	0.220
	(0.14)	(0.21)	(0.14)	(0.21)	(0.14)	(0.21)	(0.15)	(0.23)
Paris	0.263	-0.413*	0.278	-0.434*			0.230	-0.369
	(0.15)	(0.21)	(0.15)	(0.21)			(0.15)	(0.22)
Textile	-0.014	0.022	-0.019	0.030	0.010	-0.016	0.018	-0.029
	(0.07)	(0.11)	(0.07)	(0.11)	(0.08)	(0.12)	(0.08)	(0.12)
crown periods	yes	yes						
ministry periods			yes	yes				
five regions					yes	yes		
demanded privileges							yes	yes
Observations	117	117	117	117	111	111	117	117

* p<0.05, ** p<0.01, *** p<0.001

Table 7. Determinants of final decision.

	Arguments by deputy				Arguments by intendants			
	B2	C2	D2	E2	B3	C3	D3	E3
arg_Poeco	0.747** (0.25)	0.740** (0.27)	1.034*** (0.27)	0.832** (0.26)	1.307*** (0.30)	1.446*** (0.31)	1.229*** (0.30)	1.313*** (0.30)
arg_Neeco	-1.130*** (0.32)	-1.164*** (0.32)	-1.210*** (0.34)	-1.014** (0.33)	-1.074* (0.45)	-1.089* (0.45)	-1.119* (0.45)	-0.994* (0.45)
arg_Poinov	-0.093 (0.49)	-0.088 (0.49)	-0.464 (0.59)	0.141 (0.51)	-0.469 (0.58)	-0.345 (0.58)	-0.483 (0.57)	-0.301 (0.59)
arg_Neinov	-1.287*** (0.36)	-1.308*** (0.37)	-0.838* (0.40)	-1.170** (0.36)	0.176 (0.92)	-0.249 (0.93)	0.185 (0.94)	0.297 (0.92)
arg_Popublic	-0.103 (0.38)	-0.141 (0.38)	-0.012 (0.40)	-0.068 (0.37)	-0.381 (0.36)	-0.322 (0.36)	-0.401 (0.37)	-0.374 (0.36)
arg_Nepublic	-0.940* (0.38)	-0.898* (0.39)	-0.977* (0.43)	-0.940* (0.38)	-0.935 (0.55)	-0.759 (0.54)	-0.860 (0.62)	-1.075 (0.55)
arg_Polegal	-0.257 (0.62)	-0.237 (0.63)	-0.194 (0.71)	-0.200 (0.63)	0.327 (0.63)	0.488 (0.64)	0.238 (0.65)	0.345 (0.63)
arg_Nelegal	-1.300*** (0.37)	-1.278*** (0.38)	-0.998** (0.38)	-1.295*** (0.38)	-0.429 (0.46)	-0.320 (0.46)	-0.372 (0.46)	-0.410 (0.46)
Luxe	-0.318 (0.41)	-0.407 (0.41)	-0.208 (0.41)	-0.302 (0.41)	0.094 (0.39)	-0.001 (0.40)	0.157 (0.39)	0.076 (0.39)
Entrepreneur_Etranger	0.373 (0.45)	0.351 (0.46)	0.562 (0.51)	0.198 (0.45)	-0.084 (0.43)	-0.019 (0.44)	-0.021 (0.49)	-0.178 (0.44)
Paris	-0.692* (0.34)	-0.742* (0.35)		-0.654 (0.35)	-0.400 (0.33)	-0.541 (0.35)		-0.379 (0.34)
Textile	0.385 (0.23)	0.448 (0.23)	0.477* (0.23)	0.380 (0.24)	0.289 (0.21)	0.371 (0.22)	0.285 (0.22)	0.166 (0.23)
crown periods	yes				yes			
ministry periods	yes				yes			
five regions	yes				yes			
demanded privileges	yes				yes			
Observations	368	368	336	368	368	368	336	368

* p<0.05, ** p<0.01, *** p<0.001

Table 8. Margins at outcome of a privilege with arguments by deputy.

	B2		C2		D2		E2	
	curtailed	accepted	curtailed	accepted	curtailed	accepted	curtailed	accepted
arg_Poeco	-0.044* (0.02)	0.181** (0.06)	-0.050 (0.23)	0.181* (0.09)	-0.059** (0.02)	0.252*** (0.07)	-0.046* (0.02)	0.201** (0.06)
arg_Neeco	0.066* (0.03)	-0.274*** (0.08)	0.079 (0.36)	-0.284* (0.13)	0.069* (0.03)	-0.295*** (0.08)	0.056* (0.02)	-0.245** (0.08)
arg_Poinov	0.005 (0.03)	-0.023 (0.12)	0.006 (0.04)	-0.021 (0.12)	0.026 (0.03)	-0.113 (0.14)	-0.008 (0.03)	0.034 (0.12)
arg_Neinov	0.076* (0.03)	-0.312*** (0.09)	0.089 (0.41)	-0.319* (0.14)	0.048 (0.03)	-0.204* (0.10)	0.064* (0.03)	-0.283** (0.09)
arg_Popublic	0.006 (0.02)	-0.025 (0.09)	0.010 (0.05)	-0.035 (0.09)	0.001 (0.02)	-0.003 (0.10)	0.004 (0.02)	-0.016 (0.09)
arg_Nepublic	0.055* (0.03)	-0.228* (0.09)	0.061 (0.28)	-0.219 (0.12)	0.056 (0.03)	-0.238* (0.10)	0.052* (0.03)	-0.228* (0.09)
arg_Polegal	0.015 (0.04)	-0.062 (0.15)	0.016 (0.09)	-0.058 (0.15)	0.011 (0.04)	-0.047 (0.17)	0.011 (0.03)	-0.048 (0.15)
arg_Nelegal	0.076* (0.03)	-0.315*** (0.09)	0.087 (0.40)	-0.312* (0.14)	0.057* (0.03)	-0.243** (0.09)	0.071* (0.03)	-0.313*** (0.09)
Luxe	0.019 (0.02)	-0.077 (0.10)	0.028 (0.13)	-0.099 (0.11)	0.012 (0.02)	-0.051 (0.10)	0.017 (0.02)	-0.073 (0.10)
Entrepreneur_Etranger	-0.022 (0.03)	0.090 (0.11)	-0.024 (0.11)	0.086 (0.12)	-0.032 (0.03)	0.137 (0.12)	-0.011 (0.03)	0.048 (0.11)
Paris	0.041 (0.02)	-0.168* (0.08)	0.050 (0.23)	-0.181 (0.11)			0.036 (0.02)	-0.158 (0.08)
Textile	-0.023 (0.01)	0.093 (0.05)	-0.030 (0.14)	0.110 (0.07)	-0.027 (0.02)	0.116* (0.06)	-0.021 (0.01)	0.092 (0.06)
crown periods	yes	yes						
ministry periods			yes	yes				
five regions					yes	yes		
demanded privileges							yes	yes
Observations	368	368	368	368	336	336	368	368

* p<0.05, ** p<0.01, *** p<0.001

Table 9. Margins at outcome of a privilege with arguments by intendants.

	B3		C3		D3		E3	
	curtailed	accepted	curtailed	accepted	curtailed	accepted	curtailed	accepted
arg_Poeco	-0.065** (0.02)	0.319*** (0.07)	-0.086 (0.43)	0.356** (0.13)	-0.061** (0.02)	0.302*** (0.07)	-0.066** (0.02)	0.321*** (0.07)
arg_Neeco	0.053* (0.03)	-0.263* (0.11)	0.065 (0.32)	-0.268 (0.14)	0.056* (0.03)	-0.275* (0.11)	0.050 (0.03)	-0.243* (0.11)
arg_Poinov	0.023 (0.03)	-0.115 (0.14)	0.021 (0.11)	-0.085 (0.15)	0.024 (0.03)	-0.119 (0.14)	0.015 (0.03)	-0.074 (0.14)
arg_Neinov	-0.009 (0.05)	0.043 (0.23)	0.015 (0.09)	-0.061 (0.23)	-0.009 (0.05)	0.045 (0.23)	-0.015 (0.05)	0.073 (0.22)
arg_Popublic	0.019 (0.02)	-0.093 (0.09)	0.019 (0.10)	-0.079 (0.09)	0.020 (0.02)	-0.098 (0.09)	0.019 (0.02)	-0.091 (0.09)
arg_Nepublic	0.046 (0.03)	-0.229 (0.13)	0.045 (0.23)	-0.187 (0.15)	0.043 (0.03)	-0.211 (0.15)	0.054 (0.03)	-0.263 (0.14)
arg_Polegal	-0.016 (0.03)	0.080 (0.15)	-0.029 (0.15)	0.120 (0.16)	-0.012 (0.03)	0.058 (0.16)	-0.017 (0.03)	0.084 (0.15)
arg_Nelegal	0.021 (0.02)	-0.105 (0.11)	0.019 (0.10)	-0.079 (0.12)	0.019 (0.02)	-0.091 (0.11)	0.021 (0.02)	-0.100 (0.11)
Luxe	-0.005 (0.02)	0.023 (0.10)	0.000 (0.02)	-0.000 (0.10)	-0.008 (0.02)	0.038 (0.10)	-0.004 (0.02)	0.019 (0.10)
Entrepreneur_Etranger	0.004 (0.02)	-0.021 (0.10)	0.001 (0.03)	-0.005 (0.11)	0.001 (0.02)	-0.005 (0.12)	0.009 (0.02)	-0.044 (0.11)
Paris	0.020 (0.02)	-0.098 (0.08)	0.032 (0.16)	-0.133 (0.09)			0.019 (0.02)	-0.093 (0.08)
Textile	-0.014 (0.01)	0.071 (0.05)	-0.022 (0.11)	0.091 (0.06)	-0.014 (0.01)	0.070 (0.05)	-0.008 (0.01)	0.040 (0.06)
crown periods	yes	yes						
ministry periods			yes	yes				
five regions					yes	yes		
demanded privileges							yes	yes
Observations	368	368	368	368	336	336	368	368

* p<0.05, ** p<0.01, *** p<0.001

Figure 1. Model B2

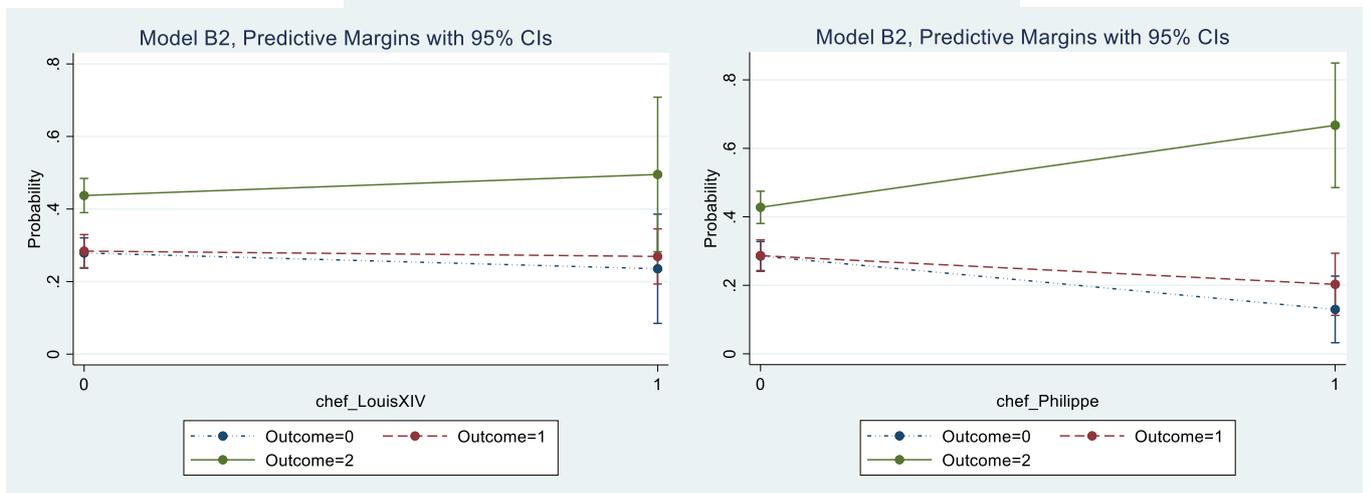
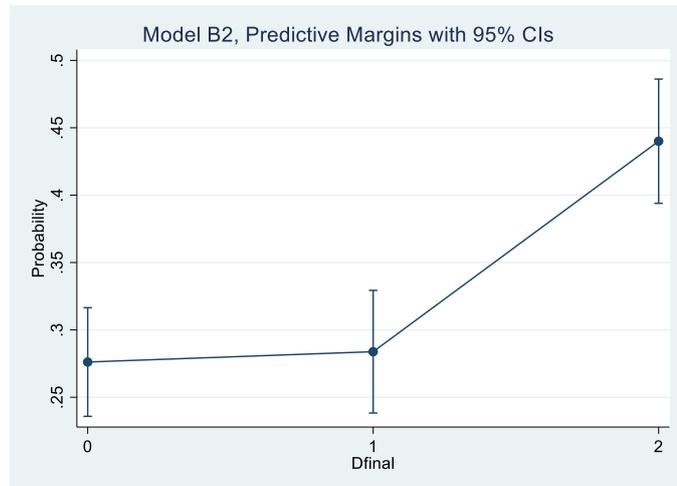


Figure 2. Model B3

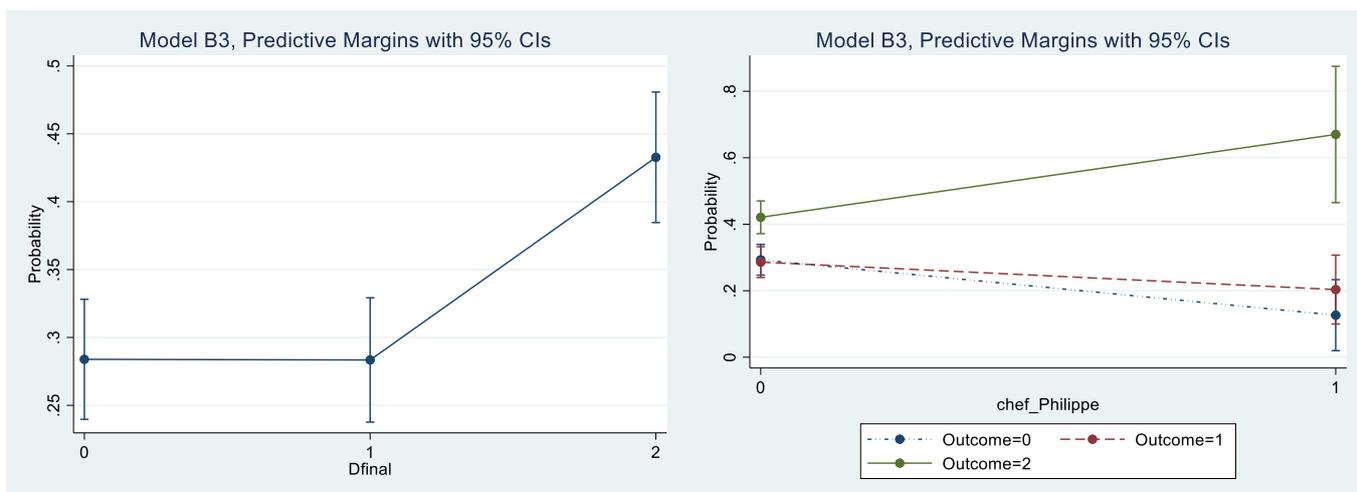


Figure 3. Model D1

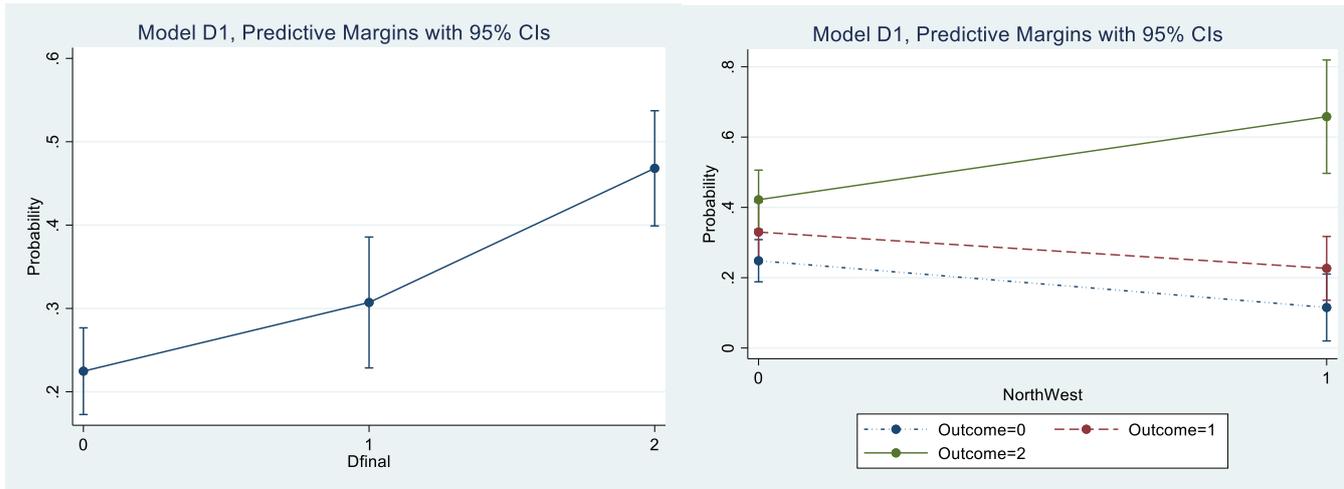


Figure 4. Model D2

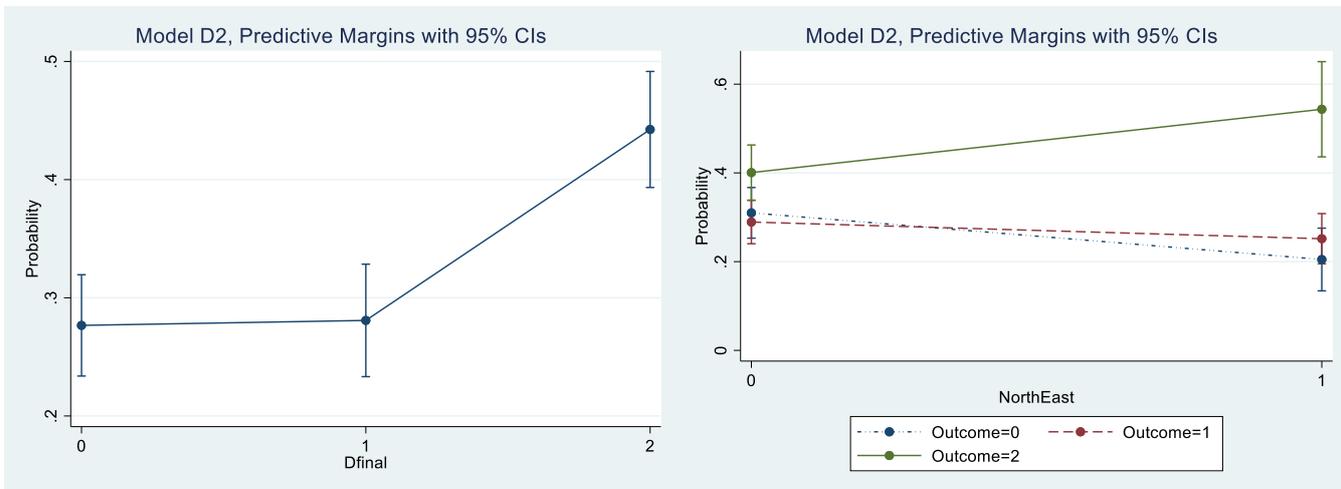


Figure 5. Model E3

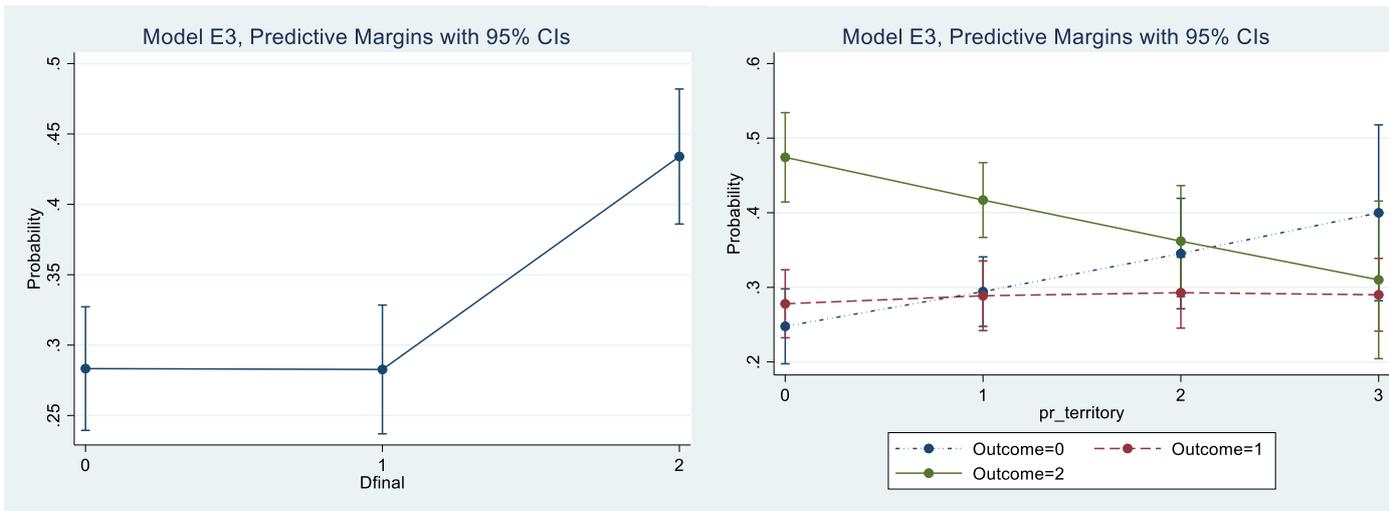


Figure 6. Model E4

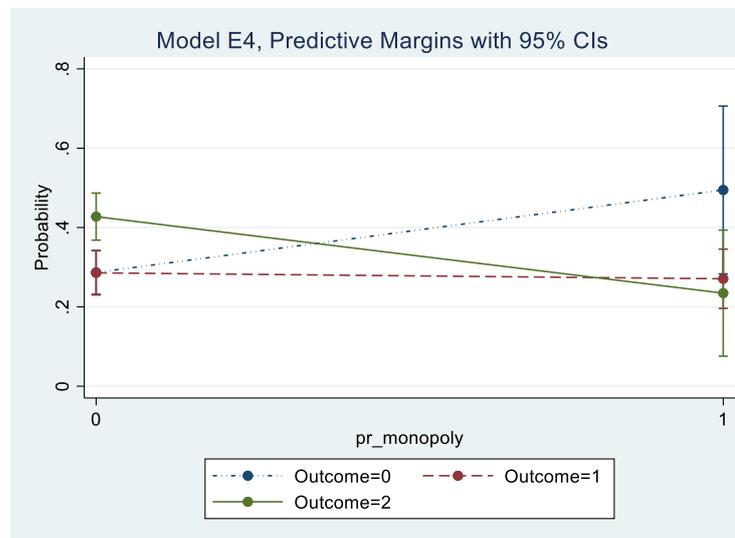
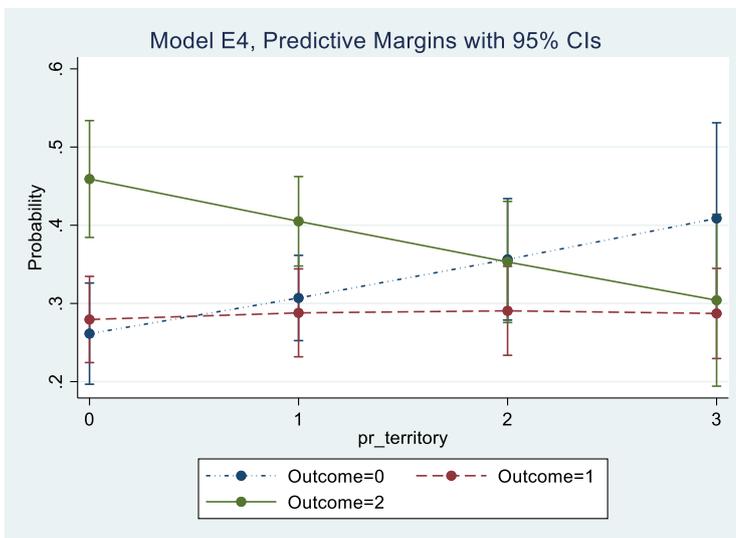
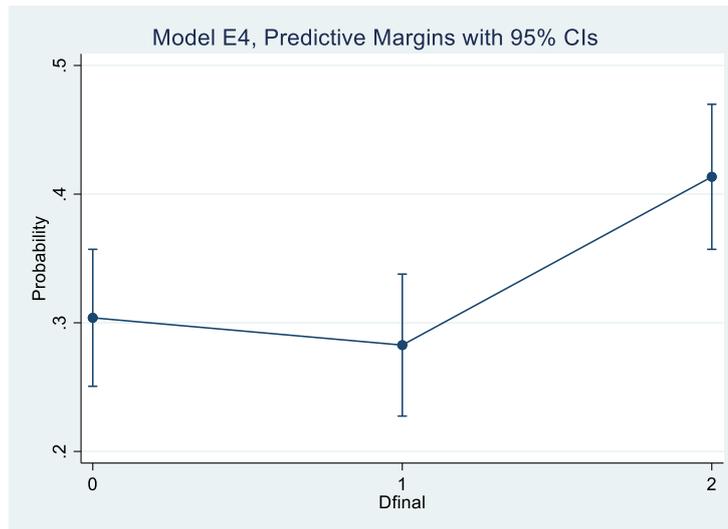


Table A. Basic models showing determinants of decisions

	dfinal A1	dfinal A2	dfinal A3	ddeputy A4	dintend A5
dintend	1.039** (0.39)				
ddeputy	1.962*** (0.40)				
arg_depute_Poeco		0.926*** (0.24)			
arg_depute_Neeco		-1.016** (0.31)			
arg_depute_Poinov		-0.029 (0.49)			
arg_depute_Neinov		-1.106** (0.35)			
arg_depute_Popublic		-0.025 (0.37)			
arg_depute_Nepublic		-0.837* (0.38)			
arg_depute_Polegal		-0.135 (0.62)			
arg_depute_Nelegal		-1.137** (0.36)			
arg_intendant_Poeco			1.309*** (0.29)	1.201*** (0.33)	
arg_intendant_Neeco			-1.090* (0.44)	-0.831 (0.45)	
arg_intendant_Poinov			-0.474 (0.57)	-0.557 (0.66)	
arg_intendant_Neinov			0.151 (0.91)	-0.425 (0.92)	
arg_intendant_Popublic			-0.394 (0.35)	0.266 (0.42)	
arg_intendant_Nepublic			-0.948 (0.54)	-0.431 (0.59)	
arg_intendant_Polegal			0.339 (0.63)	-0.369 (0.71)	
arg_intendant_Nelegal			-0.420 (0.45)	-0.762 (0.48)	
arg_demander_Poeco					0.487 (0.36)
arg_demander_Neeco					-0.614 (1.25)
arg_demander_Poinov					0.096 (0.55)
arg_demander_Neinov					0.000 (.)
arg_demander_Popublic					0.406 (0.35)
arg_demander_Nepublic					-0.633 (1.52)
arg_demander_Polegal					0.187 (0.54)
arg_demander_Nelegal					-0.939

					(0.99)
Luxe	-1.832 (1.00)	-0.258 (0.40)	0.057 (0.39)	0.098 (0.49)	-0.795 (0.66)
Entrepreneur_Etranger	0.660 (0.90)	0.293 (0.45)	-0.102 (0.43)	-0.264 (0.56)	-0.443 (0.66)
paris	-1.557 (0.87)	-0.614 (0.34)	-0.384 (0.33)	-0.548 (0.46)	-0.125 (0.61)
textile	0.052 (0.45)	0.462* (0.22)	0.349 (0.21)	0.461 (0.27)	0.333 (0.35)
Observations	117	368	368	253	172

* p<0.05, ** p<0.01, *** p<0.001

Table B. Determinants of decisions controlling for crown periods

	dfinal B1	dfinal B2	dfinal B3	ddeputy B4	dintend B5
dintend	1.073** (0.40)				
ddeputy	2.057*** (0.41)				
arg_depute_Poeco		0.747** (0.25)			
arg_depute_Neeco		-1.130*** (0.32)			
arg_depute_Poinov		-0.093 (0.49)			
arg_depute_Neinov		-1.287*** (0.36)			
arg_depute_Popublic		-0.103 (0.38)			
arg_depute_Nepublic		-0.940* (0.38)			
arg_depute_Polegal		-0.257 (0.62)			
arg_depute_Nelegal		-1.300*** (0.37)			
arg_intendant_Poeco			1.307*** (0.30)	1.181*** (0.33)	
arg_intendant_Neeco			-1.074* (0.45)	-0.856 (0.45)	
arg_intendant_Poinov			-0.469 (0.58)	-0.574 (0.66)	
arg_intendant_Neinov			0.176 (0.92)	-0.439 (0.92)	
arg_intendant_Popublic			-0.381 (0.36)	0.267 (0.42)	
arg_intendant_Nepublic			-0.935 (0.55)	-0.439 (0.59)	
arg_intendant_Polegal			0.327 (0.63)	-0.388 (0.71)	
arg_intendant_Nelegal			-0.429 (0.46)	-0.778 (0.48)	
arg_demander_Poeco					0.477 (0.39)
arg_demander_Neeco					-1.131 (1.45)
arg_demander_Poinov					0.138 (0.55)
arg_demander_Neinov					0.000 (.)
arg_demander_Popublic					0.416 (0.36)
arg_demander_Nepublic					-0.441 (1.58)
arg_demander_Polegal					0.132 (0.54)
arg_demander_Nelegal					-1.228

					(1.01)
Luxe	-1.901 (1.01)	-0.318 (0.41)	0.094 (0.39)	0.056 (0.50)	-0.750 (0.66)
Entrepreneur_Etranger	0.550 (0.90)	0.373 (0.45)	-0.084 (0.43)	-0.237 (0.56)	-0.416 (0.66)
paris	-1.747* (0.87)	-0.692* (0.34)	-0.400 (0.33)	-0.551 (0.46)	-0.268 (0.62)
textile	0.092 (0.47)	0.385 (0.23)	0.289 (0.21)	0.492 (0.27)	0.284 (0.35)
chef_LouisXIV	-4.803 (2.64)	0.285 (0.55)	0.392 (0.54)	-1.121 (1.53)	13.623 (618.47)
chef_Philippe	-2.654 (2.60)	1.216* (0.55)	1.130* (0.54)	1.604 (1.60)	1.544 (1.32)
chef_LouisXV	-1.719 (1.88)	1.090** (0.34)	0.341 (0.32)	0.516 (0.98)	0.204 (0.61)
chef_LouisXVI	0.000 (.)	0.000 (.)	0.000 (.)	0.000 (.)	0.000 (.)
Observations	117	368	368	253	172

* p<0.05, ** p<0.01, *** p<0.001

Table C. Determinants of decisions controlling for ministry periods

	dfinal C1	dfinal C2	dfinal C3	ddeputy C4	dintend C5
dintend	1.176** (0.41)				
ddeputy	1.949*** (0.42)				
arg_depute_Poeco		0.740** (0.27)			
arg_depute_Neeco		-1.164*** (0.32)			
arg_depute_Poinov		-0.088 (0.49)			
arg_depute_Neinov		-1.308*** (0.37)			
arg_depute_Popublic		-0.141 (0.38)			
arg_depute_Nepublic		-0.898* (0.39)			
arg_depute_Polegal		-0.237 (0.63)			
arg_depute_Nelegal		-1.278*** (0.38)			
arg_intendant_Poeco			1.446*** (0.31)	1.141*** (0.35)	
arg_intendant_Neeco			-1.089* (0.45)	-1.027* (0.46)	
arg_intendant_Poinov			-0.345 (0.58)	-0.482 (0.66)	
arg_intendant_Neinov			-0.249 (0.93)	-0.664 (0.96)	
arg_intendant_Popublic			-0.322 (0.36)	0.334 (0.42)	
arg_intendant_Nepublic			-0.759 (0.54)	-0.235 (0.59)	
arg_intendant_Polegal			0.488 (0.64)	-0.180 (0.72)	
arg_intendant_Nelegal			-0.320 (0.46)	-0.614 (0.49)	
arg_demander_Poeco					0.454 (0.40)
arg_demander_Neeco					-1.085 (1.47)
arg_demander_Poinov					0.107 (0.56)
arg_demander_Neinov					0.000 (.)
arg_demander_Popublic					0.404 (0.37)
arg_demander_Nepublic					-0.324 (1.60)
arg_demander_Polegal					0.087 (0.55)
arg_demander_Nelegal					-1.176

					(1.02)
Luxe	-1.948 (1.03)	-0.407 (0.41)	-0.001 (0.40)	-0.036 (0.50)	-0.746 (0.66)
Entrepreneur_Etranger	0.534 (0.88)	0.351 (0.46)	-0.019 (0.44)	-0.278 (0.58)	-0.379 (0.66)
paris	-1.831* (0.90)	-0.742* (0.35)	-0.541 (0.35)	-0.559 (0.47)	-0.266 (0.63)
textile	0.126 (0.48)	0.448 (0.23)	0.371 (0.22)	0.514 (0.27)	0.302 (0.36)
minister_LouisXIV	-4.812 (2.68)	-0.051 (1.59)	0.079 (1.57)	-1.138 (1.53)	13.746 (618.17)
minister_Dubois	-2.737 (2.65)	0.897 (1.59)	0.858 (1.57)	1.614 (1.61)	1.653 (1.34)
minister_Conde	-2.203 (1.99)	0.607 (1.56)	-0.607 (1.53)	-0.109 (1.03)	0.545 (0.78)
minister_Fleury	-1.607 (1.95)	0.863 (1.54)	0.045 (1.51)	0.739 (0.99)	0.274 (0.67)
minister_LouisXV	-1.395 (2.08)	0.652 (1.55)	0.342 (1.52)	0.286 (1.01)	0.360 (0.74)
minister_Choiseul	0.000 (.)	14.031 (432.45)	13.834 (435.65)	0.896 (1.75)	0.000 (.)
minister_Vergennes	0.000 (.)	0.893 (1.65)	0.847 (1.64)	0.000 (.)	0.640 (1.39)
minister_Brienne	0.000 (.)	-0.686 (1.57)	-0.624 (1.55)	0.000 (.)	0.000 (.)
minister_Necker	0.000 (.)	-0.547 (1.63)	-0.507 (1.60)	0.000 (.)	0.000 (.)
Observations	117	368	368	253	172

* p<0.05, ** p<0.01, *** p<0.001

Table D. Determinants of decisions controlling for regions

	dfinal D1	dfinal D2	dfinal D3	ddeputy D4	dintend D5
dintend	1.150** (0.41)				
ddeputy	2.037*** (0.42)				
arg_depute_Poeco		1.034*** (0.27)			
arg_depute_Neeco		-1.210*** (0.34)			
arg_depute_Poinov		-0.464 (0.59)			
arg_depute_Neinov		-0.838* (0.40)			
arg_depute_Popublic		-0.012 (0.40)			
arg_depute_Nepublic		-0.977* (0.43)			
arg_depute_Polegal		-0.194 (0.71)			
arg_depute_Nelegal		-0.998** (0.38)			
arg_intendant_Poeco			1.229*** (0.30)	1.200*** (0.35)	
arg_intendant_Neeco			-1.119* (0.45)	-0.920* (0.46)	
arg_intendant_Poinov			-0.483 (0.57)	-0.516 (0.66)	
arg_intendant_Neinov			0.185 (0.94)	-0.461 (0.93)	
arg_intendant_Popublic			-0.401 (0.37)	0.205 (0.45)	
arg_intendant_Nepublic			-0.860 (0.62)	-0.056 (0.68)	
arg_intendant_Polegal			0.238 (0.65)	-0.257 (0.74)	
arg_intendant_Nelegal			-0.372 (0.46)	-0.624 (0.49)	
arg_demander_Poeco					0.467 (0.38)
arg_demander_Neeco					-0.355 (1.27)
arg_demander_Poinov					-0.004 (0.57)
arg_demander_Neinov					0.000 (.)
arg_demander_Popublic					0.444 (0.37)
arg_demander_Nepublic					-0.577 (1.56)
arg_demander_Polegal					0.123 (0.56)
arg_demander_Nelegal					-1.161

					(1.01)
Luxe	-1.133 (1.02)	-0.208 (0.41)	0.157 (0.39)	0.065 (0.50)	-0.846 (0.66)
Entrepreneur_Etranger	1.178 (0.92)	0.562 (0.51)	-0.021 (0.49)	-0.651 (0.64)	-0.796 (0.70)
textile	-0.071 (0.52)	0.477* (0.23)	0.285 (0.22)	0.363 (0.28)	0.370 (0.37)
SouthWest	0.429 (0.86)	0.236 (0.43)	0.164 (0.42)	0.485 (0.55)	-0.676 (0.66)
SouthEast	1.188 (0.79)	0.624 (0.34)	0.271 (0.33)	0.163 (0.44)	-0.491 (0.60)
NorthEast	0.740 (0.76)	0.677* (0.34)	0.400 (0.33)	0.639 (0.45)	0.291 (0.59)
NorthWest	1.847* (0.88)	0.169 (0.37)	0.174 (0.36)	0.370 (0.48)	-0.181 (0.64)
NorthCenter	0.000 (.)	0.000 (.)	0.000 (.)	0.000 (.)	0.000 (.)
Observations	111	336	336	228	162

* p<0.05, ** p<0.01, *** p<0.001

Table E. Determinants of decisions controlling for demanded privileges

	dfinal E1	dfinal E2	dfinal E3	ddeputy E4	dintend E5
dintend	1.066** (0.40)				
ddeputy	2.028*** (0.42)				
arg_depute_Poeco		0.832** (0.26)			
arg_depute_Neeco		-1.014** (0.33)			
arg_depute_Poinov		0.141 (0.51)			
arg_depute_Neinov		-1.170** (0.36)			
arg_depute_Popublic		-0.068 (0.37)			
arg_depute_Nepublic		-0.940* (0.38)			
arg_depute_Polegal		-0.200 (0.63)			
arg_depute_Nelegal		-1.295*** (0.38)			
arg_intendant_Poeco			1.313*** (0.30)	1.177*** (0.34)	
arg_intendant_Neeco			-0.994* (0.45)	-0.797 (0.46)	
arg_intendant_Poinov			-0.301 (0.59)	-0.466 (0.68)	
arg_intendant_Neinov			0.297 (0.92)	-0.457 (0.92)	
arg_intendant_Popublic			-0.374 (0.36)	0.288 (0.43)	
arg_intendant_Nepublic			-1.075 (0.55)	-0.557 (0.61)	
arg_intendant_Polegal			0.345 (0.63)	-0.418 (0.72)	
arg_intendant_Nelegal			-0.410 (0.46)	-0.809 (0.50)	
arg_demander_Poeco					0.560 (0.38)
arg_demander_Neeco					-0.488 (1.29)
arg_demander_Poinov					0.090 (0.59)
arg_demander_Neinov					0.000 (.)
arg_demander_Popublic					0.371 (0.37)
arg_demander_Nepublic					-0.565 (1.53)
arg_demander_Polegal					0.189 (0.55)
arg_demander_Nelegal					-0.810

					(1.03)
Luxe	-1.915 (1.01)	-0.302 (0.41)	0.076 (0.39)	0.107 (0.50)	-0.811 (0.67)
Entrepreneur_Etranger	0.945 (0.97)	0.198 (0.45)	-0.178 (0.44)	-0.397 (0.57)	-0.460 (0.68)
paris	-1.581 (0.93)	-0.654 (0.35)	-0.379 (0.34)	-0.487 (0.47)	-0.117 (0.66)
textile	-0.123 (0.52)	0.380 (0.24)	0.166 (0.23)	0.303 (0.29)	0.306 (0.38)
pr_manufacture	0.044 (0.38)	-0.028 (0.14)	0.048 (0.14)	0.047 (0.18)	-0.170 (0.25)
pr_territory	0.122 (0.25)	-0.101 (0.12)	-0.256* (0.11)	-0.252* (0.13)	-0.068 (0.21)
pr_taxperson	-0.505 (0.55)	0.284 (0.26)	0.014 (0.25)	-0.081 (0.32)	0.321 (0.43)
pr_taxeconomic	0.554 (0.63)	-0.043 (0.30)	-0.018 (0.29)	0.172 (0.37)	-0.395 (0.45)
pr_marketaccess	0.232 (0.55)	0.596 (0.33)	0.268 (0.31)	0.276 (0.34)	0.317 (0.46)
pr_monopoly	-1.207 (1.11)	-0.233 (0.52)	-0.599 (0.50)	-1.006* (0.51)	-0.871 (0.89)
pr_finance	0.771 (0.96)	0.162 (0.39)	-0.024 (0.37)	-0.393 (0.49)	-0.202 (0.65)
Observations	117	368	368	253	172

* p<0.05, ** p<0.01, *** p<0.001