Accounting as a Technology of Government in the Portuguese Empire: The Development, Application and Enforcement of Accounting Rules During the Pombaline Era (1761–1777)

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ABSTRACT This study of the interrelations of accounting and the State portrays accounting as a technology of government to effectively enact 'practical action' [Snook, S. A. (2000) *Friendly Fire: The Accidental Shootdown of U.S. Black Hawks over Northern Iraq* (Princeton, NJ: Princeton University Press)] at a distance in the Portuguese Empire. The study examines the development, application and enforcement of accounting rules under Portuguese imperialism in the 'Pombaline Era' during the period 1761–1777. These rules, comprising the '1761 Law' and the later applicable accounting 'Instructions', were issued by the Royal Treasury, established in 1761, for application throughout the Portuguese Empire. Using the combination of Foucault's concept of governmentality and Snook's theory of 'practical drift', the study elucidates how the implementation and evaluation of accounting control systems permitted the Portuguese government to exercise control at a distance, thereby mobilising individuals to pursue its goals for the Empire. The measures taken to enforce conformity with the accounting rules are shown to have been targeted at deterring the phenomenon of practical drift and, therefore, were concerned with avoiding malfunctioning and potential chaos in colonial administration.

Introduction

In the second half of the eighteenth century, the Portuguese Empire, although somewhat diminished in significance from its halcyon phase of the sixteenth century, remained of considerable importance to Portugal and to the colonising function of Europe in the broader international context. During the regime of King *D. José I* (King Joseph I) (1750–1777), Portugal was characterised by the adoption of mercantilist policies, enlightenment ideals and an absolute conception of the power of the State (see, e.g. Hartung, 1957; Black, 1990; Maxwell, 1995; Serrão, 1996a; Gomes *et al.*, 2008). The colonial administrative system adopted by the Portuguese government and the accounting controls put in place were intended to be the means of integrating, connecting

and harmonising the administration of the Portuguese Empire dispersed around the world. Formed in 1761, the Royal Treasury was the central government organisation in Portugal which administered the country and her colonies. Headquartered in Lisbon, the Royal Treasury was the first Portuguese central government organisation to adopt double-entry bookkeeping (DEB) specifically within the four *Contadorias Gerais* [General Control Offices] only from 1 January 1762 (Gomes *et al.*, 2008).¹

Within the Portuguese colonies and in other parts of the Royal Treasury, DEB was not required to be adopted from 1 January 1762. Instead, a simplified yet formal accounting control system was applied from this date, founded on single-entry bookkeeping (SEB). This accounting system was intended to result in uniform colonial administration as facilitated through the establishment of the Royal Treasury under the *Carta de Lei de 22 de Dezembro de 1761* (Letter of Law of 22 December 1761, hereafter known as the '1761 Law') by the government of the Marquis of Pombal ('Pombal'). Pombal was a powerful political figure who led the government in a dictatorial way during the period 1756–1777 (the 'Pombaline Era'). Subsequently, the 1761 Law was supplemented by the development of accounting *Instruções* (the 'Instructions') that were effectively issued as regulations for adoption in the country's colonies from as early as 1764 in the case of Angola but, more generally, for progressive application in the other Portuguese colonies from 1766. The Instructions, however, did not impose any shift away from the use of SEB in the colonies as specified in the initial Law. The 1761 Law and the Instructions are collectively described in this study as the 'accounting rules'.

Based on available surviving records relating to these accounting rules that are held in repositories of public archives in Lisbon, this study focuses on the Pombaline Era and is concerned with exploring the development, application and enforcement of the accounting rules in the Portuguese colonies. The study embraces an examination of the surviving official correspondence that was issued as supplementary advice in applying the 1761 Law and the Instructions and in enforcing the accounting rules. Typically, accounting history studies set in the eighteenth century do not focus on the enforcement of rules. Importantly, this study presents evidence of non-compliance with accounting rules and of the measures that were adopted to enforce compliance with the rules at dispersed locations. However, the study does not involve an examination of any surviving colonial accounting books that were maintained in the Portuguese colonies as records of original entry of transactions. The study aims to enhance an understanding of the development, application and enforcement of accounting rules in the eighteenth century in the context of Portuguese Empire through the examination of governmental discourses on the issuance and initial application of the rules and the available surviving evidence pertaining to compliance with, and enforcement of, these rules in the colonies.

Studies on the interrelations of accounting and the State have been integral in a number of recent studies of accounting change (see, e.g. Miller, 1986, 1990; Miller and Rose, 1990, 2008; Rose, 1991; Álvarez-Dardet *et al.*, 2002; Baños *et al.*, 2005; Sargiacomo, 2008, 2009a, 2009b; Yayla, 2011; Sharma *et al.*, 2012). Studying these interrelationships in the past within specific countries or regions assists in enhancing an understanding of accounting as a social practice, as well as a technical practice, and the dynamics of accounting change (see, e.g. Hopwood and Miller, 1994; Miller, 1994; Carnegie and Napier, 1996, 2012; Gomes, 2008; Gomes *et al.*, 2011). Recognising that accounting is a social practice with impacts on organisational and social functioning and development, this study applies an interpretive framework for analysis purposes

¹The four General Control Offices were named as follows: (1) General Control Office of the Court and Province of Estremadura, (2) General Control Office of Continent and Islands of Madeira and Azores, (3) General Control Office of West Africa, Maranhão and Baía and (4) General Control Office of East Africa, Rio de Janeiro and Asia.

using a combination of perspectives, specifically Foucault's concept of governmentality and Snook's theory of practical drift.² The study's concern with the development of accounting rules provides insights into how accounting, as a technology, is deployed in operationalising the rationalities of government at a distance. The study's focus on the application and enforcement of accounting rules, on the other hand, provides insights into accounting's use in deterring practical drift and, thereby, in avoiding chaos in colonial administration.

The current paper differs from Gomes *et al.* (2008) who did not examine accounting control systems across the Portuguese Empire but instead examined the advent of the Royal Treasury in 1761 and the DEB system adopted in Lisbon from 1 January 1762 within the four General Control Offices of the organisation. This investigation of colonial administration focuses on the accounting control systems adopted within the Portuguese Empire during the period 1756–1777 and recognises the influence upon accounting of the political, economic and philosophical ideals of the time. It is intended to augment the literature in several key ways. First, the study addresses for the first time the development, application and enforcement of public sector accounting rules which were intended to harmonise the accounting practices for Royal finances in the context of the Portuguese colonial Empire during the eighteenth century. The available archival evidence examined on the enforcement of accounting rules permits a deeper analysis of compliance regimes and their purpose within colonial public administration. Although previous studies have analysed aspects of the administration of colonial dominions, they have not been directly concerned about compliance with, or the enforcement of, accounting rules (see, e.g. Carmona *et al.*, 2010; Lai *et al.*, 2012).

Second, the study provides an opportunity to explore the impacts of a single individual on country and Empire, namely Pombal, who was a powerful and central figure in the administration of the Portuguese Empire. Third, the governmentality literature is extended for the first time as far as can be ascertained to Portugal and all of her colonies during the eighteenth century, thereby combining the apogee of Mercantilist policies and enlightenment ideals within an absolutist conception of power. These contextual determinants have not previously been addressed together in studies on the interrelations between accounting and the State in the context of Empire during this period. Although previous studies on the interrelations of accounting and the State have been set in the eighteenth century (Álvarez-Dardet *et al.*, 2002; Baños *et al.*, 2005), these particular studies were concerned instead with government-supported organisations. While certain other studies (Chua and Poullaos, 1998, 2002; Neu, 2000; Dyball *et al.*, 2006; Dyball *et al.*, 2007; O'Regan, 2010; Poullaos and Sian, 2010; Sian, 2011) have examined accounting in the context of imperialism and colonialism, these studies were set in the nineteenth and twentieth centuries or provided an account of colonial developments from the perspective of the former colonies in the post-colonial period. Finally, the study applies Snook's (2000) notion of practical drift to accounting phenomenon for the first time, as far as can be ascertained, thereby illuminating accounting's role in managing populations by means of the deterrence of practical drift in distant places.

The remainder of the paper is structured as follows. The next section provides an overview of the interpretive framework adopted in this study. There follows a description of the political, economic and social context, which addresses the political and philosophical ideals and Pombal's leadership during the Pombaline Era. An outline of the administrative control systems within the Portuguese Empire during this period is then provided. This outline is

²Snook (2000, pp. 179–201) constructed a 'theoretical matrix' in portraying dynamic representations of 'organizational reality' (p. 220) and specifically labelled the perspective developed as a theory, known as the theory of practical drift. In this study, therefore, the perspective is described as a theory.

followed, in turn, by a discussion of the components of the regulatory framework in the context of the Portuguese Empire, specifically the development of the accounting rules in the form of the 1761 Law and the Instructions. The next section presents an analysis and discussion of the application and enforcement of the accounting rules in the context of Empire, with a particular emphasis on instances of non-compliance and the enforcement measures adopted. This section is followed by the main conclusions.

Interpretive Framework

The investigatory perspectives applied in this study for analysis purposes comprise the concepts of governmentality (Foucault, 1980, 1991) and the theory of practical drift (Snook, 2000). Each perspective is addressed in turn.

Governmentality

The eighteenth century was a period characterised by changes in technologies of, and attitudes towards, governing populations, which Foucault described as 'governmentality' (Danaher *et al.*, 2000, p. xii). Governmentality or 'the art of government' was used to describe 'the ensemble formed by institutions, procedures, analyses and reflections, the calculations and tactics that allow the exercise . . . of power' (Foucault, 1991, p. 102). The term is generally applied in 'governmentality studies' to denote the mentalities, rationalities and techniques through which subjects are controlled or governed.³ According to Foucault (1991, p. 92), 'the art of government [. . .] is essentially concerned with answering the question of how to introduce economy – that is to say, the correct manner of managing individuals, goods and wealth [. . .] into the management of the state'. Foucault (1991, p. 92) elucidated the control dimensions of the concept in stating:

To govern a state will therefore mean to apply economy, to set up an economy at the level of the entire state, which means exercising towards its inhabitants, and the wealth and behaviour of each and all, a form of surveillance and control as attentive as that of the head of a family over his household and his goods.

Foucault (1991, p. 97) argued that 'mercantilism might be described as the first sanctioned efforts to apply this art of government at the level of political practices and knowledge of the state' and 'is the first rationalisation of the exercise of power as a practice of government; for the first time with mercantilism we see the development of a *savoir* of state that can be used as a tactic of government'. Governmentality, understood as the art of governing, encompasses two distinct aspects: (1) the 'rationalities' or 'programmes' of government and (2) the technologies of government (Miller and Rose, 2008, p. 15). In historical contexts, 'rationalities were styles of thinking, ways of rendering reality thinkable in such a way that it was amenable to calculation and programming', while technologies 'were assemblages of persons, techniques, institutions for the conducting of conduct' (Miller and Rose, 2008, pp. 15–16). In Portugal during the eighteenth century, the rationalities were embodied by the philosophy of enlightenment, mercantilist policies and the absolute conception of the power of the State, and all actions and techniques applied by the government to exercise its power needs to be understood at the light of

³Richardson (2009) explored a different aspect of governmentality, beyond the discursive aspect of the term, and highlights the fact that governmentality can be expressed through networks of organisations. McKinlay *et al.* (2010) addressed how governmentality might be developed to study strategy (see also McKinlay and Pezet, 2010).

those rationalities. Accordingly, technologies are the ways through which programmes of government are put into practice, so they refer 'to all those devices, tools, techniques, personnel, materials and apparatuses that enabled authorities to imagine and act upon the conduct of persons individually and collectively, and in locales that were often very distant' (Miller and Rose, 2008, p. 16).

Foucauldian analyses of governments in accounting, focusing mainly on the technologies of government, that is, on the adoption and use of accounting control systems, have uncovered the capacity of accounting to manage populations.⁴ Accounting as a technology is 'imbued with aspirations for the shaping of conduct in the hope of producing certain desired effects' (Rose, 1990, p. 52). Accordingly, accounting is broadly recognised as an instrument of power and domination, among other 'technologies of government' (Miller and Rose, 1990; Rose, 1990, p. 52; Rose and Miller, 1992, p. 183; Miller and Rose, 2008, Chapters 2 and 3). Power relations are important because they characterise the manner in which people are governed by one another. Foucault argued that 'relations of power cannot themselves be established, consolidated or implemented without the production, accumulation, circulation and functioning of a discourse' (1980, p. 93; also see Cowton and Dopson, 2002, p. 193). Nonetheless, it is necessary for this discourse to be subsequently translated into effective practice in any location (Quattrone and Hopper, 2005).

The relationship between the level of non-accounting discourse and rationale and the level of accounting techniques can create the 'problematization': the role of accounting control systems is translated into the policy discourse as connected to the specification of particular problems (e.g. the necessity for greater control, to improve the efficiency of tax collection and to increase the wealth or expand the territories of the State) that should be addressed. New or modified forms of accounting and associated calculation are articulated as a solution to the problem. Attention on accounting control systems is translated into the terms and objectives of the policy discourse to stimulate change and related impacts in the accounting domain (Robson, 1991). The call for change also involves a process of persuading others to see the 'problem' and its solution in their way (Robson, 1991, p. 552).

Action at a distance

Accounting control systems, for instance, allow knowledge of distant sites to be mobilised and brought home to centres of calculation (Miller and Rose, 1990, p. 9), therefore enabling action at a distance to be generated. According to Robson (1992, p. 686), it is the quantitative orientation of accounting which facilitates the use of inscriptions, including accounting writing, numbers, lists and reports, in the form of accounting documents, to assist in enabling action at a distance. Where acting at a distance gives rise to problems which result in the mismatch of the forms of explanation 'here' and the objects to which they refer 'out there' (Robson, 1992, p. 691), the question arises: 'How to act at a distance on unfamiliar events, places and people?' (Latour, 1987, p. 223). Latour rendered the following answer:

... by *somehow* bringing home these events, places and people. How can this be achieved, since they are distant? By inventing means that (a) render them *mobile* so that they can be brought back; (b) keep them *stable* so that they can be moved back and forth without additional distortion, corruption or decay, and (c) are *combinable* so that whatever stuff

⁴For a broader understanding of Foucault's concept of governmentality in accounting refer to McKinlay *et al.* (2010) and McKinlay and Pezet (2010). McKinlay and Pezet (2010) examined the seminal contribution made by Peter Miller, Ted O'Leary and Nikolas Rose, who are described as the 'London Governmentalists'.

they are made of, they can be cumulated, aggregated, or shuffled like a pack of cards. If those conditions are met, then a small provincial town, or an obscure laboratory, or a puny little company in a garage, that were at first as weak as any other place will become centres dominating at a distance many other places. (1987, p. 223, emphasis in original)

As articulated by Preston (2006, p. 560), 'accounting documents have the features of mobility, stability and combinability, which are the key elements of allowing action at a distance to occur'. Notwithstanding such qualitative features, the difficulty of acting at a distance tends to increase as the setting becomes more remote from the 'here', thereby often necessitating enhanced or additional action to be taken. As stated by Robson, '*action at a distance* implies not merely physical space between two points, but the capacity, through "strong" explanations, to influence many contexts *at the same time*' (1992, p. 691, emphasis in original).

According to Latour (1988, p. 160; cf. Robson, 1992), 'practice becomes whatever people do in the setting acted upon; knowledge becomes whatever is mobilized [. . .] to act upon the other setting'. Knowledge, as the prime focus of attention of Foucault (1977, 1980), is produced by the 'maintenance of networks for the gathering, transmission and assimilation of *inscriptions*' which '*translate* the elements of the context' (Robson, 1992, p. 691, emphasis in original). However, even though power/knowledge is properly oriented towards acting in distant settings, Foucault perceived action at a distance as the intended action to occur as embedded in the minds of the officials located at the centre. He did not focus attention on instances where the intended practices, as prescribed by rules, did not materialise due to non-conformity, for whatever reasons, with the applicable rules. McKinlay *et al.* (2010, p. 1026) elucidated this point in stating:

In governmentality there is always the temptation to move from an analysis of how individuals are rendered visible and calculable to an assumption that this possibility actually occurs in practice. Or that, once rendered calculable, organisations install monitoring, reporting and recording systems that are consistent and cumulative over time. We know that this is far from the case. Nor is it reasonable to assume that individuals police their behaviour, beliefs, and attitudes with such intensity that any shortcomings in organisational systems are more than offset by self-surveillance.

In short, Foucault did not provide a model for conceptualising the redesign or redevelopment of the rules in addressing the dimensions of non-conformity with the initially adopted rules. These instances, where the desired practice is not obtained regardless of the form of the applicable rules, are interpreted in this study through the lens of 'practical drift' (Snook, 2000, pp. 192–193).

Practical Drift

Among other rules, accounting rules and any associated enforcement regimes assist in facilitating 'practical action' (Snook, 2000, p. 186). Under Snook's 'practical drift' perspective, practical action is described as the 'behaviour that is locally efficient, acquired through practice, anchored in the logic of the task, and legitimized through unremarkable repetition' (2000, p. 182). The possibility of 'mismatches between the local demands of the situation and those global design rules' may result in the phenomenon known as 'practical drift', according to Snook (2000, pp. 192–193). The context, time, distance and the interpretation/adaptation that individuals in local settings make of 'designed rules' (including accounting rules) may result in a gap between what is designed at the centre of calculation for adoption at the distance and

what is the state of actual practice at a distance, otherwise known as practical action. Snook (2000, p. 24) defined practical drift as 'the slow steady uncoupling of local practice from written procedure'. In short, practical drift arises when those people located at the scene where actions should take place do not or cannot follow the laid-down procedures in order to produce the intended results. Therefore, the notion of practical drift permits elucidation of action arising at a distance rather than the intended action, as envisaged, from the perspective of officials operating at the centre. Practical drift may cause organisational failures, including failures in accounting control systems, and may place complex and geographically dispersed organisations at risk.

Through the use of both contextual and temporal aspects of a phenomenon, Snook (2000, p. 220) created a theoretical matrix to explain 'the dynamic, integrated nature of organisational reality', as reproduced in Figure 1. In particular, Snook emphasises the importance of looking through different levels of analysis, such as the level of the individual, group and organisational boundaries, and time to explain the occurrence of divergences between practices and the global designed rules that are intended to govern practical action.⁵ Situational coupling refers to two important states of nature inside the organisation: loosely or tightly coupled, where 'coupling' refers to the level of interdependence existing between subunits of the organisation (Snook, 2000, p. 187). Logics of action are 'systems of scripts, norms, and schemas among which people shift' according to context (Snook, 2000, p. 188, quoting DiMaggio, 1994, p. 39). The third dimension is time. Time is introduced in Figure 1 through the arrows drawn at the centre of the matrix, which suggests a general sequence of the flow of the four designated states of the organisational system, determined by the interaction of a unique combination of situational coupling and logic of action.

Figure 1. Theoretical matrix.
Source: Snook (2000, p. 186).

⁵Snook (2000) developed his perspective to assist in explaining the accidental shooting down of two *U.S. Black Hawks* over Northern Iraq in 1994, and the tragic death of 26 military personnel, by friendly fire.

The theoretical matrix (Figure 1) contains four quadrants, 'each with a label to capture the dominant feature of the organization at that point in time' (Snook, 2000, p. 189). In brief, Quadrant 1 represents a point in time where the organisation only exists in the imagination of its designers and, therefore, is labelled as 'designed' (Snook, 2000, p. 190). It consists of planning the activity by writing the rules to coordinate the actions of several subunits. The scenario envisaged in developing the rules for application would be one in which the designed system is tightly coupled where the members of the different organisational units would be expected to adopt the rules as written. Therefore, the 'design state' identified in Quadrant 1 'is defined by a rule-based logic of action and a tightly coupled situation – a rational fit' (Snook, 2000, p. 190) and is a stable situation. The state of action in Quadrant 2 is defined by the interaction of a rule-based logic of action and a loosely coupled situation that creates an unstable situation. This unstable situation results from a disconnection 'between the real world constraints of everyday life and those imposed by artificial, externally dictated logics of action' (Snook, 2000, p. 192). Quadrant 3 depicts the stable situation where practical drift occurs, arising when the designed rules are 'interpreted as overly controlling and as an unreasonable burden on operators in the field'.⁶ 'When the rules don't match, pragmatic individuals adjust their behavior accordingly; they act in ways that better align with their perceptions of current demands. In short, they break the rules' (Snook, 2000, p. 193). Quadrant 4 depicts the unstable situation where tight coupling exists but where there is a 'gap between the locally emergent procedures actually being followed in various subgroups from those that engaged actors assume are dictating action' (Snook, 2000, p. 199). This disconnection increases the likelihood of disastrous coordination failures and to failures themselves.

According to Snook (2000, p. 189), 'quadrants 2 and 4 represent inherently unstable states for the organizational system; rule-based logics don't match loose coupling and task-based action is no match for tight coupling'. On the other hand, Quadrants 1 and 3 are 'states of quasi-equilibrium' (Snook, 2000, p. 200). Movements from Quadrant 2 to 3 and from Quadrant 4 to 1 are stimulated by an imbalance in the system. However, the more dramatic mismatch occurs in Quadrant 4. Leaving Quadrant 4 feeds back to the original Quadrant 1 as 'redesign', and the cycle continues across time (Snook, 2000, p. 201). In this investigation, the subunits are the colonies within the Portuguese Empire, whose officials were required to prepare and report accounting information to the Royal Treasury in Lisbon. The administration of the Portuguese Colonial Empire from the centre of calculation in Lisbon is illuminated under Snook's (2000) theoretical matrix in portraying the dominant features of colonial administration at different points of time and, on occasions, at specific locations. This labelling occurs by reference to the surviving evidence on the development, application and enforcement of accounting rules. Accounting, therefore, is shown to be central in attempts to modify organisational positioning and to avoid failure.

This combination of perspectives is applied to illuminate how accounting control systems were designed, deployed and redesigned to enable the Portuguese government, during the Pombaline Era, to exercise control over people at distant places, thereby mobilising individuals to pursue its goals for the Empire. Foucauldian governmentality elucidates the interplay between political discourse, infused by economic and philosophical ideals and conceptions of power, and technologies of government, specifically accounting control systems, and how the latter facilitated the control of individuals in distant locations. Particularly, the study focuses on how the discourse was translated into rules, specifically the accounting rules which mandated

⁶As stated by Snook, 'while action moved from quadrant 1 to 2 based on a change in situation – from design to implementation – movement from quadrant 2 to 3 is driven by a behaviorally anchored shift in logics of action – a phenomenon I call "practical drift"' (2000, p. 192).

particular forms of accounting practice in the colonies. It highlights the problems identified in the implementation of those rules in practice and, with a focus on practical action at a distance, illuminates the enforcement regime put in place and the remedial measures that were taken for the purpose of deterring practical drift and, thereby, avoiding malfunctioning and potential chaos in colonial administration. In summary, the study's concern with the development of accounting rules provides insights into how accounting, as a technology at the disposal of a government, is deployed in operationalising the rationalities of government at a distance. The focus on the application and enforcement of accounting rules, on the other hand, provides insights into the use of accounting for modifying organisational positioning to avoid failure.

Before analysing the development, application and enforcement of accounting rules and exploring the role of accounting as a technology of the government and its importance in deterring practical drift in the Portuguese Empire between 1761 and 1777, the context in which these developments took place is outlined. The contextualisation necessarily includes an outline of Pombal as a powerful and central figure in the administration of the Portuguese Empire.

Political, Social and Economic Context

This section describes the political, social and economic context and comprises two sub-sections which depict the dominant political and philosophical ideals and Pombal's leadership during the Pombaline Era.

Political and Philosophical Ideals

In exploring the art of government adopted in the Pombaline Era, it is pertinent to recognise the 'worldwide models [which] define and legitimate agendas for local action, shaping the structures and policies of nation-states and other national and local actors in virtually all of the domains of rationalized social life' (Meyer *et al.*, 1997, p. 145). Models such as mercantilism, enlightenment and absolutism prevailed in Europe during the time period of this study and exerted influence throughout the European nation-states. Portugal was no exception. Mercantilism was the dominant economic premise during the fifteenth to the eighteenth centuries and consisted of a mixture of beliefs, theories and practices that were aimed at enabling wealth accumulation by the State, especially through the accumulation of precious metals combined with the use of monetary policies for economic management (Macedo, 1971, pp. 271–275). Its dogma was based on State intervention in economic life that was intended to advance and reinforce the power of the State (Pombal, 1777). Not a single sector of the social life could be left untouched by the action of the State (Falcon, 1982, p. 134). In Portugal, there was a concerted attempt to establish a clear dominion of the King or the State (Hof, 1995, p. 172).

This dominion of the government supported by both mercantilist policies and enlightened ideals is referred as absolutism. Absolutism can be defined as a form of government which is not hampered by parliamentary institutions, but where there is the voluntary submission to laws and the acknowledgement of the rights of subjects (Maxwell, 1995, p. 158). This form of government was adopted by the monarchs of most of the European states, who 'strove to promote their sovereignty by amassing power over policy and resources within the State, and by competing with other states for influence and territory' (Woloch, 1982, p. 1). Differently, despotism is equivalent to unchecked tyranny (Hartung, 1957). As pointed out by Maxwell (1995, p. 158), Portugal was a hybrid case, 'part-absolutist, part-despotic'. The expression 'enlightened despotism' is generally used to describe the form of government that prevailed in many European states in the decades before the French Revolution, in particular, combining attacks on clerical power and privileges (especially those of the Jesuits), the support of religious toleration, the

legal reforms, the abolition of torture and the widespread interest in educational reform and development (Black, 1990). The enlightened despotism which characterised the period of this study moulded the implementation of mercantilism and enlightenment principles as will be addressed in the next sub-section which outlines the thought and intervention of Pombal.

In Portugal during the eighteenth century, a key development was the rise to power of Pombal who aspired to transform and develop Portugal to the level of the most developed nations in Europe. Pombal intended 'to make the Portuguese Crown a powerful and brilliant one' (1777, p. 85). His wide ranging initiatives and actions were, however, controversial (Serrão, 1982, 1996b, pp. 19, 85). Among other things, he has been described as the 'Paradox of the Enlightenment' (Maxwell, 1995). One of his closest collaborators described Pombal's leadership, in the years after his demise, as follows:

This minister [Pombal] tried to follow an impossible policy; he wanted to civilize the nation and at the same time to enslave it; he wanted to spread the light of philosophical sciences and at the same time elevate the royal power to despotism; ... (quoted in Boxer, 1969, p. 191)

Pombal's Leadership

In 1750 on the nomination of the new King *D. José I* (King Joseph I) (1750–1777) and the appointment of the enlightened diplomat Sebastião José de Carvalho e Mello, later Marquis of Pombal (Pombal), to the post of Foreign Affairs and War Minister, Portugal began to witness increased intervention by the Monarch. The political and administrative reforms, which were conducive to strengthening the power of the King leading to the modernisation of Portuguese economy and society, occurred mainly after 1 November 1755 when an earthquake causing a tsunami and massive fires devastated Lisbon. Pombal assumed control of the key measures to be implemented in dealing with the destruction and restoration in Lisbon, increasing his reputation and connectedness in the process (Marques, 1984, p. 353; Serrão, 1996b, p. 28). On the death of the Chief Minister in 1756, Pombal ascended to this position. Pombal's leadership resulted in the adoption of many important economic and social reforms in the country and across the Portuguese Empire (Falcon, 1982; Marques, 1984; Serrão, 1996b). The reforms implemented by Pombal represented the practical dimensions of the rationalities or programmes of government of the time. Indeed, Pombal (1777, p. 257) argued that

... I applied myself with all the care (as far as my small talents allowed) to choose the books that best taught Political Arithmetic, State Economy; and to study them as well as the commercial and navigation laws.

... these notions that I kept on my memory were the reason why he [the King] remembered me to become a Minister of State ...

The legislative measures implemented by Pombal were considerable in number and diverse in nature and exerted control and power over aspects of Portuguese society, particularly at the religious, economic, educational, fiscal and administrative levels (Gomes *et al.*, 2008). Following his ideologies, Pombal considered that it was necessary to create large and solid commercial houses, to stimulate the creation of new industries, and to provide Portuguese merchants with an adequate education in commercial affairs, which he believed was insufficiently developed among the Portuguese (Pombal, 1742; Gomes *et al.*, 2008). Through an array of diverse initiatives, Pombal endeavoured to develop commerce and industry, to reduce importations and consequently restrict the amount of gold that went abroad to pay for imported goods and, at the same

time, to create a small but competitive and powerful class of Portuguese businessmen with the necessary skills and capital resources to compete with the foreign businessmen (Gomes *et al.*, 2008, p. 1158). One form adopted by the government to 'act upon the conduct of persons individually and collectively, and in locales that were often very distant' (Miller and Rose, 2008, p. 16) was the establishment of the School of Commerce. The School was part of a broad educational reform, both at the secondary and university levels, as developed by Pombal, and was intended to bring education under the control of the State, secularise instruction and standardise the curriculum (Gomes *et al.*, 2008).

Under the mercantilism model adopted, the Pombalism phase was characterised by the re-emergence of the importance of the Portuguese colonial dominions, with Brazil and Angola being recognised as the most important colonies (Serrão, 1996b, p. 141; Schwartz, 1998, p. 93). Commercial trade with the colonies was restricted to companies enjoying a trading monopoly. The creation of monopoly trading companies in Brazil, in particular, had implications for the development of commerce in that colony.⁷ A deliberate strategy was adopted to integrate and connect the resources that were dispersed throughout the world and to put the colonies in permanent connection with the metropolis (Maxwell and Silva, 1986; Schwartz, 1998).

Pombal broadly put into practice the philosophy of the 'colonial pact' which prevailed during the eighteenth century. Under the colonial pact, the colonies were to serve exclusively the metropolis (Rego, 1967, p. 181; Bairoch, 1989, p. 104; Lloyd, 2001, p. 16). The colonial pact can be summarised by a general rule, according to which 'the interests of the mother country override those of the colonies themselves' (Bairoch, 1989, p. 104). By controlling the colonies and the overseas commerce, Pombal intended to reduce the Portuguese dependency on England and, at the same time, to transfer the commerce from the hands of foreign merchants to Portuguese merchants (Maxwell and Silva, 1986, p. 336; Schwartz, 1998, p. 93). To accomplish this objective, trustworthy individuals who shared Pombal's ideals were appointed as Viceroys and Governors in the colonies to administer them (Serrão, 1996b). These trusted representatives were known as 'Pombalism Governors'. As Pombal's chosen representatives, they were instrumental in disseminating Pombal's philosophies and ideals, thereby resulting in little significant resistance across the Empire and, therefore, creating at least potentially favourable conditions for the control of people in distant places (Bellotto, 1986, p. 277; Serrão, 1996b, p. 139; Magalhães, 1998, p. 35).

Other measures were implemented by Pombal in order to improve the financial situation of the country and develop the nation's commerce which also had implications for the Portuguese colonies. The establishment of the Royal Treasury was intended to contribute to increased State income through the more efficient collection of public money, both in the metropolis and in the colonies. With the advent of the Royal Treasury, a new and centralised organisation of the public finances was implemented, which involved the adoption of a new accounting control system. Under the administration of the Royal Treasury, it was specifically intended that the collection of rents (income) would be better controlled than previously, the frequent abuses involving frauds by officials would be deterred or avoided, the undue delays which heightened the risk of the improper use of monies would be reduced or eliminated and, as a result, government receipts would be enhanced under the new administrative control system (Magalhães, 1998, p. 35). For Pombal, the strategy of enhancing efficiency through State intervention was a key means of increasing the State's power over the colonies (Pombal, 1741; also see Magnusson, 1993).

⁷The companies created specifically for Brazilian colonial trade were the Company of Grão-Pará and Maranhão (1755) and the Company of Pernambuco and Paraíba (1759). Rodrigues *et al.* (2009) examined the governance regulations of the Company of Grão-Pará and Maranhão.

As stated by Foucault (1991, p. 92), the art of government in the eighteenth century constituted 'the art of exercising power in the form and according to the model of the economy'. Pombal put in practice this art of government in Portugal through his mercantilist economic policies. Pombal's art of government, however, was profoundly influenced by enlightened despotism. According to Foucault (1991, p. 98), mercantilism was modified, however, under such regimes because

... it took as its essential objective the might of the sovereign, it sought a way not so much to increase the wealth of the country as to allow the ruler to accumulate wealth, build upon his treasury and create the army with which he could carry out his policies. And the instruments mercantilism used were laws, decrees, regulations: that is to say, the traditional weapons of sovereignty. [...] mercantilism sought to reinsert the possibilities opened up by a consciously conceived art of government within a mental and institutional structure, that of sovereignty, which by its very nature stifled them.

The several different measures implemented by Pombal did not provide equal opportunities and benefits for all members of the population. Creating trading companies, under the mercantilist principle of monopoly, served to privilege a limited number of businessmen and, accordingly, generated a small but competitive elite merchant class which benefited substantially from such measures (Marques, 1984, p. 292; Maxwell, 1995, pp. 69, 74; Pedreira, 1995; Serrão, 1996b, pp. 99–100). Nevertheless, the measures were taken in the name of 'the State' (Miller, 1990) and were intended to increase its wealth (Pombal, 1777, p. 85).

During the Pombaline Era, the State exerted considerable influence in all aspects of society within the Portuguese Empire. The administration of the Empire during this period was central to such developments, which was facilitated in part by the adoption of centralised administrative arrangements as addressed in the next section.

Administrative Control Systems within the Portuguese Empire

Under Pombal's leadership, new centralised administrative control systems were adopted. One of the first measures adopted, following the example of England and in conformity with the colonial pact, was to terminate the regime of 'overseas areas' which involved the subordination of some territories to others, such as Angola with Brazil, Mozambique with India, Guinea with Cape Verde and Timor with Macau (Rego, 1967, p. 19). Pombal believed that all of the colonies should be oriented towards the metropolis based in Lisbon rather than being clustered by regions resulting in most colonies being subordinated to certain leading colonies. The adoption of a highly centralised command system in Lisbon was necessary in order to ensure 'local powers' in the colonies were firmly controlled in order to avoid 'agitation and disorder that was disadvantageous to the social well-being and contrary to the pre-established order' (Leite, 1988, p. 13; also see Rego, 1967). This centralised command system, as inspired by Pombal's ideology, 'went too far', as subsequently argued by a prominent figure in the command of the Royal finances (Souza, n.d., p. 322).⁸ A group of colonies dispersed throughout the world was, therefore, connected with the centre of the Empire located in Lisbon. While each colony, or administrative areas in the case of the largest colony of Brazil, adopted centralised

⁸João Henriques de Souza was Clerk of the General Treasury since its establishment and became, in 1781, General Treasurer of the Royal Treasury (see Gomes *et al.*, 2008, p. 1164). The undated manuscript by Souza appears to have been written in the post-Pombaline period between 1777 and 1781.

administrative systems locally, the administration of all colonies was centralised in Lisbon at the Royal Treasury.

Pombal's colonial reforms faced different obstacles. The biggest problem was related to the tyranny of distance which 'blocks, delays and complicates the administrative activity' (Bellotto, 1986, p. 265). It was a prominent characteristic of Portuguese Empire building as well as European colonial expansion in general. Several administrative and diplomatic problems were related to the time required to effect communications between Lisbon and Brazil, a direct consequence of the three-month period involved during that era to cross the Atlantic (Bellotto, 1986, p. 265). But the distance was also a problem within the colonies themselves. In the most extensive and prosperous colonies, such as Brazil, it was difficult and time-consuming to reach the most remote areas (Azevedo, *n.d.*; Livermore, 1976, pp. 208–209; Russell-Wood, 1998, p. 171). The distance problems had direct consequences in the authority delegation and in the autonomy of colonial administrators in distant areas of the Empire. In Brazil, for instance, these difficulties led to the view that it was not possible to continue to use (or operate) a single centralised administration structure within the colony. Accordingly, it was decided to divide Brazil into nine principal administrative regions, and each one had its own centralised administration and was required to report to Lisbon (Rego, 1967, p. 155; Bellotto, 1986, p. 265).

A further major problem in Portuguese colonial administration was the lack of a sufficiently large and adequately qualified group of individuals for public administrative posts (Russell-Wood, 1998, p. 171). This limitation was alleviated, as indicated, by the appointment of persons of high nobility with some military experience to the positions of governors in the different colonies (Serrão, 1996b, p. 180; Russell-Wood, 1998, pp. 169–192). While these governors were individuals whom Pombal trusted, who received Instructions from Lisbon on their appointment to the role, they were also harshly reproached by Pombal himself whenever deviations from the Instructions were identified (Leite, 1988, p. 12).

The advent of the Royal Treasury under the 1761 Law resulted in the revision of the entire tax system of the colonies, not only at the level of the organisational structures involved, but also in respect to the personnel involved and the ways in which public moneys were collected (Bethencourt, 1998, p. 238). The collection of public moneys in the colonies was later centralised by means of 'Juntas da Fazenda' [Collection Houses] which were created subsequent to the establishment of the Royal Treasury from around the mid-1760s under the Instructions. As calculative spaces in the colonies, these large and centralised colonial organisations assumed responsibility for the administration, collection and expedition of all matters related to the Crown, including the effective collection of all the income administered by them or third parties (Bellotto, 1986, p. 282; Paixão, 1998, p. 5). The function of the Collection Houses was to collect the taxes and rents of the Crown in each Captaincy and to report annually directly to the Royal Treasury (Bethencourt, 1998, p. 238). The task of collecting public money involved the gathering of a number of different taxes. In undertaking this task, a diversity of contracts of public rents was to be managed, and an array of expenses was incurred (Bellotto, 1986, pp. 284–288).

The establishment of the Royal Treasury initiated a strong focus on accounting control systems in centralising the administration of the colonies, making Lisbon the administrative control centre of the Portuguese Empire. The accounting rules adopted in the administration of the Portuguese Empire are examined in the next section.

Development of Accounting Rules in the Context of Empire

It will be recalled that governmentality, as the art of governing, encompasses two distinct aspects: the rationalities and the technologies of government. The philosophies and ideals of enlightened despotism, constituting the rationalities of the Portuguese government under

Pombal's leadership, were operationalised in colonial contexts by means of the adoption of accounting control systems as technologies of government. The political discourse of the Pombaline Era was translated into rules, specifically the accounting rules which mandated particular forms of accounting practice in the colonies. The rules were intended to standardise the controls for collecting income and incurring expenses and also for the reporting of information to Lisbon.

The specification of new accounting control systems was a product of the discourse formulated by government and 'by a different attitude towards governing' (see Foucault, 1991, p. 102; Danaher *et al.*, 2000, p. xii), particularly in the case of the colonial dominions, marked by the centralisation of the administration during the jurisdiction of the Royal Treasury. The Portuguese government had the power to create a corpus of knowledge – synthesised in accounting terms in the 1761 Law and the later-issued Instructions – as devices to enable action at a distance as envisaged at the centre. The governors, the public officials and the collectors of public monies, dispersed through country and Empire, created an 'individuality' or 'network' (see Foucault, 1977, p. 167; Sargiacomo, 2009a, p. 274). Officials of the State collectively exercised discipline by means of hierarchical surveillance (Foucault, 1977; Sargiacomo, 2009a), as known today, by means of the facilitation of the 1761 Law and the Instructions. As will be shown, the main objective of the accounting rules was to facilitate control at a distance and to allow for distance places, dispersed through the Portuguese Empire, to be made visible at the centre of calculation – the Royal Treasury – by means of the preparation and reporting of accounting information on the collection and expenditure of income. Indeed, the accounting rules prescribed the behaviours that were expected to be witnessed within Portuguese colonial administration. Based on available evidence, however, those expected behaviours were not always delivered across the Empire as will be addressed.

This section comprises three sub-sections. The first sub-section deals with one of the components of the regulatory framework – the 1761 Law. The second sub-section examines the later-issued Instructions that were progressively issued for application in the various colonies from 1764. The final sub-section addresses the accounting rules as complementary devices to facilitate control at a distance. The next section examines evidence of compliance with, and enforcement of, the accounting rules, applying Snook's (2000) theory of practical drift to inform the findings.

1761 Law

As stated in the introduction of the 1761 Law, and addressed by Gomes *et al.* (2008), the creation of the Royal Treasury was problematised as the way to make the collection of rents more effective and efficient and, more generally, to assist in augmenting the wealth of the monarchy (1761 Law, p. 2). The Law itself stated that the situation in Portugal was less acceptable than that evident in other European countries due to the abuses made by the various former collectors of public monies (1761 Law, p. 2). The abuses and difficulties regarding the collection of public monies were, however, not new. The collection of public monies had been the responsibility of the Customs House, the first Portuguese public organisation responsible for the administration and supervision of the finances of the Crown, which was established around the end of the thirteenth or beginning of the fourteenth century (Paixão *et al.*, 1995, p. 39). The administration system was decentralised and several taxes and other incomes were collected by contractors who had to pay a rent to the King. However, the delay and frauds increased through time and measures were taken from time to time to prevent such problems (Rau, 1951). The Customs House was formally disbanded on the introduction of the 1761 Law (Rau, 1951). The charge and discharge method of recording previously adopted at the Customs House was partly replaced by a DEB system, while all previous decentralised public offices were declared extinct and closed (Paixão, 1998; Paixão and Lourenço, 1999).

From the advent of the 1761 Law, all individuals in charge of the collection of public money were to deliver, without delay to the General Inspector (Pombal), all monies and associated accounting documents (p. 3). In the event of delays or other neglect by the collectors of public monies in making the remittances, the General Inspector was authorised to suspend, sequesterate or arrest them (1761 Law, p. 11). Personal liability was also imposed on collectors to deliver the Royal rents that had been collected to the Royal Treasury (1761 Law, pp. 11–12). In the last years of the operation of the Customs House following the 1755 disaster in Lisbon, the decentralised system of colonial administration was not only operationally inadequate but did not serve Pombal's purposes under the colonial pact.

The control and efficient collection of the Royal finances, according to the 1761 Law problematisation, was also dependent on the adoption of appropriate accounting methods given the scale of the Royal finances. Under the new Law, DEB was initially required to be adopted only in the four General Control Offices of the Royal Treasury in Lisbon, in accordance with the exact division of the country and Empire (Gomes *et al.*, 2008), while a SEB system was applied elsewhere, including in the Portuguese colonies. Where SEB was to be employed, the 1761 Law required the preparation of books of revenues and expenses, including a number of auxiliary books (pp. 11–22). Under the 1761 Law, information extracted from the books to be maintained in the colonies was to be reported annually to the Royal Treasury in Lisbon in order to ensure that the information in the auxiliary books within the Royal Treasury mirrored the results reported in the books of the colonies. The system was intended to enable the preparation of a set of 'consolidated' accounts for the Empire (i.e. as a form of whole-of-government accounting) and to ensure that such accounts were as dependable as possible in depicting the finances of the Empire.

The Lisbon-centric focus of the 1761 Law was problematised as the solution to the problem of public finances under the administration of the former Customs House and was intended to result in the production of whole-of-government accounts for the Portuguese Empire. Individuals at different levels of Portuguese public administration, including officials in the colonies, were expected to comply with the Letter of Law. The 1761 Law, however, was mainly concerned with specifying the accounting control systems within the Royal Treasury in Lisbon, with a focus on the four General Control Offices based in that city. While evidently presumed in Lisbon to be clear for compliance purposes, the Law did not provide specific or detailed guidance on how the information recorded in the books to be maintained in the colonies was to be prepared and reported to the Royal Treasury officials in Lisbon (1761 Law, pp. 11–22; see, e.g. AHTC, ER, Book 4218, Bahia, pp. 19–20). Rather, the 1761 Law used broad or general terms to specify the need to record details of revenues (Title XIII) and of expenses (Title XIV) and to ensure the balances of revenues and expenses were 'positive' (Title XV) and for the entries recorded in the books maintained in the colonies to be periodically entered into the relevant books prepared in the different control offices based in Lisbon.

The Instructions

The Instructions were issued for progressive application to individual Portuguese colonies from 1764.⁹ The preamble to the Instructions provided the problematisation to the underlying administrative and accounting reforms by emphasising that the colonies were a source of wealth for the State and that the Royal revenues were dependent mainly on agriculture, industry, developing commerce and the effective collection of the Royal properties (AHTC, ER, Book 4070,

⁹The Instructions were issued in the following places on the dates shown in brackets: Angola (1764), Bahia (1767), Rio de Janeiro (1767), India (1769), Pernambuco (1769), S. Tome (1770), Minas Gerais (1772) and S. Paulo (1775).

Minas Gerais, p. 1; AHTC, Book 4061, S. Paulo, pp. 119–126). Under the political and philosophical ideals of the government, the colonies were viewed as ‘the source from which emanates wealth as well as respect and opulence for the State’ (AHTC, ER, Book 4070, Minas Gerais, p. 1). Accordingly, certain information was provided, for example, on how to stimulate agriculture and how to increase levels of commerce and to avoid misconduct by different agents. The effective administration of the colonial dominions was specifically related to increasing the Royal income and the effective collection of that income (AHTC, ER, Book 4061, S. Paulo, p. 120). While the 1761 Law was evidently considered by officials in Lisbon to be clear for the effective administration of the colonies, delays and various other problems continued to be experienced in colonial administration, as will be illuminated in the next section.

As indicated earlier, the Instructions specified that a Collection House was to be established in each Colony which would comprise two distinct offices: the Office of the General Treasurer and the General Control Office. The Instructions identified the particular control and administration procedures that were to be followed at the Collection Houses operating in the colonies based on the principle that no single person was permitted to check one’s own work. In other words, the individual who was responsible for recording entries in account books was not permitted to certify that work in a separate process.¹⁰ Accordingly, the Instructions were more operational in nature than the 1761 Law in specifying, in detail, the particular books to be maintained in the colonies and what information was to be extracted from those books and reported to the Royal Treasury in Lisbon for ‘consolidation’ into a set of dependable whole-of-government accounts for the Empire. In the Instructions, illustrations were provided of the procedures to be followed in the colonies and much attention was devoted to the need to ensure the ‘accuracy of the accounts’ and to have ‘true and correct’ accounts (AHTC, ER, Book 5322, S. Tome, p. 15; AHTC, ER, Book 4233, Pernambuco, pp. 152–153). The written Instructions were carried to the respective colonies by Royal Treasury Officials themselves, who would travel from the centre of calculation in Lisbon to the local colonial setting to assist in assuring that the prescribed action at a distance was implemented.

The detailed procedures for keeping accounts in the colonies had not previously been identified under the 1761 Law nor had they been prescribed at any time during the period 1761–1764 for Angola and in periods beyond that date for other colonies. The Instructions introduced the requirement for the Colonies to maintain specific books of revenues and expenses from as early as 1764 for Angola and to report particular information to Lisbon in a prescribed format. Under the Instructions, colonies were to provide information about the total amount of each income source that was supposed to enter the coffer, what amounts actually entered the coffer and what amounts were extracted as expenses and what parts were deferred to the following year (AHTC, ER, Book 4233, Pernambuco, p. 153). Officials in the Collection Houses in the colonies were required to send an extract of the General Balance Book of the Revenues and Expenses annually to the Royal Treasury in the first ship that was ready to depart at the time for Lisbon (AHTC, ER, Book 4233, Pernambuco, p. 153; AHTC, ER, Book, 4024, India, p. 11; AHTC, ER, Book 4070, Minas Gerais, pp. 30–31). A second extract with the debts to the Collection House was to be sent to Lisbon on a shortly later departing ship as a means of risk management in case the initial ship failed to make its destination (AHTC, ER, Book 4233, Pernambuco, p. 153; AHTC, ER, Book, 4024, India, p. 11; AHTC, ER, Book 4070, Minas Gerais, pp. 30–31). This information was incorporated within the books of the particular General Control Office that was responsible for each individual colony.

¹⁰See, for example, AHTC, ER, Book, 4024, India, pp. 8–9; AHTC, ER, Book 5322, S. Tome, p. 13; Book 4055, Rio de Janeiro, pp. 27–28; Book, 4072, Minas Gerais, p. 110; Book 4061, S. Paulo, p. 94.

Accounting Rules

Inscribing accounting information at a distance by means of the use of accounting rules enables the 'principals' and controllers of the system to accumulate knowledge 'at the centre' (Lowe, 2001). The accounting rules, therefore, were intended to facilitate the desired control at a distance by permitting action in the Portuguese colonies to be made visible at the centre of calculation – the Royal Treasury – by means of the preparation and reporting of accounting information to Lisbon. A key objective of the Lisbon authorities in elaborating the accounting rules was the standardisation of methods and procedures. As stated in the 1761 Law, the objective was 'that the collection of public money was not arbitrary and subject to diverse formulas and was also not to be dependent on the imagination of each of the Chiefs' (Title XII). Furthermore, the Instructions stated that the colonies should follow the described method for them 'which was adapted in substance and clarity from the one adopted at the Royal Treasury' (AHTC, ER, Book 5322, S. Tome, p. 12). Given the Lisbon-centric orientation of the 1761 Law, the later-issued Instructions were more concerned with the preparation of inscriptions in a consistent way to allow the effective integration of the information received from the colonies by the Royal Treasury. The information was to be combined in the General Control Offices into 'consolidated' accounts for the Empire showing totals of revenues and expenses, cash holdings and the debtors for presentation to Pombal, as General Inspector, and to the King. It was necessary to prepare books in the colonies '*corresponding* to the ones of the General Control Offices of the Royal Treasury' to know the situation of the different collectors and incomes (AHTC, ER, Book 5322, S. Tome, p. 11, emphasis added).

The rationale outlined for the restricted application of DEB within the Royal Treasury in Lisbon was related 'to the relatively small number of people who had knowledge of, and experience in, the implementation and effective use of DEB' (Gomes *et al.*, 2008, p. 1164). The Instructions stated that the objective was '... the accuracy of the accounts, and of the balances, that are sent to the Royal Treasury', while the use of the SEB method in the colonies was 'easy and expeditious' and the 'desired purposes are accomplished with the necessary accuracy' (AHTC, ER, Book 4233, Pernambuco, pp. 152–153). The Instructions contained specific advice to officials in the colonies not to adopt the DEB system as had been adopted since 1761 at the General Control Offices based in Lisbon, but to apply SEB because the method was '... easy to follow even by the persons without the sufficient instruction on the method of keeping the accounts' (AHTC, ER, Book 5322, S. Tome, pp. 11–12; AHTC, ER, Book, 4024, India, p. 9). Under the accounting rules, the adoption of the DEB method at the Royal Treasury in Lisbon and the application of the SEB method in the colonies were portrayed as a way to control, improve the efficiency of tax collection and increase the wealth of the State.

Until now, attention has been focused on the way the administrative control systems for country and Empire were 'imagined' or designed, which corresponds to Quadrant 1 of Snook's theoretical matrix, namely the 'designed' organisation. Attention is now turned to how such systems functioned from 1761, with a focus on explaining, to the extent possible, why practical action in colonial contexts, based on available evidence, was not always in accordance with intended or desired action, resulting in non-compliance and instances of practical drift. The issue of Instructions for application in different colonies from 1764 is shown to be arisen due to the lack of clarity associated with the 1761 Law in its specific application to colonies.

Following the discussion and analysis of the accounting rules, a focus on compliance with, and the enforcement of, the accounting rules is presented in the next section as interpreted through the perspective of Snook (2000).

Application and Enforcement of Rules in the Context of Empire

The publication of the accounting rules for adoption in the administration of the colonies, stipulating the desired action to be accomplished in the colonies, was the key means by which the Portuguese government sought to exert control at a distance. This section comprises three sub-sections. The first sub-section presents the evidence on the application and associated enforcement of the accounting rules generally within the Portuguese Empire with examples of non-conformity drawn from across particular colonies, excluding Pernambuco and Angola. The following two sub-sections, respectively, deal with the more prominent accounting problems and related actions taken in the general-captaincy of Pernambuco in Brazil and in the colony of Angola.

Practical Action in the Portuguese Colonies

This first sub-section comprises two parts dealing, respectively, with the periods before and after the application of the Instructions in particular colonies. Compliance problems were common across both periods, such as in respect to reports being prepared which did not distinguish transactions from one period to another. In other words, inscriptions were entered and results were accumulated for more than one annual accounting period instead of a single annual accounting period. Due to the increased complexity of the accounting controls required under the Instructions from 1764, non-compliance took on additional dimensions in periods during which the Instructions applied.

Pre-Instructions accounting periods

The surviving correspondence examined between the Royal Treasury and the different colonies across the period before the application of the Instructions elucidates numerous instances of the delay and decadence in the collection of the Royal incomes and the negligence and misconduct of the officials. Among the measures prescribed to change the situation were repeated communications stressing the need to adopt the rules sent earlier by describing, yet again, the accounting rules and sending copies of the 1761 Law, and identifying the need to provide missing or additional information. From the correspondence, it was presumed by officials based in Lisbon that the 1761 Law was adequate in specifying the records of revenues and expenses to be prepared. For example, in the Instructions sent to S. Tome in 1769 for application from 1770, it was stated: 'Regarding the way the books should be prepared, the Law of the Royal Treasury is supposed to be known, the present Instructions are the ones concerned with it, and no other instructions ...' (AHTC, ER, Book 5322, S. Tome, p. 7). As another example, the Lisbon-based General Control Office of Continent and Islands of Madeira and Azores across certain periods, such as during 1762–1765, enacted several letters advising the collectors of taxes under its jurisdiction to specifically follow the determination of the 1761 Law (AHTC, ER, Book 3609, Madeira and Azores, p. 1). The letters of the genre examined normally argued along the lines that there was a 'wrong interpretation [...] of that established in the Law' (AHTC, ER, Book 849, Court and Province of Estremadura, p. 2).

In the case of India, as a further example, evidence is available for the period from 1761 to 1769 in the form of communications sent from Lisbon which reinforced the application of the 1761 Law and repeatedly referred to the delay and decadency in the collection of the Royal incomes and to the negligence and malice of the public officials (AHTC, ER, Book 4024, India, pp. 1–5, 16, 18). In the case of S. Tome, the 1769 Instructions called the attention to the need to pay greater attention to ensuring the accuracy and uniformity of the accounts (AHTC, ER, Book 5322, S. Tome, p. 12). These problems were also identified as occurring in Brazil. For instance, during 1766 letters were sent to S. Paulo and Pernambuco stating that

the books dispatched to Lisbon were not prepared according to the 1761 Law, therefore, new books were required to be prepared in accordance with the Law (AHTC, ER, Book 4061, S. Paulo, pp. 1–4 and 14–15; AHTC, Book 4233, Pernambuco, pp. 11–12). Later in 1774, further letters were sent to S. Paulo pointing out that the administration and collection of public incomes was defective and that there were undue delays in sending the books to the Royal Treasury in Lisbon (AHTC, ER, Book 4061, S. Paulo, pp. 116–119).

Following an examination of numerous letters of the genre that were dispatched in pre-Instructions accounting periods, the typical problems that were repeatedly identified in Lisbon are summarised as follows: (1) lack of information for some specific months, such as the omission of information for one-quarter within the accounts for one year; (2) lack of information identifying the period to which some expenses and some revenues were associated; (3) lack of information on whether certain net revenues, while recorded, had been received by the responsible officials; (4) lack of documents certifying the revenues and expenses and underlying cash that had been sent to the Royal Treasury; (5) delays in sending reports to the Royal Treasury or more serious non-compliance in overlooking the requirement to send the reports; (6) inadequate control of debts resulting in non-payment by certain debtors and (7) the identification of false entries regarding certain revenues under particular contracts (AHTC, ER, Book 4223, Bahia, p. 89; Book 4061, S. Paulo, pp. 1–14, 116). In order to redress the situation, it was decided to reform the administrative structure that was functioning in the colonies to a more centralised model, by the issuance of the Instructions and also by the appointment of persons to properly administer the Collection Houses with capacity and knowledge in keeping the accounts (AHTC, ER, Book, 4024, India, pp. 1–5, 16–19; AHTC, ER, Book 4061, S. Paulo, pp. 116–119).

Post-Instructions accounting periods

The issue of the Instructions for application in the colonies from 1764 was effectively a move to match the rules to the specific situation in the colonies in order to avoid practical drift, which is illuminated in Quadrant 3 of Snook's theoretical matrix (Figure 1). As stated by Miller and Rose (1990, p. 11):

technologies produce unexpected problems, are utilized for their own ends by those who are supposed to merely operate them, are hampered by [...] the impossibility of producing the technical conditions that would make them work-reliable statistics, efficient communication systems, clear lines of command, properly designed buildings, well framed regulations or whatever. (also see Brivot and Gendron, 2011)

In short, pragmatic forms of practice developed in the Portuguese colonies which led to the need to review, clarify and issue detailed colony-focused, rather than Lisbon-focused, rules to facilitate effective administrative control in the colonies.

As indicated earlier, Royal Treasury officials were dispatched from Lisbon to assist in implementing the Instructions, usually for a period of three years as bookkeepers and clerks, and to ensure that the accounting control systems operating in the colonies were in conformity with the Instructions.¹¹ The following example is provided in the Instructions sent to Rio de Janeiro, in 1767, and relates to the initial adoption of these Instructions and also refers to the need to clarify aspects of reports that were submitted in the period from 1762:

¹¹See, for example, AHTC, ER, Book 4055, Rio de Janeiro, p. 24; Book, 4072, Minas Gerais, p. 105; Book 4061, S. Paulo, p. 91; Book 4218, Bahia, p. 18.

Since the officials that are going to practice the new method of collection will arrive around the middle of the year at Rio de Janeiro, to avoid all the confusion, this new method must start only on the 1 January 1768 forward. Meanwhile the officials will be occupied in elaborating all the clarifying information relating to the years between 1762 and the present time, information that is described in a separated instruction, and should be sent as soon as possible to the Royal Treasury. (AHTC, ER, Book 4055, Rio de Janeiro, p. 24)

The officials sent to work in the colonies were instructed to devote special attention to the implementation of the administrative procedures adopted at the Royal Treasury, as contained in the Instructions, which were explained using examples of practices to be adopted in the administration of the colonies.¹² In a considerable number of cases, and despite the various letters that were dispatched by the Royal Treasury, the Instructions were not properly implemented.

In India, for instance, non-compliance with accounting rules is evidenced in letters that were dispatched from Lisbon repeatedly reinforcing the application of the 1761 Law and the Instructions (AHTC, ER, Book, 4024, India, pp. 59, 95). The main problems identified were the classification of the revenues and expenses and the lack of pertinent information rendered.¹³ In one instance, justification was sought as to why certain goods (such as silk) were purchased and why others were sold at amounts below the normal price (such as gunpowder) (AHTC, ER, Book, 4024, India, pp. 59–64). In the case of Mozambique, the lack of clarity in the accounts sent to the Royal Treasury relating to the period August 1766 to July 1769 was highlighted, stressing the necessity to respect and comply with the accounting rules (AHTC, ER, Book 4040, Mozambique, pp. 1–5). Despite such advice from Royal Treasury officials, a further letter was dispatched from Lisbon in April 1770 alerting again to the non-compliance with the rules and the impossibility to integrate the extracts sent from Mozambique into the accounts of the Royal Treasury for whole-of-government reporting purposes. The letter concluded by referring to the repeated evidence of the deficiencies that were explained in a letter sent in April 1769 and again reinforced the need to address these problems (AHTC, ER, Book 4040, Mozambique, pp. 6–7).

The Instructions developed for the respective colonies appear to have been a reflection of the inadequacies of the Lisbon-centric 1761 Law, which seems to have been insufficiently designed and detailed for the adoption of effective implementation of the accounting control systems in the colonies. Therefore, in order to clarify and avoid non-compliance with the 1761 Law, and to deter instances of practical drift, the Instructions were designed and sent from 1764 to different colonies for progressive adoption. The application of the Instructions appears to have been motivated by the effective movement of practical action away from task-based logics of action as occurs in Quadrant 3 under the diagrammatic representation of Snook's theory (Figure 1). Within Quadrant 2, however, the situation is inherently unstable, resulting from a disconnection 'between the real world constraints of everyday life [in the colonies] and those imposed by artificial, externally dictated logics of action [the rules and alert letters]' (Snook, 2000, p. 192). As shown in this sub-section, non-compliance with the accounting rules continued

¹²See, for example, AHTC, ER, Book 4024, India, p. 7; Book 4055, Rio de Janeiro, p. 26; Book, 4072, Minas Gerais, p. 108; Book 4061, S. Paulo, p. 94; Book 4218, Bahia, p. 25.

¹³It was explained that there should be a complete discrimination of all the amounts paid and the identification of the person(s) to whom the amounts were paid. Each item of expenditure was to be independently written, and not inserted in an aggregated value. Another issue identified was the necessity to justify some expenses made and reported to the Royal Treasury.

to occur, resulting in practical action at a distance not in harmony with the intended action as prescribed in the accounting rules and based on the mindset of Lisbon-based officials.

The paradigmatic cases of this practical drift are provided by what happened in two specific jurisdictions – Pernambuco and Angola – subsequent to the issue of the Instructions for each colony, as will be analysed in the following sub-sections.

Pernambuco. In 1769 in Pernambuco, Brazil, a new Collection House was established under the Instructions that were prepared for, and dispatched to, that colony for application from 1 January 1770.¹⁴ The prescribed accounting rules, however, were interpreted in an unusual and unacceptable way. As Lisbon officials of the Royal Treasury were not dispatched to Pernambuco to assist in implementing the system as prescribed in the Instructions, due to the lack of available skilled persons, local officials were advised to consult the bookkeeper of the so-called *Companhia Geral*¹⁵ [General Company] in Brazil for any desired or necessary advice. The evidence confirms that the bookkeeper, Julião Lumachi, was called upon locally to assist in the implementation of the bookkeeping system according to the Instructions sent. Lumachi wrote to the Control Office at the Royal Treasury in Lisbon exposing his ideas about how the accounting system should be organised and explaining that he had changed the method from that prescribed and had instead applied the DEB method (AHTC, ER, Book 4223, Bahia, p. 54).

In response, the Royal Treasury indicated in a letter sent to the Governor of Pernambuco that the accounts had not been properly prepared in accordance with the Instructions. Two reasons were presented to justify why the services of the bookkeeper of the General Company should not have been sought in respect to the accounting method to be applied. First, the SEB method was a relatively simple one for adoption. Second, the evidence available indicated that the bookkeeper of the General Company wanted to demonstrate his capabilities in elaborate bookkeeping, even when there was no need for involved methods. DEB was considered to be more expensive to apply and difficult to use and, above all, it was not the method that was mandated for application in the other Collection Houses of Brazil. As stated in the letter:

This uniformity should be such that if an official from one Captaincy moves to another one nothing seems as new to him. In order for the members of the Kingdom and Conquest to proceed expeditiously, it was decided to use the simplest method as long as it was conclusive and correct. (AHTC, ER, Book 4223, Bahia, p. 48)

As a consequence, a supplement to the Instructions was prepared in 1770 and sent to Pernambuco in order to redress the situation at the Collection House and ensure a uniform, cross-colonies approach to accounting inscriptions. It was also stated that:

... the mentioned control office of Pernambuco extends and amplifies the method with different formulas, making it too difficult for the appointed clerks to prepare the accounts, not only with the inconvenience of losing uniformity, but also by becoming [the elaboration of the accounts] more expensive than what is justified by the collection of public money. (p. 51)

¹⁴For Pernambuco, the Instructions stated it was decided 'to establish immediately one Collection House for the administration and collection of My Royal Properties' in order 'to avoid the undesirable consequences that arise from the erroneous form of the administration and collection of My Royal Properties practiced until now in that captaincy' (AHTC, ER, Book 4233, Pernambuco, pp. 89–90).

¹⁵*Companhia Geral de Pernambuco e Paraíba* [Company of Pernambuco and Paraíba].

A letter was also dispatched by the Royal Treasury to the bookkeeper of the General Company (AHTC, ER, Book 4223, Bahia, pp. 50–58) in which Lumachi was advised that the Journal and Ledger books, and thereby the DEB method, should not have been introduced in the Collection House of Pernambuco.

The situation in Pernambuco, as inspired by Lumachi, effectively resulted in practical drift. In setting Pernambuco apart from other jurisdictions, there arose a disconnection or a ‘gap between locally emergent procedures actually being followed ... from those that engaged actors assume are dictating action’ (Snook, 2000, p. 199) as depicted in Quadrant 4 of the theoretical matrix (Figure 1). Such a disconnection increases the likelihood of disastrous coordination failures and can result in actual failures, leading to redesign as occurs in Quadrant 1. However, based on the surviving evidence failure did not occur in this instance and, therefore, redesign was not enacted. As soon as the disconnection in Pernambuco came to the knowledge of the Royal Treasury officials, remedial measures were swiftly taken to redress the situation, thereby reverting to the application of the original accounting rules as designed within Quadrant 1 and avoiding the failure that arises in Quadrant 4 of the matrix.

Angola. Unlike the situation in the other Portuguese colonies, the Collection House of Angola, which was structured in the same way as the Collection Houses in the other colonies, was specifically required to apply DEB for the first time from 1772. During the Pombaline Era, Angola was the only colony in the Portuguese Empire to receive this Instruction to replace the SEB system with the DEB system. The justification provided for the use in Angola of the same system that was applied at the level of the four General Control Offices is summarised in the following extract from the Instructions sent to the colony:

... it has been determined to apply the single entry method for the Control Office of the other Collection Houses already established, for different reasons. In Collection Houses there are normally many different incomes and many entries to record in bookkeeping, but always using single entry bookkeeping of the revenues and expenses. In Angola, on the contrary, there is a reduced number of Incomes, and results in a significant part of the recordkeeping through the auxiliary book (...); circumstances exist, that make necessary, or at least more appropriate, to apply double entry bookkeeping, such as the fact that the Collection House is responsible for the administration of the Royal Rights of the Slaves and Ivory; and for the buying and dispatch of ivory in the name of the Royal Treasury; so, it is possible in an easy way than in the other colonies to have success with the double entry method, the accounts will be more easily balanced, and will show better what is necessary. (AHTC, ER, Book 4193, Angola, p. 137)

The surviving evidence shows that there were problems in Angola regarding the application of the Instructions that were issued in 1764. Thereafter, letters to the Governor of Angola were dispatched by the Royal Treasury in which complaints were outlined about ‘the lack of clarity’ of the produced reports of revenues and expenses that had been sent to Lisbon (AHTC, ER, Book 4193, Angola, pp. 3–4). In 1772, a new Governor, António de Lencastre, was appointed to Angola. Before departing for Angola, Lencastre was informed by letter that he ‘should obtain instruction at the Royal Treasury about the plan and system that is newly established in Angola for the utility of the Royal Property and Commerce in general’ (AHTC, ER, Book 4193, Angola, p. 101). The letter stated:

Being the Collection House of the Kingdom of Angola, of which the Governor is the President, in charge of many aspects useful to the Royal Property, and Commerce, and being

necessary to preserve the activity of that Commerce, and the System, in which it was established with a precise correspondence with the Royal Treasury, it makes necessary that in the same Royal Treasury, in the specific General Control Office, be your Excellency instructed in the mentioned plan established and of the means conducive to its continuation; about which I have provided the necessary orders to the General Controller. (AHTC, ER, Book 4193, Angola, p. 101)

Subsequently, in the same year, to the new Governor of Angola was sent a letter along with the new Instructions for administering the colony's Collection House, including the mandated adoption of the DEB system for the first time in preparing the accounts for Angola (AHTC, ER, Book 4193, Angola, pp. 125–183; AHTC, Book 4223, Bahia, p. 77). A second letter was sent from Lisbon to the Governor, in response to his request for a written explanation about the administration and collection system of the colony (AHTC, ER, Book 4223, Bahia, pp. 70–77). The second letter referred to the state of ruin in which Angola was situated in 1769 and indicated that different laws were issued in order to rectify the situation (p. 70). The Governor was advised that the number of the different Royal income types in Angola was much lower in comparison to the number of income sources of the other colonies; however, the value collected from the trade involving mainly slaves and ivory was most significant, making Angola one of the most important Portuguese colonies in economic significance terms (p. 71). Due to frauds and abuses by the contractors of the slaves and ivory, it was decided that the administration of these 'Royal Rights', as well as their purchase and shipping, would be made directly by the Collection House in Angola and not by contractors (p. 73). According to the letter, the DEB method was to be applied in the colony, in 'precise correspondence with the accounting adopted at the Royal Treasury' (AHTC, ER, Book 4193, Angola, p. 101). The evidence, therefore, identifies the need for greater administrative control in Angola with DEB providing for enhanced control of Royal incomes by producing more detailed and elaborate books to improve the administrative control of slaves and ivory. In effect, practical drift was manifest, the intended actions defined in the rules were not accomplished and the move from Quadrant 3 to 4 effectively occurred with the recognised failure of the initial system designed for Angola (Figure 1).

The economic importance of Angola to Portuguese commerce within the Empire, due essentially to the economic effects of trade of slaves and ivory from Angola to other colonies, stimulated the need for a total and drastic reformulation of the administrative and accounting system designed initially for implementation in Angola. The decision taken was to effectively recommence from Quadrant 1 (Figure 1) with the adoption of a more comprehensive administrative system involving the use of DEB from 1772. Conceptually, Angola was annexed to the Royal Treasury, thereby shifting situational coupling from loose coupling to tight coupling. It provides an example of a complete cycle of movements according to Snook's theory: from designed, to engineered, to applied, to failure and back again to redesign and implementation. The recognition of the importance of Angola for the Empire's colonial trade triggered the beginning of a new cycle where the overriding concern for standardisation with the other colonies was replaced with a concern to standardise the accounting rules in Angola with the more elaborate rules applied in Lisbon at the four General Control Offices.

In summary, the study's concern has extended beyond the development of accounting rules for adoption within the Portuguese Empire and has also focused on the application and enforcement of accounting rules, leading to further accounting reforms during the Pombaline Era. The governmentality perspective, as applied in the accounting literature, illuminates the functioning of accounting as a technology intended to exert control at a distance, as shown in this investigation. Moreover, the emphasis placed on practical action by Snook, and the effective regard for deterring practical drift, has been applied to elucidate subsequent action, instigated in

Lisbon, for the purpose of ensuring that the intended action at a distance across the Portuguese colonies was operationalised to the extent possible across time. In studies of this nature with an enforcement of rules orientation, Snook's theory of practical drift can illuminate how accounting compliance mechanisms may re-originate practical action at a distance towards the intended action and, therefore, is associated with modifying the dominant feature of the organisation, or parts of the organisation, at particular points in time.

Conclusion

This study has endeavoured to augment the historical literature on public sector accounting in Europe by examining, for the first time, the development, application and enforcement of accounting rules in the context of the Portuguese colonial Empire during the eighteenth century. Set firmly in the archive and recognising that accounting is a social practice, the study has focused on colonial administration during the Pombaline period in Portugal characterised by the apogee of mercantilist policies and enlightened ideals combined with the absolutist conception of power.

The philosophies and ideals of enlightened despotism, constituting the rationalities of the Portuguese government during the Pombaline Era, were operationalised in colonial contexts by means of the adoption of accounting control systems as technologies of government. The political discourse was translated into rules, specifically the accounting rules, comprising the 1761 Law and the Instructions, were perceived as a way to integrate, connect and harmonise the administration of the Portuguese Empire dispersed around the world. It has also provided evidence of the disconnection between the desired practice, as intended by the rules, and practical action as the local action which eventuated in various colonial settings. The study, therefore, adds to an understanding of the role of accounting systems and enforcement regimes in underpinning the time-space distance in organisations (Carmona *et al.*, 2002, p. 240).

The findings of this examination of the development, application and enforcement of accounting rules under Portuguese Imperialism have been informed by Foucault's concept of governmentality and Snook's theory of practical drift. These perspectives have allowed a focus both on how the accounting control system for colonial administration was imagined and also on the way it functioned within Portugal and its Empire. Accordingly, this study has uncovered evidence of the inadequate adoption of the accounting rules within the colonies, thus permitting the available evidence of enforcement with the accounting rules to be examined for a deeper analysis of the nature and role of compliance regimes within Portuguese colonial administration. Enforcement was the responsibility of the Royal Treasury which repeatedly issued further specific accounting instructions to supplement and complement earlier issued instructions for each colony from 1764 in order to assist the effective adoption of the 1761 Law. To ensure the quality of inscriptions and to enable standardisation of the accounts from across the Empire into 'consolidated' accounts for country and Empire, disciplining activities were necessary to command persons in particular isolated settings to comply with the accounting rules. Importantly, as these historical accounting rules evince, the propensity towards standardisation, normalisation and harmonisation emerged within Portuguese central government during the eighteenth century and is, therefore, not a modern-day invention.

The focus on enforcement of accounting rules is a key distinguishing aspect of this study, which broadens the Foucauldian governmentality perspective, by moving the investigatory focus from the analysis of intended practice to practical action. In fact, even though power/knowledge is properly oriented towards acting in distant settings, Foucault did not devote attention to instances where the intended practices did not materialise due to non-conformity with the applicable rules, nor did he provide a model for conceptualising the redesign or redevelopment

of the rules in addressing the dimensions of such non-conformity. These instances of non-conformity were interpreted in this study in the light of the notion of practical drift (Snook, 2000, pp. 192–193). In this study, effective action at a distance is observable through the available surviving records relating to the application and enforcement of the accounting rules, thus distilling evidence of the actual accounting practices adopted, which is conceptualised as practical action in the Portuguese Empire using Snook's (2000) perspective. The examples of non-compliance and the associated enforcement of rules, which were described in the correspondence exchanged between the Royal Treasury and the colonies, made practical action 'visible' and provided instances where intended outcomes were not delivered and resulted in adjustments and rule changes.

As shown in this study the enforcement regime adopted was deployed as a means of effectively deterring the notion of practical drift (Snook, 2000) and avoiding related malfunctioning or potential chaos in colonial administration. Within the context of country and Empire, the Royal Treasury was, accordingly, able to influence practical action, aiming to avoid the 'mismatches between the local demands of the situation and those of global design rules' (Snook, 2000, p. 193). Nonetheless, specific evidence of practical drift was discerned in various Portuguese colonies, particularly in Pernambuco and Angola, as illustrated. Angola provides an example of a complete cycle of movements according to Snook's theory of practical drift: from designed, to engineered, to applied, to failure and back again to redesign and implementation. An extreme situation, in which trade in valuable resources was in a state of ruin, associated with a deficient application of the administrative and accounting rules, resulted in a situation of failure, which triggered the beginning of a new cycle in the case of Angola. The study, therefore, provides insights into the role and use of accounting rules in modifying the dominant features of organisations.

At the centre of the Portuguese government's centralisation initiatives was Pombal, who as a dominant individual played a central role in the administration both of country and colonial dominions. Through the appointment of trustworthy individuals who shared his ideology to the most important positions in country and Empire and following a despotic regime, Pombal controlled all the activities of the government, including the administration of the Royal Treasury and the colonial dominions. Pombal's main objective was to increase the wealth of the State, which effectively meant the wealth of the Monarch, in accordance with governmentality rationales of the eighteenth century (Foucault, 1991). The accounting rules designed and enforced by Pombal's government are not regarded in this study as neutral, if not benign, but rather as part of power relations involving the regulation of individuals' activities, through a series of values, norms and standards, in the process of ensuring the efficient and effective operation of public finances in the Portuguese metropolis and colonies. The accounting rules were deployed to render visible certain crucial aspects of the function of the State and to enable the preparation of dependable whole-of-government accounts for the Empire. Through such norms and standards, the inefficiencies of the individual are rendered clearly visible (Miller and O'Leary, 1987, p. 239). Pombal – a powerful ruler – exercised a form of intellectual mastery over individuals and events distant from the centre and exercised control over them through specified information sources (Miller and Rose, 1990), thereby elucidating the role of accounting in mobilising individuals to pursue the goals set for the Empire.

Building on the accounting literature that has been inspired by the works of Foucault, future research of the genre may help to enhance an understanding of the role of accounting through the application of Snook's notion of practical drift. The interpretive framework adopted in this paper can be applied either to phenomenon in the past, such as in respect to different European colonial Empires, but also in the present, such as in the implementation of the cross-country financial reporting standards (specifically the International Financial Reporting Standards of the

International Accounting Standards Board) or in cases of collapses of major enterprises. Future research may also build upon the findings of this study through the analysis of colonial accounting books, if any have survived, and any other archival sources that were maintained as accounting records of transactions in the different Portuguese colonies, and which were not the object of analysis in this study.

Acknowledgments

Earlier versions of this paper were presented at the sixth Accounting History International Conference, Wellington, New Zealand, August 2010, the 35th Economic & Business Historical Society Conference, Braga, Portugal, May 2010, the 12th World Congress of Accounting Historians, Istanbul, Turkey, July 2008, the 31st European Accounting Association Congress, Rotterdam, the Netherlands, April 2008, and at the Critical Perspectives on Accounting Conference, New York, USA, April 2008. The authors are grateful for the comments received from participants during these presentations. Appreciation is also expressed to Trevor Hopper, Massimo Sargiacomo and Brian West for their helpful comments on earlier drafts of the paper. This research is financed by Portuguese national funds through the FCT – Foundation for Science and Technology – by means of Project PEst-OE/EGE/UI4021/2011.

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