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Confession and bookkeeping: The religious, moral, and rhetorical roots of modern accounting.

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Confession and Bookkeeping is an insightful and quirky little book that significantly expands the scholarly discussion on double-entry bookkeeping, long a topic of fascination to historians, anthropologists, sociologists, and accounting scholars. Revisiting the classic debate between Sombart and Weber on religion and the rise of capitalism, James Aho argues persuasively that Weber got it wrong, and backs up his argument with a telling history of the transformation of the Catholic sacrament of penance. In this age of Enron, WorldCom, and Halliburton, where bookkeeping and scandal seem to go hand in hand, the book is also a plea for a more scrupulous, indeed, reverent, accounting.

The argument, in brief, is that the innovation of sacramental confession in the Catholic church provided a model for business accounting as well as a method for merchants to demonstrate their moral purity, or at the very least the agony with which they exposed themselves to self-scrutiny. They did not use double-entry bookkeeping, pace Weber, to plan their business activities, but rather to account for the state of their souls and justify their activities to church fathers. For Weber, the Catholic rite of penance inhibited material acquisition and thus business, for it inspired an inner asceticism. The problem is that Weber’s thesis ignores the inconvenient fact that double-entry bookkeeping actually arose in medieval Catholic Italy. Aho shows that it also arose in tight conversation with the rite of penance itself. Contra Weber’s conviction that, during the Middle Ages, “a business career was possible only for those who were lax in their ethical standards” (quoted on p. 49), Aho demonstrates that the medieval businessperson was racked with anxiety about the ethical standing of their activities and the moral reckoning they would face on judgment day.

The key to Aho’s argument is the transformation of confession: the shift from canonical penance—the conferral of a special status on the penitent for a period of time during a ritual to be observed only once a lifetime (if that)—to part of papal law that required the regular and repeated divulgence of one’s sins to a priest in a quasi-therapeutic setting. Sacramental penance did not become a requirement until the Fourth Lateran Council of 1215, which adopted the Celtic rite and made it compulsory.Originally decried by church fathers interested in preserving their authority (penitential handbooks were ordered burned in 829 CE), private penance spread like wildfire, creating an “epidemic of scrupulosity” (p. 25), indeed, an almost neurotic fixation on it. Possibly derived from Hindu practices and Greek medicine—the cura animarum—private penance
American Journal of Sociology

sought to heal the soul, by balancing it with contrary virtues: cure covetousness with alms giving, or gluttony with fasting. Aho provides a rich discussion of the emergence of new notions of intentionality and new conceptions of the person’s inner being, as well as a fascinating account of how compulsory confession encouraged records keeping in narrative form that prefigured double-entry bookkeeping.

The important point, however, is that Catholic merchants and businessmen found in penance a means to account for and scrupulously record their activities—and not, as Weber had it, rationally to plan for the future. Double-entry bookkeeping was thus first and foremost a pious activity. “The penitent’s circumstantially detailed, quantified moral ledger aided them to represent their life to their confessors according to a simple yet thorough narrative, and helped them trace their moral progress or regress” (p. 35). Aho discusses the 15th-century Italian figures Alberti, Pacioli, and Datini, whose writings on double-entry bookkeeping he reveals to be part of a much broader conversation about the moral necessity and virtue of accounting for one’s affairs.

If I have a quibble here, is it that in a book that shatters some received truisms about accounting, rationality, and capitalism, Aho too readily accepts the standard story about the introduction of numbers and quantification in accounts keeping: that “numbers don’t lie” (p. 35). Mary Poovey’s History of the Modern Fact (University of Chicago Press, 1998), for example, nicely documents the manner in which numeration as a form of rhetoric was as easily amenable to fabrication as flowery speech. Regardless, the main argument, that “business chronicling and penitential confession both were expressions of a late medieval project in moral improvement” (p. 40), is made convincingly. To me, the most interesting part of the book is Aho’s careful demonstration of Pacioli’s reliance on Cicero’s rhetoric in the former’s recommendations for the creation of the ledger, as well as his original discussion of the obviation of the sin of usury by the use of accounting and the international money exchange: by recording gains as due to the differences in currency values rather than prohibited interest-bearing loans.

The book is a tightly argued, clear exposition that can be read in one or two sittings and provides good material for discussion and debate. It dips lightly into the critical accounting literature and Foucault, and although those not captivated by accounting scholarship may think it too narrow, the book would be an excellent addition to undergraduate and graduate courses on the history of capitalism, economic or cultural sociology, or any course where one has also assigned The Protestant Ethic and the Spirit of Capitalism.