

Beyond the personal–anonymous divide: agency relations in powers of attorney in France in the eighteenth and nineteenth centuries[†]

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Powers of attorney are often interpreted as evidence of trust among the parties involved. We build a novel dataset of notarized powers of attorney, capturing a wide variety of agency relationships in four large French commercial cities in the eighteenth and nineteenth centuries, to test hypotheses on the relational basis of economic relationships. We find little support for the idea of a radical shift from personal to anonymous relationships during our period. Our results point to more nuanced transformations. The preference for proxies in the same occupation as the principal somewhat declined, while professional proxies emerged and principals used relational chains, especially involving notaries, to find proxies.

A pervasive yet seldom scrutinized view in economic history and sociology holds great sway in descriptions of the transition to the modern period.¹ This narrative of modernity contrasts the premodern world's reliance on private-order, personal-based modes of interaction, to which less-developed societies are confined, with the individualistic framework of impersonal exchanges enabled by formal institutions. North and others, for instance, echo Weber's account of the developmental path of societies in which modernization is characterized by 'the replacement of a fraternal by a business relationship, i.e., of a status contract by a purposive contract'.² This neo-institutionalist narrative, which views the replacement of personal ties by anonymous market exchanges as a condition for economic development, has profoundly influenced the dominant

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¹ Hoffman, Postel-Vinay, and Rosenthal, *Priceless markets*, and Leunig, Minns, and Wallis, 'Networks', are among the few works that have examined empirically the significance of personal ties over time for credit and labour markets, respectively.

² North, *Understanding*; Dixit, 'On modes'; Polanyi, *Great transformation*; Weber, *Economy and society*, p. 709 (quotation).

accounts of how societies evolve.³ Contemporary actors had already described and debated these transformations. Adam Smith praised the move away from non-commercial societies, in which personal relationships could imply dependence, to more impersonal commercial societies, which he equated with freedom.⁴ Others, however, feared that trust, and therefore credit, would collapse in the context of easily negotiable bills of exchange, corporations with large numbers of shares, and professional agents paid to perform the duties of a proxy, instead of friends representing friends. They viewed these trends as symptoms of a change from a traditional to a money-driven, possibly faithless society.⁵

Most historians would certainly dismiss as too crude this storyline of a radical shift from personal relationships based on kinship, religion, or ethnicity to more anonymous, self-interested ones. However, the divide between ‘early modern’ and ‘modern’ history implicitly validates it. Recent studies in early modern history have stressed the ways in which personal relationships could mitigate uncertainties or information asymmetries. They assume more or less explicitly that such relationships were not used in later periods.⁶

The modernization narrative attributes this allegedly inexorable move of western societies—from personal transactions to anonymous markets—to a build-up of structural changes that, in France, arguably culminated at the turn of the nineteenth century. The French Revolution fashioned a new legal system by abolishing the privileges of the nobility in 1789 and the guilds in 1791, and, with these, the old social order that rested on status. The Napoleonic codification of the 1800s promoted more impersonal market relationships by clarifying property rights.⁷ At the same time, profound developments in the organization of commerce accompanied the industrial revolution, fuelling the emergence of competitive and impersonal markets.⁸ Internally, the opening of canals and railways from 1800 to 1850 fostered market expansion. Externally, the growth in transatlantic trade in the eighteenth century arguably tested the limits of personal networks and social sanctions. If the standard modernization narrative holds true, it should be easily observable in France over this period.

In reaching new markets, merchants had to overcome, in Braudel’s words, ‘distance, the first enemy’.⁹ Representation furnished a means both to conduct transactions at a distance and to support the geographically expanding structure of commerce. Along with business associations, sea loans, insurance, and bills of exchange, powers of attorney were part of the menu of contractual choices that offered merchants a device to span space, scale, and scope.

In this article, we test empirically whether agency relationships became more impersonal in France by analysing power-of-attorney contracts that tied together principals and their proxies. To this effect, we use over 2,800 notarized proxy

³ Greif, *Institutions*, for instance, contrasts the intragroup trust based on religious ties among the Maghribi traders to the rational and individualistic institutions of the Genoese, seen as conditions for the commercial revolution and western growth.

⁴ Berry, Paganelli, and Smith, eds., *Adam Smith*.

⁵ Kessler, *Revolution*, chs. 4 and 5; Xifaras, ‘Science sociale’; Crowston, *Credit*.

⁶ Marzagalli, ‘Transatlantic trade networks’; Hancock, *Citizens of the world*; Gervais, ‘Merchant strategies’; Fontaine, *Moral economy*, esp. ch. 10.

⁷ Rosenthal, ‘Development of irrigation’; Arruñada and Andonovo, ‘Common law’.

⁸ O’Rourke, de la Escosura, and Daudin, ‘Trade and empire’.

⁹ Braudel, *Mediterranean*, title of pt. 2, p. 355.

forms, covering four large French commercial cities at three different points in time—1751, 1800, and 1851—to build a novel dataset containing information on the identities of principals and proxies, their relationships, and the terms of these delegation contracts. These contracts capture a wide variety of agency relations; for example, legal representation, debt recovery, inheritance proceedings, sale of merchandise, and management of business and assets. We combine evidence from both cross-section and time-series dimensions of our data to investigate which types of proxy were chosen for each type of task across several geographical markets, and when and how these contractual practices responded to the macro events of the turn of the century. This allows us to revise the modernization narrative with respect to both the characterization and the timing of the supposed drastic shift.

Our fine-grained description of the general features of powers of attorney unveils a diversity of relational bases for cooperation that escapes the personal vs. anonymous dichotomy. Consistent with our findings, some scholars have cast doubt on the radical opposition between two ideal types of economic relationships.¹⁰ Accordingly, we have devised more nuanced hypotheses of the transformations leading to the birth of modernity, which we test in addition to the main narrative described above.¹¹ Inherited relationships were not simply displaced by anonymous exchanges based solely on the quality or price of goods.¹² Alternative and complementary mechanisms were at play: first, homophily; second, relational chains; and third, relations rooted in division of labour and professionalization.

First, relationships based on a shared social status or occupation, or, more generally, the preference for persons similar to oneself as partners ('homophily'), do not have to be restricted to inherited ties. Other shared attributes can likewise signal trustworthiness. In our period, Trivellato insisted on the shared language of long-distance merchants as such a signal.¹³ The status of such homophily in modernization narratives is unclear. Homophily based on acquired skills or status could have replaced inherited ties, allowing markets to grow; or it could in turn have declined, as more dissimilar partners opened new opportunities. The relational chain is the second type of mechanism that economic sociologists as well as business historians have recognized; for example, recommendations have figured prominently in accounts of long-distance trade. A relational chain

¹⁰ Sociologist Granovetter, 'Economic action', for example, questioned what he termed the 'over-socialized' and 'under-socialized' fictions of human behaviour.

¹¹ We developed our hypotheses in the context of a wider research project that uses two additional sets of sources to examine the narrative of a supposedly decreasing embeddedness of commercial relationships from the eighteenth to the nineteenth century. Along with powers of attorney, we investigate in a panel data of important merchant houses: (1) the first letters in each merchant correspondence ('*lettres d'entrée en relation*') so as to understand why some of the first letters attempting to start a relationship were answered while others were not; and (2) the use of printed circulars ('*lettres circulaires*'), a device that could be considered, at first glance, less personal than the classical merchant correspondence. Those two sources only inform us about relationships among merchants (large-scale merchants, merchant-bankers), whereas powers of attorney allow us to compare merchants with other professional groups. For the first results from these other sources, see Bartolomei, de Oliveira, Eloire, Lemerrier, and Sougy, 'L'encastrement'.

¹² Uzzi, 'Social structure', calls these 'arm's-length' market relationships.

¹³ Trivellato, *Familiarity*, shows that mastering the right way to write a business letter, for instance, could foster transactions between trans-oceanic partners with different faiths and native languages. Being a merchant was something that could be learned (during our period, increasing numbers of merchants' handbooks taught correspondence) and, once learnt, could be considered a sign of trustworthiness.

involves at least three actors, and it allows expansion beyond inherited ties.¹⁴ In our case, it means that principals chose proxies with whom they were not personally acquainted, but whom others had recommended. Hoffman et al. investigate the role of notaries in forging ultimately anonymous links in French credit markets.¹⁵ Repeated relationships between the notary and his client involved the exchange of privileged information which the notary drew upon to match unrelated parties. Finally, sociological accounts of modernization imply that relationships were progressively dictated by the division of labour and the emergence of professional agents.¹⁶ Following Chandler, business historians often endorse this narrative.¹⁷ All in all, these more nuanced accounts point not to disembeddedness but to an evolution and a reconfiguration of social ties. In addition to testing for the ‘stronger version’ of the modernity postulate, we test, in the following sections, for the prevalence and evolution of each of these transformations.

The remainder of the article is organized as follows. In section I, we present our data and sampling strategy. In section II, we address the modernization narrative in its boldest form by testing for a drastic shift over time in personal relationships between principals and proxies. In the same section, we explore our uniquely rich dataset to reveal general patterns in the uses of powers of attorney. We then turn to alternative mechanisms supporting relationships based on homophily (section III), relational chains (section IV), and the professionalization of agents (section V). We discuss our results and avenues for future research in section VI.

I

The extensive paper trail that powers of attorney (*mandats*) have left in early modern and modern archives testifies to their importance.¹⁸ Those proxy forms (*procurations*) are everywhere in the French notarial records and present in most Continental European and US archives.¹⁹ For the year of 1851, proxy forms represent 14 per cent of all Parisian notarial records (c. 60,060 acts in total).²⁰

Despite their centrality for the expansion of trade, their ubiquity in managing many aspects of everyday economic life, and the fact that these contracts therefore had an important economic impact, ‘scholars usually skip them [powers of attorney] as mere preliminaries or accessories to the more complex and specific contracts’.²¹ It is, in fact, surprising that discussions in the economics literature of

¹⁴ Grossetti, Barthe, and Chauvac, ‘Studying relational chains’.

¹⁵ Hoffman et al., *Priceless markets*.

¹⁶ For Weber, *Economy and society*, organized professions, formal institutions, and anonymous markets supported one another; Ritzer, ‘Professionalization’.

¹⁷ Chandler, *Visible hand*, p. 27.

¹⁸ We use ‘proxy form’ to refer to the piece of paper recording the contract, and ‘power of attorney’ to refer to the contract itself, which may or may not have been recorded in writing.

¹⁹ Antunes and Riberio da Silva, ‘Cross-cultural entrepreneurship’ (for Amsterdam); Trivellato, *Familiarity* (for several European countries). For the US: Acker, *Deeds*; Smith and Owsley, eds., *Papers*; Price, ‘Manuscript sources’.

²⁰ For Paris in 1751, the share was 11% (on c. 59,730 acts). For Marseilles in 1751, our estimate is around 17% (on c. 11,280 acts). In Livorno in 1751 and 1761, Francesca Trivellato (personal communication, 4 July 2017) found 18% and 20% of proxy forms, respectively.

²¹ Lopez, ‘Proxy in medieval trade’, p. 189. We found only a few exceptions to this scholarly neglect. In a pioneering paper that attracted no followers, Jean-Pierre Poisson, a French specialist in notarial records, advocated for a systematic study of powers of attorney as the only way to quantify trust. Recently, a series of papers

principal–agent relationships have not fostered more interest in such contracts, as powers of attorney were the main, if not the only, legal vehicle for such relationships in the eighteenth and nineteenth centuries. Even more puzzling is the absence of the mention of powers of attorney in debates about trust in the economic literature.²² In contrast, legal scholarship in fiduciary law, a branch of law that deals with agency costs plaguing contracts such as powers of attorney, often portrays powers of attorney as the archetype of interpersonal trust but has shown no interest in their historical uses.

Our article fills this gap in the literature by providing the first systematic, descriptive account of the uses of powers of attorney, unveiling which types of proxy were chosen for each type of task over time and in several geographical markets. We deem it likely that many of the patterns that we find hold for other times and places, and could thus offer a basis for comparative research. Additionally, in order to test the modernization narrative, we compare how the relational bases in agency contracts evolved over time in three samples: 1751, 1800, and 1851. The years 1751 and 1851 were unexceptional politically and economically (there was, for example, no revolution, no war harshly impacting trade, and no large wave of bankruptcies). Moreover, they coincide with the dates of a digital database of all Parisian notarial records (ARNO), which provided information useful for selecting the notaries suitable for our study.²³ The year 1851 is situated after major changes in transportation due to the creation of canals and railways in the 1820s–40s, but long before the telegraph began to be used routinely for commercial purposes. Our use of the year 1800 as a midway check allows us to observe the initial effects of the legal reforms that the French Revolution occasioned. In the context of revolutionary and imperial wars, 1800 was relatively uneventful.

Our database covers four French cities: Paris, Lyons, Marseilles, and Lille. Each one had prominent merchants in our period and was tied to different industries and important commercial activities in different regions of the world.²⁴ Paris, Lyons, and Marseilles were the largest cities by population and the most important commercial centres in France in the eighteenth and nineteenth centuries. Lille was the only major French city with a record of industrial growth and rural exodus similar to that experienced by the British.²⁵ We chose three notaries in each city, for each year, and collected all the proxy forms registered by those notaries in those years, rather than using a random sample of all notarial records. This latter

on both sides of the Atlantic treated them as evidence of trust put in wives by husbands travelling abroad. Poisson, 'Introduction'; Sturtz, 'Virginia women'; Dufournaud and Michon, 'Les femmes et le commerce'; Cyr, 'L'activité économique des femmes'; Grenier and Ferland, 'Procurations et pouvoir féminin'; Palmer, 'Women and contracts'. Lozano Salado, 'Dos siglos', traces the evolution of commercial activity in Cadix through powers of attorney. These papers, which mostly ignore one another, generally deal with a very small sample of powers of attorney. The only systematic study, comparable in scope and sample size to ours but restricted to a rural region and purely descriptive, is that by Molina Jiménez in 'Informe sobre las cartas poder' and 'Solidaridades, conflictos y derechos'.

²² For a critical survey of the trust literature, see Guinnane, 'Trust'. Like him, we consider that the concept of trust does not add much to our understanding of delegation, as it is often loosely defined or refers to something we cannot observe. We do not assume that a power of attorney is just the legal vehicle for pre-existing trust or the expression of pre-existing personal commitments.

²³ ARNO (Archives Notariales) database, Archives Nationales, Paris (hereafter AN), <https://www.siv.archives-nationales.culture.gouv.fr>.

²⁴ See, for example, Bergeron, *Banquiers*; Chassagne, *Veuve Guerin et fils*; Carrière, *Négociants marseillais*; Hirsch, *Entreprise et institution*.

²⁵ Bairoch, Batou, and Chèvre, *Population des villes européennes*, p. 278.

solution would not have been very practical (except for Paris in 1751 and 1851) due to the lack of a consolidated list of all notarial records (dozens of notaries worked in each city).

We selected those notaries who had the greatest number of merchants among their clientele (see online appendix S1 for details). We intentionally biased our data collection in favour of merchants, as they often play the role of protagonists in the storyline of the rise of a commercial, impersonal society. Note that by oversampling merchants, who in any case under this account would be more prone to impersonal relationships, we make it easier to find the radical shift predicted by the dominant narrative of modernity.

In total we collected 2,831 proxy forms ('full sample'). Notarized proxy forms could record the identity of the proxy (72 per cent of the forms did so); could be blank (21 per cent)—that is, no name or function was given for the proxy, just a blank space; or could have originally been blank and filled in later (7 per cent). For each proxy form, we coded its length (85 per cent were two pages or fewer); the main object of the agency contract; and variables describing the identities and gender of both the principal and the proxy (one-quarter of the principals and 10 per cent of the known proxies were female) and, if recorded, their occupation or social status, their addresses, and the relationship between them. (See descriptive statistics on all our variables in online appendix table S2.) In addition, for 870 randomly selected forms ('reduced sample'), our database records each of the specific subtasks the proxy was authorized to perform for the principal, along with a dozen variables referring to the existence of diverse restrictive or discretionary clauses.

In spite of legal and economic mutations between 1751 and 1851, as table 1 shows, the types of principals and tasks in our samples did not change much over time. In each period, one-quarter to one-third of the proxies were supposed to recover debts or other sums owed; the same share of contracts had to do with managing estates, inheritance proceedings, or general powers over the principal's affairs; 20 to 25 per cent of forms delegated the task of selling annuities or collecting interest, except in 1800, when the market for annuities had collapsed. Overall, one-quarter of principals were merchants (more for debt recovery); approximately 15 per cent were in other commercial occupations (such as bankers, artisans, skilled workers); one-quarter of the occupations were unknown; and the rest were lawyers, civil servants, 'propertied persons', clergy members, and so on. As the use of notarized powers of attorney changed very little over time, we have a good vantage point to observe evolutions in the choice of proxies and their relationship with principals.

A caveat to our sample is that a power of attorney could be granted, and considered as such in courts, without being notarized. It is, therefore, likely that the vast majority of powers of attorney did not survive—or even were never written, or written as such. An oral order, or the order to do something included in an ordinary letter, could be considered valid by a court, both before and after the French Revolution.²⁶ In addition, one way to make the contract more official while

²⁶ The Civil Code required written proof for powers of attorney whose subject matter exceeded the value of 150 French francs (FF). If the object was commercial, witnesses could, however, substitute the written proof, independently of the value; Dalloz and Dalloz, 'Mandat', p. 682.

Table 1. *Frequency of powers of attorney by year according to main object and principal's occupation*

		1751	1800	1851
General powers, inheritance, managing land and/or buildings	Merchant ^c	4%	4%	3%
	Other commercial ^d	3%	5%	6%
	Other ^e	13%	25%	17%
Managing a company	Merchant	2%	3%	2%
	Other commercial	0%	1%	1%
	Other	0%	0%	0%
Recovering debts or other sums owed	Merchant	21%	7%	5%
	Other commercial	3%	5%	4%
	Other	8%	18%	14%
Selling annuities or collecting interest	Merchant	4%	0%	2%
	Other commercial	0%	0%	5%
	Other	15%	5%	18%
Representation in court	Merchant	3%	1%	2%
	Other commercial	1%	1%	0%
	Other	4%	2%	1%
Commercial tasks ^a	Merchant	4%	3%	1%
	Other commercial	1%	1%	1%
	Other	1%	3%	3%
Other civil (non-commercial) tasks ^b	Merchant	2%	2%	2%
	Other commercial	2%	2%	3%
	Other	8%	8%	10%
No. of observations		862	828	1,141

Notes: *a* Includes selling merchandise and miscellaneous tasks; for example, representation in bankruptcy or winding up proceedings.

b Includes selling land and/or buildings and miscellaneous tasks; for example, representation before the bureaucracy, accepting a donation, representation in family proceedings, such as for the care of orphans.

c 'marchand', 'négociant', or 'commissionnaire' in the source denotes wholesale activity and social respectability.

d Includes bankers, brokers, employees of merchants, manufacturers, skilled workers, shopkeepers, master artisans, and captains of ships.

e Includes lawyers, civil servants, propertied persons, doctors, clergy, and so on, along with unknown occupations.

Sources: See online app. tab. S1.

paying less than a notarial fee was to have it registered (*acte sous seing privé*), which left few usable traces in the archives.²⁷ Further, it could be argued that, *ceteris paribus*, the closer the pre-existing relationship, the less the power would need to be notarized. This could be true because social norms would make formalization less necessary (by ensuring that no dispute would occur, or that disputes would be dealt with inside the family) or for legal reasons.²⁸ The fact that we find as many as 25 per cent of notarized forms given to kin, however, indicates a demand for formalization of even the most embedded relationships. Those contracts were, in fact, strikingly similar to all the others in terms of length and final clauses regulating the discretion of the proxy.

²⁷ The notarial fees for writing a proxy form were never officially standardized, but the total expenses incurred for a notarized form in Paris seems to have been about 2 to 2.5 livres before the Revolution and 17 to 25FF after the Revolution (in other cities, the sums were slightly lower). This amounts to about 10 days of work for an unskilled male worker. Written, registered, but non-notarized proxy forms (*actes sous seing privé*) only were charged a registration tax of about 10 sols, then a little more than 1FF (half a day of work). The archives have traces of their registration, but they very often give only the date and the names of the parties. On notarial fees, see Amiaud, *Le tarif général*; Mourlon and Jeannest-Saint-Hilaire, *Formulaire général*.

²⁸ For example, article 1432 of the Civil Code explicitly stated that each spouse tacitly had the power to manage the other's property. In the eighteenth century, jurisprudence recognized that a wife did not need a written proxy from her husband to buy merchandise; Crowston, *Credit*.

Drawing more complete, official contracts could indeed have its virtues. The proxy might have needed to prove to third parties her legitimacy to conclude a binding deal. For women, minors, or foreigners, formalized powers of attorney acted as a bulwark for the legal rights of those holding the proxy rather than as a safeguard for those giving the proxy. Finally, it is likely that powers of attorney were notarized if high stakes were involved (such as general powers to manage the properties of a person), or because the parties anticipated that they might have to go to court. Whereas non-notarized and even unwritten contracts could be admitted as evidence, the many ongoing jurisprudential debates, both before and after the Revolution, suggest that leaving judges to apply default rules could be a risky strategy.²⁹ Thus, a notarized proxy form does not signify an especially high level of trust between the parties but could, in some cases, conceivably indicate some measure of distrust that had to be mitigated by reliance on the legal system as a credible threat of sanction.

Yet the study of clauses in our sample qualifies the idea that the added formalization would have been used primarily to prevent abuse by the proxy. On the contrary, the most detailed contracts gave the proxy more discretion. Pothier, writing in the 1760s, discussed the interpretation of prices given in powers of attorney and insisted that the principal would ultimately have to agree to those prices.³⁰ However, almost none of our contracts mention specific prices, and many explicitly state, in their final clause, that the principal promises to ‘agree to the terms determined by the proxy’ (*avoir le tout pour agréable*) or, in 35 cases, to ratify all the actions of the proxy.³¹ Only 6 per cent of our contracts include any kind of restriction on the proxy’s discretion—for example, discussing with the principal before making some decisions; or specific parameters on a certain task to be executed, such as the length of leases on which the proxy must decide. On the contrary, many contracts use long clauses that emphasize the proxy’s discretion; for instance, the proxy can sign a settlement in a bankruptcy proceeding, even at a loss. They enumerate all the tasks that the proxy was authorized to perform as a consequence of the main task. For example, 45 per cent of the contracts mention the possibility of going to court; whereas representation in court was the main object of only 4 per cent of our proxy forms. In addition, final clauses often add the idea that the proxy should do ‘as the circumstances will dictate’ (*ce que les circonstances exigeront*), ‘what will be useful’ (*tout ce qui sera utile*), ‘and generally do whatever is necessary’ (*et généralement faire le nécessaire*).

Although it is conceivable that we are working with a small, non-representative subsample of the contracts that a lawyer would consider as powers of attorney, the vast quantities of notarized powers of attorney are significant enough to warrant attention. In addition, the discussion above suggests that self-selection in notarizing the proxy form is unlikely to be an issue. Most importantly, since we are interested

²⁹ Pothier, ‘Traité du contrat de mandat’; Troplong, *Le droit civil expliqué*; Dalloz and Dalloz, ‘Mandat’; Xifaras, ‘Science sociale’; Pfister, ‘Un contrat en quête d’identité’.

³⁰ Pothier, ‘Traité du contrat de mandat’.

³¹ Numbers and frequencies in this paragraph refer to our reduced sample. The clause was used by Londoners, in 1851, to have the Parisian banker Ferrère-Laffitte recover annuities for them in Paris (for example, AN, MC/ET/X/1216, 2 Feb. 1851: deposit of proxy form drawn in London, 24 Jan. 1851), as well as by an unmarried Marseillaise cook, Marie Sophie Franchette Cornut, in the same year, who gave a blank power of attorney to deal with her father’s inheritance; he was a blacksmith who had died in Switzerland (Archives départementales des Bouches-du-Rhône, Marseille, 364E640, 7 April 1851).

Table 2. *Evolution of the relationships between principal and proxy*

<i>Year</i>	<i>Spouses</i>	<i>Other kin</i>	<i>Other</i>	<i>No mention</i>	<i>No. of obs.</i>
% in 1751	6	16	3	75	632
% in 1800	10	20	3	67	618
% in 1851	7	15	2	76	782
% in total	8	17	3	73	2,032

Notes: Calculations exclude blank and filled-in blank forms. ‘Other’ includes neighbours (c. 1%) along with employees, associates, co-creditors, and so on (c. 2%).

Sources: See online app. tab. S1.

in changes over time in the fraction of personal versus impersonal relationships, a potential bias would only arise if the probabilities of formalizing personal and impersonal relationships changed differentially over time. We are not aware of events that would have altered the demand for formalization differentially for personal and impersonal relationships over time.

II

The narrative of modernization would imply that over time principals relied less and less on proxies with whom they had close ties, especially members of their family. In addition to testing this hypothesis, this section casts light on other interesting patterns regarding the uses of powers of attorney by gender and occupation of the principal, and how the task to be performed influenced the choice of proxies.

Having surveyed a large quantity of notarized proxy forms, we are confident that the archetypical types of personal relationships were exhaustively recorded in the source: kinship ties were found in 17 per cent of cases, 5 per cent of which were spouses, and other explicit ties in 2 per cent of cases.³² In addition, we deduced from their addresses that some parties lived in the same building or on the same street, which we considered a probable indication of a personal tie between neighbours (found in 16 cases, or 0.8 per cent of forms). This leaves the vast majority of cases without any recorded pre-existing relationship between the parties. Even if we exclude blank forms, which we will discuss in section IV, 80 per cent of powers of attorney did not contain any information on the relationship between the parties. This does not mean that the interactions represented by these 80 per cent were completely anonymous. Apart from occupational homophily or relational chains, which we discuss in the following sections, the obvious case is that of ‘friendship’, the ideal type used by lawyers to characterize powers of attorney. The parties and the notaries did not, however, use the vocabulary of friendship in any way, be it purely rhetorical or not, in the contracts; they did not give any hints, either, about shared citizenship, religion, or any other basis for communitarian solidarity.

A preliminary analysis of the evolution of the fraction of proxies given to kin and other explicitly related persons, depicted in table 2, reveals that the differences between 1751 and 1851 are not striking. Interestingly, Poisson found a similar share of proxy forms given to kin (24 per cent, including 11 per cent between spouses)

³² Percentages calculated on non-blank forms. Our 41 ‘other explicit ties’ include 16 employees of the principal, 7 associates, 3 colleagues (for example, priests in the same congregation), and 15 miscellaneous cases.

in Parisian records of the 1960s, despite their being quite different from ours in terms of the tasks to be performed. There were no debt recoveries, inheritance proceedings, or management of estates; but more sales and loans existed than in our period.³³

In order to test more rigorously whether relationships between principals and proxies in the notarized contracts became more impersonal from the eighteenth to the nineteenth century, we employ the following simple specification:

$$Personal_i = \beta_0 + \beta_1 X_i + \gamma_{1800} t_{1800} + \gamma_{1851} t_{1851} + \varepsilon_i \quad (1)$$

where $Personal_i$ denotes the binary outcome of interest, in this case, whether in the proxy form i a personal tie (defined as above; therefore, often a family tie) existed between the principal and her proxy; X_i is a vector of characteristics such as the main object of the agency contract, place where the power of attorney has been drawn, the principal's occupation, and the number of principals listed and their gender; $t_{1800} = 1$ if year = 1800, zero otherwise, and $t_{1851} = 1$ if year = 1851, zero otherwise (1751 is the reference year); and ε_i is the idiosyncratic error term. These underlying variables are defined in online appendix table S2. The model is estimated using a logistic regression and the sample is restricted to non-blank powers; that is, to those powers of attorney for which the principals directly chose the proxies, as opposed to 'blank' or 'filled-in blank' powers in which another person, probably a notary in many cases, chose a proxy on behalf of the principal.³⁴

The modernization thesis predicts that $\gamma_t < 0$ and is decreasing in t (when 1751 is the reference category). As table 3, column 1 shows, this hypothesis is rejected in our data: both cohort coefficients are insignificant, which suggests no changes over time in principals' reliance on agents with personal ties. Furthermore, this result is robust to alternative specifications.³⁵ First, redefining the dependent variable more conservatively to consider personal links as only those with family ties does not change the results. Second, it is theoretically possible that the aggregate results might be masking subtler patterns of depersonalization led by differential trends by city, object of the power of attorney, or the principal's occupation. For example, Paris, as the more 'modern' city, might have had a head start in modernizing, commercial matters might more easily have been handled by strangers, and merchants were often regarded as more prone to impersonal relationships. To test for these disaggregate differential trends, we have re-estimated our model with a set of interactions of year with city, object, or principal's occupation. All cohort coefficients and most interaction coefficients are insignificant, which rules out different evolutionary paths by city, by type of object, and by type of occupation.

Table 3, column 1 also reveals interesting patterns with regard to powers of attorney in general. Other things being equal, female principals compared to male ones tended to engage proxies with personal links. Merchant principals were

³³ Poisson, 'Introduction', p. 365.

³⁴ As discussed in section IV, principals may choose to grant a power of attorney through a blank or a non-blank form. Conditional on the principal's choice of a non-blank form, the principal decides on the identity of the proxy. In contrast, with a blank form the ultimate choice of the proxy lies outside the principal's control (with a notary, for instance). Using the full sample to study the personal versus non-personal choice would therefore conflate the principal's and the notary's choices. In section IV we focus on the choice between blank and non-blank as the outcome variable.

³⁵ Results available upon request.

Table 3. *Regression evidence on the evolution of ties between principal and proxy*

<i>Dependent variable</i>	(1) <i>Personal relationship between principal and proxy</i>	(2) <i>Homophily</i>	(3) <i>Merchant proxy</i>
<i>Main task</i>			
General/inheritance	2.05***	1.10	0.43***
Managing a company	3.72***	0.61	0.27***
Justice	0.33***	0.37*	0.21***
Annuities	0.27***	0.39**	0.44**
Debt recovery	0.69	1.27	1.27
Other civil	1.49	1.19	0.63
<i>Place</i>			
Lille	0.68	0.35***	0.35**
Marseilles	1.20	1.10	1.22
Paris	0.83	0.59*	0.52**
Other French	1.25	0.72	0.48**
Abroad	0.26***	0.61	1.36
<i>Principal</i>			
Other commercial	1.15	0.82	0.88
Merchant	0.73**	4.14***	1.98***
<i>No. of principals</i>			
2 or more	0.86	1.04	0.99
<i>Gender of principal</i>			
Female	1.69***	0.91	0.46***
<i>Cohort</i>			
1800	1.03	1.16	0.38***
1851	0.99	1.01	0.13***
<i>Cohort × principal</i>			
1800 × other commercial		1.18	1.61
1800 × merchant		0.59	1.89*
1851 × other commercial		1.17	1.22
1851 × merchant		0.31**	3.94***
Constant	0.36***	0.27**	0.40***
Observations	1,975	919	1,975
Pseudo-R ²	0.12	0.14	0.22

Notes: Estimates are reported as odds ratio. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Reference category: commercial, Lyons, other occupation, one principal, male, 1751. The reference category is the one for which the profiles of proxies (relation to principal, frequent proxy, merchant proxy, blank form) were closest to average, except for place and main task. Regressions are on the full sample, omitting cases with an unknown main task, and blank and filled-in blank forms. In col. 2, we exclude observations for which the principal's or proxy's occupation was 'unknown' or 'other' (please see online app. S1 for classifications). We also exclude cases in col. 2 with a personal relationship between the principal and proxy and frequent proxies.

Sources: See online app. tab. S1.

more prone, all other things being equal, to choose strangers as proxies, seemingly confirming contemporary suspicions that they were at the vanguard of anonymizing the delegation of power.

Compared to the reference category—which includes commercial operations such as (mostly) the sale of merchandise or ships, the management of bankruptcies, and the winding up of businesses—principals tended to choose proxies with personal ties less often for other limited, specialized tasks. Such tasks included management of annuities and lawsuits; only 6 per cent of non-blank proxies dealing with annuities were kin, and 12 per cent of attorneys-at-law. Conversely, proxies with personal ties were more likely to be chosen to exercise general powers, which entitled the proxy to do everything in the principal's name, or to perform such tasks as the management of inheritance proceedings, of a company, or of land and

buildings. Those tasks were mostly non-commercial; but, more importantly, they were complex and consequential. Here, the intuitive idea that they would not be delegated to an unknown person often holds. Spouses received 33 per cent of the 130 general powers of attorney, and 30 per cent were given to other kin (but 2 per cent are blank). Out of 82 non-blank proxy forms for managing a company, 31 were given within the family, four were given to neighbours, three to an associate, and six to an employee: this is the one task for which ‘other ties’ played an important role. Anecdotal evidence from a study of printed circulars from the nineteenth century hints that such powers of attorney were a common step in commercial careers, used to further the integration of young relatives and sometimes long-serving employees into a company before making them full partners.³⁶

Our evidence is thus consistent with no depersonalization per se, in the sense of principals consciously being more likely, over time, to choose unrelated parties, to the detriment of kin or other close acquaintances.

III

Proxy forms do not inform us about the embeddedness of commercial relationships in friendship, religious, or ethnic communities. They allow us, however, to test the version of the homophily hypothesis discussed in the introduction: does the mere fact of being a merchant matter to fellow merchants when it comes to choosing a proxy?

The words *marchand*, *négociant*, and *commissionnaire*, which we have used to define the category ‘merchant’, were still often used, in the first half of the nineteenth century, with Old Regime social statuses in mind. That is, they denoted wholesale operations and some degree of recognition by fellow merchants as being part of a local elite.³⁷ An interesting anecdotal case hints that those self-identifying as merchants could be considered, by fellow merchants, better proxies than others. In a related study of printed circulars, we found a former merchant, a certain Bruguière, advertising for his new company, which offered services of representation in courts and, more broadly, before the authorities. Bruguière used the mutual recognition among merchants to promote his new business and stated that a former merchant would provide better services than any other person.³⁸ This rhetoric points to the signalling power of the ‘merchant’ label among peers.

Since our dataset records the occupation of principals and proxies, we can test for the presence and evolution over time of relationships based on occupational

³⁶ See, for example, a brother and employee (Centre d’archives du monde du travail (hereafter CAMT), Roubaix, 69AQ/3, sent to Foache from Le Havre, 1 Jan. 1824); a brother-in-law (Archives municipales de Marseille, Fonds Roux, LIX-164, sent from Bordeaux, 1 June 1816); a son (CAMT, Le Havre, 1 July 1826); long-time employees (CAMT, Le Havre, 28 Aug. 1817, 1 March 1824, 1 Jan. 1828, 10 April 1830) promoted to proxy in various companies, sometimes explicitly as a ‘testimony of our trust’; another son promoted from proxy to partner (CAMT, Le Havre, 1 Jan. 1827); and a long-time proxy of the father, then of his son, finally becoming a partner (CAMT, Le Havre, 1 June 1814).

³⁷ Carrière, *Négociants marseillais*.

³⁸ Bruguière’s case also exemplifies the prevalence of professional proxies and the use of relational chains. He certainly had to use licensed attorneys to go to court, but his skill as a professional proxy (he stated that this sort of business required ‘full-time dedication’) knowledgeable about the needs of merchants would be to find the best attorneys. Archives municipales de Lyon, Fonds Veuve Guérin, 4J331, sent by Bruguière aîné, ‘agent de commerce’ in Marseilles, 1 May 1809.

homophily. In table 3, column 2, we estimate specification (1) with a set of interactions of year with principal's occupation and using as a dependent variable a binary outcome indicating whether the principal and her proxy shared the same occupation, defined in broad categories.³⁹ The regression results reveal that merchants were more likely than those in other categories to choose a proxy in their own occupation (*ceteris paribus*, that is, not just to perform commercial tasks). However, the interaction terms show that this homophily among merchants decreased between 1751 and 1851 (online appendix figure S1 provides a visual summary of the results of the interaction regression). While merchants remained more likely than principals in other categories to choose a proxy in their own occupation, this decrease made them less specific. We may here be capturing an effect of the revolutionary abolition of statutory privileges as well as of simultaneous economic and social changes, including specialization, and textbooks and printed directories lowering barriers to entry, that cast doubt on the qualities previously associated with the merchant category and on the boundaries of that category.⁴⁰

How can we distinguish between a match based on professional expertise and one based on status or membership of a group? That is, when we see a principal merchant choosing a merchant as a proxy, is it due to a mutual recognition of belonging to a group ('status homophily') or due to the merchant proxy's special abilities and skills ('preference for merchants' skills)? Controlling for the task to be performed gives us a partial answer: what we observe here is not only the choice of merchants to recover debts, settle accounts, or manage businesses. Merchants in our sample gave 36 of their non-blank general powers or powers to deal with inheritance, land, or family to fellow merchants, including 26 to unrelated merchants. This is suggestive of homophily, although we cannot rule out that some of those unrelated merchants were social acquaintances, living in the same neighbourhood or meeting at the stock exchange, for example; whereas others were perhaps generally deemed trustworthy as merchants.

An alternative analytical strategy builds on the fact that merchant proxies might have possessed special skills that were valued by other groups as well. Table 3, column 3 shows the results of a regression that estimates specification (1) with a dependent variable indicating whether the proxy is a merchant (17 per cent of non-blank forms), and includes a set of interactions of year with principal's occupation, broadly defined. We find that merchants as principals are more likely to choose merchant proxies than principals in non-commercial occupations; whereas the coefficient for other commercial occupations (bankers, manufacturers, employees of merchants, artisans, and so on) is not significant. Under the assumptions that principals of all groups have equal access to merchant proxies, and that merchant proxies' skills are equally valuable to principals of all groups, this result indicates a preference for a social group and not simply for the skills associated with the agent performing commercial transactions.

³⁹ Merchant; financial occupation; employee of merchant; manufacturer, artisan, shopkeeper or skilled worker; lawyer; civil servant; 'propertied person'; other.

⁴⁰ Deschanel, 'Que vaut un négociant?', who studied the fates of merchants and of the word '*négociant*' during and after the French Revolution, similarly concludes that the category kept its meaning but witnessed important transformation. Bartolomei, Lemerrier, Rebolledo-Dhuin, and Sougy, 'Becoming', on the basis of merchant correspondence, find that established houses still relatively avoided outsiders, especially specialized traders who would not self-describe as 'merchants'.

However, starting in 1751 the share of merchants among proxies continuously decreased over time among all groups. According to the interaction terms, this decrease was less pronounced among merchant principals compared to other groups. Between 1800 and 1851, all other things being equal, the share of merchant proxies among principals of other groups decreased at a faster pace than among merchant principals. This analysis would point generally toward merchants remaining a rather distinct social group but being less often entrusted as proxies with tasks that were not strictly commercial—perhaps as a product of a growing division of labour. Our results here go in the direction expected by more nuanced modernization narratives but do not indicate radical change: homophily does not decrease for other occupations, and that between merchants remains high.

IV

The evidence found so far disposes us to dismiss the modernization thesis in its radical form, which postulates a shift from an ideal type to another. Principals did not display an increase over time in their preference for strangers, and merchant homophily did not disappear. Personal ties and shared status were not, however, the only relational basis to which principals could resort. In this section we look at the use of blank forms, which indicate an arguably more important change in the period: the increasing use of relational chains to find proxies. Such change is also evidenced by the frequent use of substitution clauses, in non-blank as well as in blank forms.

In blank forms, no name or occupation was given for the proxy, just a blank space. Among our notarized proxy forms, 19 per cent were blank in 1751; 20 per cent in 1800; and 24 per cent in 1851. Some of the forms—8 per cent in 1751, 6 per cent in 1800, and 7 per cent in 1851—were originally blank and filled in later; the name, and often the proxy's occupation and address, were written in a different handwriting. Two-thirds of our filled-in blank proxy forms are 'deposits': the proxy filled in his name, and then had his notary record the form. Nineteenth-century lawyers made little or no mention of such a practice.

Blank forms were, as one might expect, more often used for tasks such as debt recovery and going to court (35 and 36 per cent of blank forms) than for other tasks such as managing a company (12 per cent). To assess change in the frequency of the use of blank forms over time, we estimate specification (1) by defining as a dependent variable a binary outcome that takes a value equal to one if the proxy form is blank or filled-in blank, and zero otherwise. The regression includes a set of interactions of year with principal's occupation, broadly defined. The 1851 cohort coefficient is significant and positive, indicating an increase in blank forms compared to 1751 (table 4, column 1). *Ceteris paribus*, merchants were not more likely than other groups to give a blank power of attorney, but the interaction terms reveal more nuanced patterns. Compared to other groups, merchants already gave more blank powers of attorney in 1800. This might mean that merchants were pioneers in this practice in 1800, but by 1851 all the other groups had followed; and there is no difference among groups in the probability of giving a blank power of attorney.

Table 4. *Regression evidence on relational chains and the appearance of frequent generalist proxies*

<i>Dependent variable</i>	(1) <i>Blank and filled-in</i>	(2) <i>General substitution</i>	(3) <i>Partial substitution</i>	(4) <i>Final clause</i>	(5) <i>Frequent generalist proxy</i>
<i>Main task</i>					
General/inheritance	1.19	1.47	0.87	1.39	0.46**
Managing a company	0.39**	2.30*	2.44*	1.56	–
Justice	2.13***	0.47*	0.55	0.83	0.34
Annuities	1.08	0.63	0.72	0.22**	0.22***
Debt recovery	1.88***	1.48	0.80	1.47	–
Other civil	2.45***	0.70	0.23***	0.67	0.67
<i>Place</i>					
Lille	0.42***	0.64	0.46*	1.26	2.35*
Marseilles	1.01	1.93***	1.34	5.10***	0.09**
Paris	0.24***	2.43***	1.43	0.16**	5.17***
Other French	1.02	0.94	1.18	1.41	4.76***
Abroad	0.19***	6.44***	0.75	7.86***	2.20
<i>Principal</i>					
Other commercial	0.73	1.13	1.20	1.39	0.43*
Merchant	0.81	1.26	0.93	1.53	1.41
<i>No. of principals</i>					
2 or more	0.94	1.13	0.86	0.88	0.57*
<i>Gender of principal</i>					
Female	0.97	0.85	0.84	2.06**	0.55*
<i>Cohort</i>					
1800	0.87	0.89	6.64***	0.32***	0.77
1851	1.52***	0.92	2.92***	0.01***	4.43***
<i>Cohort × principal</i>					
1800 × other commercial	1.31				
1851 × other commercial	1.62				
1800 × merchant	1.79**				
1851 × merchant	1.35				
Constant	0.32***	0.62	0.13***	0.34**	0.02***
Observations	2,748	862	862	732	1,770
Pseudo-R ²	0.08	0.08	0.14	0.36	0.19

Notes: Estimates are reported as odds ratio. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Reference category: commercial, Lyons, other occupation, one principal, male, 1751. Regression in cols. 1 and 5 is on the full sample, omitting cases with an unknown main task. Regression in cols. 2, 3, and 4 is on the reduced sample, omitting cases with an unknown main task. In col. 4 the dependent variable is whether the proxy form contained a final clause 'whatever the principal could have done in person' and the regression excludes cases without a final clause. In col. 5 debt recovery is the reference category because there were no 'commercial' cases with a frequent generalist proxy. Note that there were no 'managing a company' cases either. Regression in col. 5 excludes cases with blank forms.

Sources: See online app. tab. S1.

Why would principals use blank forms, and was this choice a move toward more anonymity in delegation relations? The likelihood is that, in many cases, the use of a blank form was in some way related to the place in which the task was to be performed—something that we found surprisingly difficult to code because it is very seldom mentioned explicitly. Perhaps the principal did not know that place well, but it was where the deceased had lived or the debtor was currently located, and so on. Thus, it might have been useful to find a still-unknown proxy there, rather than to employ someone the principal knew but who was located in the wrong place. For example, Jean-Charles Galhaut, a merchant in Amiens, head of the Galhaut & Thibaut Company, sought to recover 2,000FF (equivalent to the yearly wages of a clerk) from a Lyonnaise company for merchandise he had sold

them and for which they had not paid. His blank proxy form for this task was recorded almost one year later, in Lyons, filled in with the name of a company, not a person, as proxy (*'Bourget père et fils aîné de Lyon'*).⁴¹

This example, along with many others, suggests that drawing a power of attorney could be just one step in a chain, ultimately leading to the creation of a principal–proxy relation. This chain probably relied on recommendations, especially by notaries and possibly by other professionals, such as lawyers. Lawyers writing about powers of attorney commented on the growing trust clients put in their notaries.⁴² Such commentators were talking about notaries acting as proxies, though, not as intermediaries used to find proxies. The role of French notaries in the circulation of economic information and the matching of contract partners has already been well documented.⁴³ Similarly to what the literature has shown about the search for credit partners, our principals could have trusted their notary to look for a proper proxy and provide him with the blank form, which the proxy would then fill in with his name and sometimes record with his own notary. When the task had to be performed in a distant place, the notary in that place could be used as an intermediary to find an adequate proxy. In this sense, blank—and filled-in blank—forms do not indicate anonymity but, rather, the role of relational chains.

Moving from the relationship between the parties to the phrasing of the contracts, our data reveal an additional form and layer of delegation of authority creating relational chains. Substitution clauses, which have likewise not drawn scholarly attention, allowed the proxy to choose another proxy, who would perform all or some of the tasks included in the power of attorney. In the frequent case of a general substitution clause, the proxy could be only the first person in a chain of delegation of powers. Indeed, this clause was not a mere boilerplate, as we found 100 substitution contracts in our sample—that is, forms in which the first proxy transferred powers to a second one, without any explicit intervention of the principal. It is likely that many other substitutions occurred without being notarized, especially when they were partial and/or provisional.

These data undermine both the relational interpretation of powers of attorney as manifestations of trust that we find among nineteenth-century lawyers—a view that persists to our day—and the sharp divide built by contemporaries between powers given among equals and those given to professionals, as the former could be a first step toward the latter. A proxy form with a substitution clause could indicate that the principal entrusted the proxy not so much to perform tasks as to find reliable agents to do so.

Forty-seven per cent of the forms in our reduced sample include a final, general substitution clause. Around 23 per cent of all proxy forms (some of which might contain a final, general substitution clause) include a partial clause. They mention a specific task that could be performed by a person chosen by the proxy, who would often represent the principal in court or perform transactions for him or her at the stock exchange. These were tasks that only a licensed solicitor/attorney/barrister (*avocat/avoué*) or broker was authorized to perform. This suggests that principals

⁴¹ Archives départementales du Rhône, Lyon, 3E/12868, deposit of 1er ventôse an 8 (20 Feb. 1800), proxy form of 28 ventôse an 7 (18 March 1799).

⁴² Dalloz and Dalloz, 'Mandat', p. 628.

⁴³ Hoffman et al., *Priceless markets*.

might have chosen non-professionals as proxies for a general power of attorney—even if the general task to be performed included auxiliary tasks that would have to be subcontracted to professionals—and that many principals left the choice of these professionals to their proxy.

As table 4, column 2 shows, substitution clauses were surprisingly ubiquitous in the sense that they were not significantly associated with specific types of principals (merchants did not exhibit particularly ‘modern’ behaviour) or strongly associated with specific tasks. Indeed, the only pattern that we found in general substitution clauses was a strong differentiation between cities, indicating local notarial custom. Partial substitution clauses, on the contrary (table 4, column 3), were found everywhere in a similar proportion. Interestingly, these clauses, which can be read as indicators of the perceived need for specialization, were more frequent, *ceteris paribus*, in 1800 and 1851 than in 1751. Although the evolution was not linear, as there was a decrease between 1800 and 1851, this points in the general direction of professionalization.

Blank forms and partial substitution clauses were thus widely, increasingly, and often jointly used during our period. Modernization, in the case of proxy forms, seems to have very much relied on relational chains, with notaries playing key roles as brokers of recommendations as well as providers of legal devices.

V

Quite often, filled-in blank forms ended up with clerks of notaries as proxies.⁴⁴ These clerks were clearly in a good position to be recommended to undecided principals. Some of them regularly acted as proxies, performing a variety of tasks, receiving filled-in blank as well as non-blank forms, seemingly establishing a reputation as specialists in the role of proxy. As in the case of partial substitution clauses, the empirical widespread presence of such frequent proxies is an indicator of a growing division of labour as well as of the importance of relational chains.

Conservative lawyers, as well as nineteenth-century writers generally, were very much concerned about this type of individual, whose only business was to manage the business of others. As their role as proxies would necessarily call for compensation beyond expenses, although the forms never explicitly stated this, they threatened the Roman definition of ‘power of attorney’ as a voluntarily accepted assignment from a friend. Often called ‘*agents d’affaires*’ (‘business agents’, with a negative connotation), they would perform all sorts of tasks as proxies or in other variously defined positions—for instance, as arbitrators for commercial courts, trustees in bankruptcies, and so on.⁴⁵

The growing division of labour at play in delegation, at the expense of contracts between friends, is apparent in the clauses of our reduced sample. Final clauses that stated explicitly that the proxy could do ‘whatever the principal could have done if he or she had been present’ (*‘tout ce que le constituant pourrait faire lui-même*

⁴⁴ This was the case for 24 filled-in blank forms, or 16% of those in which the occupation of the proxy was known, as compared to 4% of non-blank forms.

⁴⁵ Boigeol and Dezalay, ‘De l’agent d’affaires au Barreau’. Cheney, *Cul de sac*, documents the bad reputation of Creole managers acting as proxies of absentee owners of plantations; many such managers worked for multiple owners. Yates, ‘Making metropolitan markets’, discusses the birth of a new type of professional proxy: the real estate agent.

s'il était présent en personne'), or could have done 'in person', tended to disappear from cohort to cohort (table 4, column 4). An alternative specification that has '1800' as the reference category confirms a significant decrease between 1800 and 1851. Giving a power of attorney could more often be recognized as a way to get something done that a person, despite being present, was not capable of doing herself. This suggests that powers of attorney were used in the hiring of experts, or at least of proxies who had more knowledge or experience than the principal, in order to conduct specialized transactions. Consistent with this interpretation is the fact that the clause was more rarely found in contracts related to rent annuities and never in the contracts of frequent proxies, which we define as proxies that were found in at least four different proxy forms in our sample.

Having coded in our sample the identities of principals and proxies as well, we can identify frequent proxies and track their growing professionalization over time. In fact, we found two different types of frequent proxies. The first type involved tasks that had historically been assigned to specific professionals long before our period. This was the case for attorneys-at-law, who did not need notarized proxy forms—which explains why they do not figure prominently in our data—and for bankers and brokers dealing with rent annuities. Here, division of labour and professionalization were nothing new. For example, two brokers at the Lille Stock Exchange in 1851, Frédéric Tattet fils (a proxy in 79 separate contracts, or 38 per cent of our Lille sample for that year) and Joseph Jules Blerzy (20 contracts) used several different notaries, bringing their own standard proxy forms with them. All their contracts look the same, regardless of which notary registered them.⁴⁶ Some professionals who often acted as proxies, therefore, used notaries to certify their contracts but did not really need them to provide templates. They do not seem to have needed notaries to find clients, either; or, if they had needed them at some point, it was now sufficient to have repeated relations or direct recommendations by clients: 'Tattet' and 'Blerzy' do not appear on any filled-in blank form. We found no equivalent in our 1800 sample, when banks and the stock exchange were disorganized, but frequent proxies dealing with rent had already appeared in 1751. For example, in our Parisian archives for 1751, we found 12 non-blank forms and four filled-in forms given to Anne Marguerite de la Faye de Joyenval, the widow of a 'rent receiver' (*receveur des rentes*) who obviously continued his business.⁴⁷ In a regression not reported here but including the same covariates as in specification 1, we found no cohort effect on the use of such frequent proxies.

The second type of frequent proxy comes closer to the idea of a generalist professional proxy, or business agent. This time, it seems indeed to be a figure of the nineteenth century. To delimitate this group, we focus on proxies who appear at least four times in our sample and who do not deal with rents. Their main tasks were the management of estates or inheritance proceedings and debt recovery. We find 18 persons and 124 contracts, 98 of which were drawn up in 1851. This represents 11 per cent of non-blank or filled-in blank forms for this cohort, as compared to 2 per cent in 1751 and 1800. This effect holds in a multivariate regression (table 4,

⁴⁶ Tattet's contracts appear in all boxes of notarial archives for our 1851 sample in the Archives départementales du Nord in Lille: those of the notaries Jules Desrousseaux (2E199/102-5), Gruloy (2E83/34-6), Lebigre (2E48/172-4), and Saint-Léger (2E86/39). Blerzy or his principals also used all these notaries, and probably others, but his contracts only appear in boxes 2E199/105, 2E83/35-6, 2E48/173-4, and 2E86/39.

⁴⁷ AN, boxes MC/ET/XLVIII/97-102 (notary Patu).

column 5): the coefficient for 1851 indicates that principals were over four times more likely to use a generalist professional proxy than their predecessors were in 1751. Contrary to other commercial occupations, merchants were equally as likely as propertied persons or civil servants to use this type of proxy.

Honing in on frequent proxies makes it clear that the emergence of professional business agents did not necessarily imply anonymity, not only because principals relied on the proxies' names, which they might have found in directories, but also because recommendation played a role. Étienne Maurice Olivier, a notary's clerk, was a proxy in eight contracts in Lille in 1851. He held three non-blank and five filled-in blank forms. He could take advantage of his professional position to benefit from the brokerage of notaries (he used at least two separate notaries) and find clients in Paris, Tours, and Libourne (near Bordeaux) as well as in and around Lille. Sometimes he was a broker himself rather than a genuine proxy, however: we also found a substitution contract in which he transferred the powers conferred to him by Antoine Louis Vallois, a 'former merchant and propertied man' of Wazemmes, near Lille, to Pierre Joseph Lecieux, another notary's clerk in Lille whom we found as a proxy in two other contracts.⁴⁸ The substitution does not give any information on the tasks to be performed; in other cases, Olivier was chosen to sell land and buildings, manage inheritances, and recover debts.

Joseph Darasse, a Parisian merchant, was a more specialized frequent proxy. He was chosen by 13 clients of the same notary; all but one were representatives of France abroad, such as consuls, interpreters, and so on.⁴⁹ Most of them appointed him to recover their overdue wages from the Ministry of Foreign Affairs, and one also asked for annuities to be sold. A widow who gave him a general power of attorney was the exception, in that we cannot testify to her ties with diplomacy. He had obviously established a reputation among employees of the ministry as a reliable proxy, so much so that three of the forms had been drawn in Cairo, Jerusalem, and Tbilisi (Georgia) before being filed in the records of Darasse's customary notary. Choosing him was clearly far from an impersonal decision.

VI

Despite having carefully chosen a case study in which macro events—the French Revolution and the industrial revolution—arguably were likely to transform incentives, leading to fewer interpersonal powers of attorney, we have found little or no support in our data for the simplest modernization narrative of a demise of personal ties and a drastic shift to anonymous relationships. As this storyline was endorsed by many contemporaries and is very much present, if sometimes implicitly, in historical and economic scholarship today, this is in itself a useful result. We found few significant changes between our periods; and those did not point unequivocally in the direction of increasingly anonymous relationships.

On the basis of the empirical evidence revealed by this study, we cannot rule out that a radical shift in the depersonalization of powers of attorney had occurred before the mid-eighteenth century. This result is consistent with a recent literature

⁴⁸ Archives départementales du Nord, Lille, 2E48/172, 27 March 1851.

⁴⁹ AN, MC/ET/LXXVI, box 811: 5 and 26 Feb. 1851; box 812–13: 8 March 1851; box 814–15: 19 July and 1 Sept. 1851; box 816–17: 23 Dec. 1851.

uncovering, through careful empirical analysis of contracts, the institutional micro-foundations for impersonal exchange.⁵⁰ In each case, researchers found that incentives for transactions to cross networks arose earlier than other scholars had generally thought.

However, our sources do not paint a picture of a purely anonymous market in which trust relied solely on formal institutions. Our results indicate a complementarity between trust based on pre-existing relationships, especially among kin, and formalization, rather than a substitution over time. The very use of the most formal contracts—notarized proxy forms—between relatives hints at this. If our results, which generally indicate little change, support one overarching modernization narrative, it would be that of division of labour rather than depersonalization. Changes to that effect appear in our variables related to the phrasing of contracts and to the choice of frequent proxies. We have also identified the limits of one common hidden assumption: the idea that what mattered to the commercial relationship was pre-existing ties between two individuals. On the contrary, blank forms and substitution clauses are indications of longer relational chains in which the principal–proxy contract is just one step, in the case of substitutions, or could only be established thanks to one or several intermediaries, especially notaries, in the case of blank forms.

Our findings open several avenues for future research. In particular, a companion article could model theoretically and test the decision-making process of principals, who had at hand two levers to mitigate opportunism in agency: the choice among different types of proxies, such as familial, professional, a blank form, and so on, and the choice of contractual terms and their phrasing. Empirically, a more systematic comparison of notarial practices across places and across notaries in the same place would shed light on differences in clauses and perhaps on relational chains. Extending our sample across time and focusing in on specific places and social groups may illuminate the extent to which powers of attorney were part of the ‘usual business’ of a merchant as opposed to an instrument reserved for reacting to exceptional situations. Understanding when a power of attorney represented a one-time interaction or short-term agency leading to a long-term partnership would require us to look for traces of reciprocity and mutual agency in the principal–proxy relationships among merchants. It would elucidate the place of powers of attorney in commercial life, and the trade-offs of these instruments in view of the menu of contractual devices available to merchants.

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⁵⁰ Hoffman et al., *Priceless markets*, p. 286; Santarosa, ‘Financing’.

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Supporting information

Additional supporting information may be found online in the Supporting Information section at the end of the article.

S1. Details of our sampling scheme

Table S1. Number of observations per city and year

Table S2. Descriptive statistics

Table S3. Frequency of blank powers of attorney (including filled-in blank powers) by year according to place and principal's occupation

Figure S1. Predicted evolution of homophily (left) and 'preference for merchants' skills' (right) over time by principal's occupation