

The State Relationship with Religion: an historical analysis of accounting and regulation as disciplinary procedures

Carolyn J Cordery*

*Aston Business School, Aston University, UK. E: c.cordery@aston.ac.uk.

Abstract

State regulation of charities is increasing. Nevertheless, although religious entities also pursue charitable objectives, jurisdictions often regulate them differently. In some states (including England until recently) the church (religious charities) are not called to account for their common-good contribution, despite owning significant assets and receiving public and government income.

These regulatory and accounting variations emanate from a state's historically informed positional relationship with religion, which may be discordant against increasing religious pluralism and citizens' commonly-held beliefs. To open a debate on state-church relationships within the accounting history literature, this paper analyses changes in England since 1534. It utilises a state-church framework from Monsma and Soper (2009), combined with an application and extension of Foucauldian governmentality. The longitudinal study shows direct and indirect governmentality tools change with the state-church relationship. Such harmonisation of regulatory approach relies on citizens/entities subverting imposition of state demands which fail to meet their concept of common-good.

Keywords: Regulatory history, governmentality, state-church relationship, charity regulation, England.

The State Relationship with Religion: defined through disciplinary procedures of accounting and regulation

Introduction

Religious entities comprise some of the most ancient of charities, worldwide. Individual citizens' faith impacts their behaviour, including their accounting (Funnell and Williams, 2014; Parker, 2014). Religious organisations' accounting has also attracted recent scholarship, both in respect of their use of accounting internally (for example, Cordery, 2015; Ezzamel, 2005; Lightbody, 2000, 2003; Sargiacomo, 2009) and for external purposes (for example, Irvine, 2002; Yasmin et al, 2014). Much of this research takes an organisational view, although jurisdictional context remains important. Less analysis has been undertaken of the interaction between religious organisations and the state, or the state's relationship with both religious and secular charities from an accounting or regulatory viewpoint.

Nevertheless, the interactions between the state, religious entities and secular charities are an important feature of the current civil landscape and are informed by past interactions. Charity regulation reflects governments' concern to protect their tax base, increase citizens' philanthropy, and ensure that the entities they contract-out to discharge public accountability for donations, grants and payments for services (Cordery, et al., 2017). Charities in many countries are now required to maintain accounting systems, and to prepare financial statements (sometimes requiring auditing) and to publish these through the charity regulator or to the population at large (Cordery and Baskerville, 2007). In many jurisdictions, certain religious entities are deemed to be charities.

Historically, the definition of ‘charity’ often developed through common law, and therefore the entities in the regulatory scope changed over time (Salamon and Anheier, 1997). The definition of charity in the (English) 1601 Statute of Elizabeth was interpreted in 1891 by Lord Macnaghten as four ‘heads of charity’ (in the *Pemsel* case - [1891] AC 5311891). These are: the relief of poverty; the advancement of education; the advancement of religion; and other purposes beneficial to the community (Cordery and Baskerville, 2007). These ‘heads’ formed the basic concept of charity in many jurisdictions and, therefore, it is commonly believed that entities seeking to achieve objectives under these heads (and subsequent definitional changes) would be subject to the relevant jurisdiction’s charity regulation.

Yet, currently, as well as historically, various jurisdictions treat religious entities (apparently formed for the advancement of religion) differently. In some, these entities must comply with the same regulation and accounting requirements as secular charities (e.g. New Zealand), in others they must register, but are not required to publish financial data (e.g. Australia, the United States (US)). A third approach is to exempt some religious entities from registration, but due to their special nature, to continue to provide these entities with tax relief and other benefits afforded to other registered charities (e.g. England and Wales, Germany, Indonesia). Religious charities under the second and third approaches face reduced public scrutiny, hence empirical studies have found systematic differences between religious and secular charities (DiMaggio and Anheier, 1990). Public interest in religious entities is high, given they often own significant assets and receive income from the public and government.

State regulation that is underpinned by public interest aims to bring about the “common-good” (Cordery and Deguchi, 2018), as such, it could be expected to mould the behaviour of charities (and religious organisations) to commonly-held ideals. For Foucault (1988, 1991), governmentality can be observed in regulation and similar interventionist disciplines. Nevertheless, the question must be asked, does state governmentality over religion achieve the

common-good? And who decides what that common-good is? If one religion is given preference, is this representative of commonly-held beliefs? To what extent have these beliefs changed and how is this reflected in governmentality tools? This paper analyses state sponsorship of religion historically, through the accounting and regulatory lens of governmentality (Foucault, 1988, 1991). It contrasts the state's relationship with the church to that with secular charities. The context chosen is England, as it provides an example for longitudinal study of the change in commonly-held beliefs over time, of differential and increasing regulation of both charity and church, and therefore, different governmentality tools. Further, when Henry VIII established the English Church in 1535 "for the common-good", the state strongly supported it, and the church still enjoys a 'structurally privileged position' within the state (Monsma and Soper, 2009: 142). While it could be argued that an international comparative study would also meet the objective of this paper, the richness of English history, the early regulation of church and charity and the manner in which the government continues to influence the church was persuasive in this choice of context.

In observing a limited number of state interventions, this paper analyses the English government's persuasion of citizens to attend the Church of England (1534-1688) (including through church-run enquiries); regulatory governmentality tools that increased the visibility of both church and charity assets (1689-1894); and then the evolutionary (relative) harmonisation of regulatory and accounting demands on both church and charity (1895-present). These show a swing from a state-supported church towards one of state neutrality (see below), without the final push to disassociation from the state-supported church. Monsma and Soper (2009) describe this as 'partial establishment'. While the state-church enjoys charitable status, less-established religious entities may still struggle to register as charities, despite asserting they meet the longstanding charitable head of "advancing religion".

This paper presents historical evidence, tracking changes in the governmentality tools used, and by inference, notions of the common-good. Yet it observes that vestiges of the state-church relationship restrict the current regulator's ability to reflect commonly-held beliefs. Regulatory structures fail to reflect an increasingly pluralist and globalised society, although recent charity regulation changes in England and Wales point to ways to resolve past structural issues. State contracting-out to religious and secular charities also recognises increasing pluralism. Accordingly, the objective of this research is to open a debate about the church-state relationship and the appropriate tools to serve the common-good. This is relevant not only to England, but to other jurisdictions where certain religious entities enjoy privileges disassociated from the common-good. The contributions are three-fold. First, the research applies a new framework in the accounting history literature by viewing the extant literature through the Monsma and Soper (2009) framework of state-church relationships. This framework provides a mechanism to view these relational interactions and the forces of change and thus, in this paper, it is applied through a longitudinal case study of England. The second contribution is the application and extension of Foucauldian governmentality over three distinct periods to further theorise the Monsma and Soper (2009) framework and these relational changes. Through these two contributions, the paper thus makes a third contribution, of opening the state-church relationship debate within the accounting history literature and providing opportunities for comparative research.

The paper continues by establishing a framework informed by legal and accounting studies through which relationships between state and church can be understood, before the theoretical framework (Foucauldian governmentality) is introduced. England's state-church relationship over an extended period (from the establishment of a state-supported church to the present day) is analysed through secondary sources and legislation to show tools the state has used as it

moulds the state-supported church and secular charities. The discussion section that follows highlights opportunities for further research, before the conclusions.

Religion (“church”) and State – a framework

The current day evidences an increasingly pluralistic society, partly due to growing liberalism and globalisation (Woodhead, 2016). In addition, travel and migration introduce new cultures, religious beliefs and practices, or secularism. Current events also evidence intolerance of such different beliefs and practices. Members of established religions may discriminate against those asserting new religious beliefs, and persecution may lead to physical and mental violence. Nevertheless, some new religious practices not only challenge established religions, but may also be illegal. Such practices include polygamy and overt homophobia. Further, some jurisdictions’ legal requirements may be antithetical to specific religious beliefs (e.g. conscription). Hence, some states welcome a close relationship with a specific religion/denomination, in order to develop and support common values and beliefs, hoping to build a homogeneous society (Ezzamel, 1997; Monsma and Soper, 2009). Thus, states may restrict “religious extremists” and potential societal disruption; states also may design definitions of “religion” to suggest a particular “common-good”. For example, in 2016 “The Temple of the Jedi Order” (the worship of the mythology of Star Wars) was declined charitable status in England and Wales, despite 177,000 people declaring themselves to be Jedi in the 2011 census.¹ The Charity Commission argued that the “Jedi Doctrine” lacks sufficient structure/rules to be a religion and is not focused on public benefit (common-good) *per se*.² On the contrary, in 2015 the Internal Revenue Service of the US recognised the Jedi Order as a charity (McEachren, 2017). Beliefs as to common-good differ and, as shown in this paper, have changed over time.

Historically, religion and state (as understood in different periods) have often been inseparable. As shown in prior accounting history research, in Ancient Egypt (particularly the Old Kingdom – 2700-2200 BC), the state was ‘personified by its ruler, the god King’ (Ezzamel, 1997: 569) (caesaropapism). Accordingly, Ezzamel (2002: 97) treats the mortuary cults of the pharaohs of the Middle Kingdom of Egypt (approximately 2050-1780 BC) as a branch of the state, as: ‘a symbiotic relationship, ensued between the two’. Thus, these cults were also exempt from tax. Accounting controls were essential to ensure the continuation of the temples’ redistributive cycles (Ezzamel, 2005, 2009, 2012), but not to coerce adherence.

The Jerusalem temple (c.823 BC. to 70 AD), provides another example of a state-church relationship, as the King was an important participant in the temple’s internal controls (Fonfeder et al., 2003): the periods of building and rebuilding of the Jewish temple by subsequent Kings are covered in the Biblical books of Kings and Chronicles. Fleischer (2010) provides the example from Genesis 47:24, when Joseph (as second-in-charge in Egypt) exempted the priests from the pharaoh’s tax.

Kuasirikun and Constable’s (2010) study considers Thailand in the early-nineteenth century (AD), millennia later. Accounting allowed the god King to support Buddhism as the state religion. However, accounting and taxation generally centred on the economy and temporal, rather than spiritual matters (Kuasirikun and Constable, 2010).

Monsma and Soper’s (2009) continuum categorises relationships between religious entities and the state. These are: at one end - strict separation between church and state;³ at the other end – an established church supported by the state. In the middle, the pluralist model acknowledges that the state comprises many spheres (e.g. education, business, governmental, etc.) which may compete or be complementary, but that religion has a bearing across all (Monsma and Soper, 2009). In the central pluralist “neutral” position, the state does not favour or burden any

particular religion, allows citizens' freedom in their religion/faith choice and is even-handed towards all faiths or none (Monsma and Soper, 2009).

The notion of "state" developed in the early-modern period (late-fifteenth to late-eighteenth century), when 'several Western European states experienced the transition from the configuration of the feudal state to the modern one' (Gatti and Poli, 2014: 475). As power had been centralised in Kings and Popes, initially the modern state commonly supported an established church (including in the emergent US⁴). Yet, due to the Glorious Revolution in England in 1688, the American Revolution (1776) and the French Revolution (1793), civilians rejected the divine right of Kings, and democratic rule ensued.⁵ Late-seventeenth and eighteenth century enlightenment liberalist views favoured secular government, freedom of speech and democracy. Today, this secularist push threatens the existence of established religious bodies, as liberals question the need for religion at all (Woodhead, 2016). Nevertheless, these liberalists' advocacy for greater equality and civil rights is also held by many religions.

The Christian religion is not alone in having state-church relationships. For example, Hamid et al. (1993: 134) suggest that Muslims in Islamic societies previously structured their business affairs strictly in accord with the dictates of their religion, and there is 'growing evidence of pressures for them to do so'. Notably, there has been research into state support of Islamic banking in Pakistan (Hamid et al., 1993; Rammal and Parker, 2012) and Jordan (Maali and Napier, 2010). Further; India, Indonesia, Malaysia, many Middle Eastern and North African countries also are governed by the Islamic laws of *Shari'a*, cementing state support for Islam (see, for example, Altaher et al., 2014 discussing Kuwait; Irvine, 2008 discussing the UAE). This is not the case in Indonesia, where Efferin and Hopper (2007: 230) suggest that, 'Moslems disagree whether the state should be secular or follow Islamic law'.

Of particular relevance to this research are the *waqfs*, Islamic religious endowments of revenue-earning property made by wealthy citizens for the common-good (Yayla, 2011) and therefore similar to the notion of charity. Rothstein and Broms (2013) generalise that until the twentieth century, Islamic states in the Middle East and North Africa had little authority over *waqfs* and their activities, which are private endeavours.⁶ On the contrary, Melčák (2010) argues that the state increasingly regulated *waqfs* in nineteenth century Egypt, with Muhammad ʿAlī’s *dīwān* requiring registration, adherence to strict rules restricting fund use to religious purposes only and confiscation (or reclassification) of non-compliant *waqfs*. While similarly Turkish *waqfs* were state-regulated from 1826 in order to redress shortcomings in their accountability to government, Yayla (2011) suggests this regulation resulted from increasing secularism, rather than theocratic control. Hence Rothstein and Broms’ (2013) generalisation does not hold for all periods/states. Increasing pluralism means that Islamic institutions are establishing in jurisdictions where there is a Christian state-church (e.g. England), but we argue that their ability to do so will be dependant on that state and its position in the Monsma and Soper (2009) framework.

Approach and method

England has been chosen as a case study to meet this paper’s objective to open a debate and to analyse longitudinally the state-church relationship and tools used to serve the common good. As noted, this country provides a longitudinal example of changes in commonly-held beliefs, of different governmentality tools and most importantly, an initially strong state-church relationship, the vestiges of which remain today. Yet, the current state-church relationship is not one of neutrality, despite growing secularisation and pluralism. Therefore, extant governmentality tools are as instructive as those of the past.

The study is split into three periods over more than five centuries and therefore necessarily is limited by the selection of events in each period. Nevertheless, Monsma and Soper's (2009) framework and (as noted below) Foucault's governmentality guide the choice of events. Through these periods, understandings of the terms "state" and "church", as well as "charity", have changed, as already indicated. The research utilises an approach similar to that of Foucault (1967) in not providing a micro-history, but discussing regulation and accounting interventions which change with the state-church relationship. Specifically, as the relationship moves from a state-supported church at one end of the Monsma and Soper (2009) continuum, towards state-church neutrality in the middle, without reaching that point, the governmentality tools shape each stage. As with any interpretation of historical events and documents, different viewpoints could have emerged and a balance must be struck between depth and breadth. Due to the changes in England's state-church relationship, and the role of accounting and regulation over a long period, concentrating on one jurisdiction was preferred over an international comparative study, although comparisons could also be insightful.

Foucault (1988, 1991) drew on French administrative/policing practices to develop his governmentality approach, analysing governmental management of individuals. Governmentality (state's "policing" of the moral quality of life) normalises interventionist discipline as the state argues this is for the common-good (Foucault, 1988, 1991). Nevertheless, the common-good is a generalist notion, and the state is not the final arbiter, despite its power. Discipline is applied to that which is visible and, by increasing visibility, accounting makes individuals, groups and organisations governable. Other disciplinary tools include those emanating from religion (for example, confession - Aho, 2005).

Governmentality is a commonly-used theoretical framework in accounting history studies. For example, Miller and Rose (1990) use governmentality to analyse governments' centralised economic planning, and regulation requiring economic actors to undertake calculative

practices, which encourages these actors to self-regulate and recognise they are not entirely autonomous. Further, Miller and O’Leary (1993) find governmentality increases the use of costing and governance within organisations. While Foucault argues that governmentality is evident in modern political thought and action, a number of Italian accounting history studies also show how governmentality tools (specifically accountability demands) increase or maintain state or religious power (e.g. Bigoni and Funnell, 2015; Gatti and Poli, 2014; Madonna et al., 2014; Sargiacomo, 2009). Additionally Yayla (2011) records the requirements for nineteenth century Egyptian *waqfs* to use new accounting and calculative techniques, inspection, and return surpluses to the government. These all represent examples of governmentality which accords “action at a distance” as, even when entities may appear to operate autonomously in the short term, a web of regulation affords visibility to performance, which must (re)conform to the government’s expectations (Miller and Rose, 1990).

Viewing the state-church relationship in England over the following sections, it can be seen that different tools have been devised in different periods to make the church (and charities) governable. These tools depict changing rationalities. In the first period (1534-1688), governmentality tools aimed to form the state church and also to require citizens to attend. In the second period (1689-1894) citizens forced the state to tolerate dissension and the state expanded its governmentality tools to secular charities. In the third period (1895-present), the focus of these governmentality tools more closely align the state-church with secular and other religious charities, as the state-church relationship moves towards neutrality (a “partial establishment” – Monsma and Soper, 2009). In assessing these relational changes, this study adds to theory by linking governmentality tools to changes in the espoused common-good over time. Nevertheless, these tools of governmentality are also slow and difficult to change, leaving vestiges of past state-policing, despite new conceptions of the common-good.

The research utilises secondary data and legislation spanning more than five centuries, although it preferences nineteenth and twentieth century sources. Census data is useful (as recommended by Bisman, 2009), hence this paper draws on available seventeenth, nineteenth and twenty-first census data that demonstrates how the state-church relationship moved towards the centre of Monsma and Soper's (2009) continuum. This research focuses on the Church of England and its relationship with the English state, despite the current charity regulator also covering Wales. There is no separate English Parliament (unlike the devolution to the other jurisdictions in the United Kingdom), as from 1707 Her Majesty's Government oversaw the Kingdom of Great Britain, from 1801-1922 Great Britain and Ireland, and in the current day Great Britain and Northern Ireland. Yet with only one recent exception, all Members of Parliament vote on laws regulating England (Morgan and Morris, 2017). The Appendix summarises the Acts used in this paper.

England and the state-church

As noted, this study is presented in three sub-sections; the first introduces the state-church of the sixteenth century, outlining the Church of England's inception and the state's moves to police citizens' adherence to the state-church. It ends with a state census of religious adherence and the Glorious Revolution (1688). The second sub-section spans from the Toleration Act 1689 through the nineteenth century, to the disassociation of local government from the church in 1894. It includes regulation of charities and another religious census. Citizen support for the state-church weakens over the period, but the church is required by the state to discipline secular charities. In return, it receives continued support. The third sub-section (from 1895-present) includes the harmonising changes in the Charities Act 2006 and the results of the most recent census of religious adherence. Governmentality over charities and the state-church becomes more evenly distributed, with this period evidencing increasing levels of societal pluralism.

Introduction: A state-supported church (1534-1688)

A new state-church relationship: making religious wealth calculable (1534-1688)

When King Henry VIII (reigned 1509-1547) failed to gain an annulment of his first marriage (to Catherine of Aragon) from Pope Clement, he renounced papal authority and established the Church of England. In addition to allowing him to marry a further five times, not only did this establish a state-supported church, but the state (King) progressively scrutinised and appropriated (Roman Catholic) church wealth and income. Initially, the King restricted excesses in church commercialisation, including that trading of leases and tithes by religious houses. For example, the Acts of 1529 (see the Appendix) curtailed the church's demands of unreasonable mortuary tax by stating maximum fees chargeable, limited priests' incomes (including prohibiting the buying and selling of goods for a profit), and reduced the ability of the church to lease land out for inappropriate activities (see also the 1531 Act on leasing). Absentee priests were also sanctioned.⁷ The 1534 (tithing) statute required churches to pay 10% of their income to the Crown.⁸

In 1535 the King commissioned local gentry and other leaders to survey church wealth through the *Valor Ecclesiasticus*. Palmer (2002) notes that 837 monasteries controlled more than a tenth of the country's wealth, despite their staff representing less than half a percent of the population. When the church as a whole was included (and omitting leasehold investments), Palmer (2002: 215) estimates it 'controlled between 20 percent and 25 percent of the landed wealth of late-medieval England'. In addition, approximately 3300 of 9000 parishes were owned by monasteries, many being leased out. In a bid for this wealth, in 1534, Henry VIII assumed headship of the Church of England and began dissolution of the Roman Catholic monasteries (1534 statutes: see the Appendix), although more than 70 monasteries initially escaped suppression by paying fines levied upon them in 1535 (Palmer, 2002).

The *Valor Ecclesiasticus* made visible the dissolution database and by 1540 all monasteries were closed (Palmer, 2002). The annual income from these confiscated estates was three times the King's income from his traditional estates; wealth that was augmented by the significant treasures captured from monasteries, the King's collection of what had been papal taxes, and his on-selling of church leases and lands (Palmer, 2002). In addition to annexation of its wealth, the church lost political power, as abbots were no longer deemed to be Lords Spiritual; thus bishops became the minority in the House of Lords.

The 1535 and 1537 Acts empowered the Crown to sanction clergy who mismanaged parishes in their charge, as the King now controlled both the ecclesiastical and civil courts. Palmer (2002) argues that citizens were also empowered to sanction clergy, especially as anyone could sue, and the first to do so could receive half the judgment penalty. However, Haigh (1982) is less sanguine about the power of the reformation "from below" or its country-wide spread. Nevertheless, the 1537 statute of uses and wills meant the church could not seize back its land through the ecclesiastical courts, as these courts had been limited to spiritual matters rather than also hearing cases on church property, probates and usury. Yet, the civil and ecclesiastical courts continued to be played off against each other well into the nineteenth century (Best, 1964) and church parishes continued to be synonymous with what became local authorities in the late nineteenth century.

State-church and citizen: legislation and a census (1534-1689)

Following the death of Henry VIII and his son Edward VI, Mary I (reigned 1553-1558) aggressively attempted to swing England back to Roman Catholicism. Her successor, Elizabeth I (reigned 1558-1603) not only reinstated the English state-church relationship but began policing citizens' religious beliefs towards a perceived common-good (of church attendance). For example, she passed the Act of Uniformity 1558, prescribing a mandatory standard form

of worship service. Similar to other ‘mono-confessional’ territories in Europe, conformity was rewarded and nonconformity penalised (Gibson, 2008; Madeley, 2003), with the 1558 Act imposing a 12d “nonconformist” fine on citizens who did not attend the Church of England at least weekly. Citizens were also made visible to the state through Diocesan Population Returns in 1563 and 1603. Property owners (or occupiers) were required to pay a poor tax to their local parish under the 1601 Poor Relief Act.

James I (reigned 1603-1625) (who ordered the translation of the Bible into the King James Version) was followed by Charles I (reigned 1625-1649) who was executed during the English Civil War (1642-1651). Religious freedoms began for nonconformists as Oliver Cromwell dominated the Parliament and then ruled as Lord Protector from 1653-1658 (his son ruled until 1659). From 1649-1660, the bishops were dethroned as more far-reaching Protestant reforms were sought. Yet, by 1660, the monarchy and bishops were re-established, but with the proviso that the monarchy required government consent to reign. The “monopoly” of the state-church had ended, despite Charles II (reigned 1660–1685) legislating to enshrine conformist practices in 1662 and return the state-church to its sixteenth century position.

The conformist/nonconformist diversity in views of the common-good are evident from the 1676 “Compton” survey. Bishop Compton was authorised by the state to survey all Church of England clergy as to their parish’s inhabitants, “Papists” (Roman Catholics) and dissenters. Unfortunately his instructions were vague and some clergy may have understood the term “inhabitants” as “conformists” (i.e. their parishioners), or counted only all “heads of households”, only males, both men and women, or the whole population (Snell and Ell, 2004). Whiteman’s (1986) adjustments to standardise data ameliorated some of these problems, but she noted that the evidence about the strength of dissent in 1676 was ‘patchy and inconsistent’. As shown in the middle column of Table 1, 95 percent of citizens were noted to be adherents to the state-church, with less than four percent being dissenters and a fraction under one percent

being Roman Catholics. The religious beliefs of these dissenting citizens were made visible and they experienced social exclusions, including electoral excommunication (Gibson, 2008).

[INSERT TABLE 1 ABOUT HERE]

Upon the death of Charles II, James II reigned from 1685-88 as the last Roman Catholic monarch. Fears of a return to absolute monarchy (and Roman Catholicism) led to the Glorious Revolution, his overthrow and the requirement that all future monarchs be Protestant (i.e. Church of England).

One step towards the centre: unbundling the state from the church (1689-1894)

Notions of the common-good were changing. Parliament passed the Toleration Act 1689,⁹ allowing Protestants freedom of worship (those willing to pledge an oath of allegiance to the Crown), but not Roman Catholics who supported transubstantiation.¹⁰ This pressure suggests that the common-good now encapsulated a wider brief than merely the state-church. The 1689 Act more aptly represented common beliefs and represented a “carrot” encouraging Protestantism (Gibson, 2008). While citizens were no longer required to support the state-church (Gibson, 1994), nonconformist discrimination continued, due to the suspicion that religious toleration was incompatible to civil stability (Madeley, 2003). For example, the 1812 Parochial Registers Act failed to allow for dissenters to register baptisms, marriages and deaths. What impact does this period have on the state-church relationship in respect of local government, charities and citizens?

State and church: governmentality reforming the relationship (1689-1894)

The state-church relationship of the seventeenth century impacted many features of England’s eighteenth and nineteenth centuries (Gibson, 1994). In addition, the Industrial Revolution encouraged new beliefs in order, statistics and discipline and also led to governmental reform. Beginning in the 1770s, reforms concluded with the Great Reform Act 1832 when ‘offices of

state were overhauled, municipal corporations reformed, and even the established church was probed by an exhilarating breeze of inquiry and reform' (Tompson, 1979: 2). The state still deemed the Church of England to be 'necessary towards the promotion of religion and morality' (43 Geo. 3 c.108 (1803)) i.e. for the common-good, but expected the Lords Spiritual to support the government. Therefore, until about the 1830s, Laughlin (1988: 31) suggests that church and state 'lived amicably together'. Indeed, this period of strong state scrutiny of the church was inter-twined with support.

One governmentality tool was Bacon's 1786 edition of Ecton's *Liber Valorum* (a parish census), which, along with other statistical evidence, made visible the physical and financial conditions of parishes. These informed the reports of the Church Building Commission of 1818, Commissioners for Building New Churches (from 1821), Commission of Inquiry into Ecclesiastical Revenues (1832-35) and, from the 1830s onwards (when it was recognised that parliament was ill-suited to such specialist decisions), the Ecclesiastical Commission (Best, 1964; Field, 2009). Further, parliament continued to support the state-church through 'Church Building Acts, notably those of 1818-19, 1822, 1845, 1856' (Snell and Ell, 2004: 26), and amendments in 1838 and 1840 (Cooke and Harwood, 1867). The outcome of these commissions and Acts benefitted the Church of England through £1.5 million in government grants from 1818-1824 (as well as a further £4.5 million from individuals) (Snell and Ell, 2004) for building, repairing and otherwise maintaining churches. Gibson (1994): 129) notes this was a period of closer political church and state relations, stemming from a belief that the "State had a duty to regulate and reform the Church".

The affairs of the state-church were required to be increasingly visible to the state through: annual reports from 'the Governors of Queen Anne's Bounty (from 1837), Tithe Commissioners (from 1837-38), Ecclesiastical Commissioners (from 1846), and Church Estates Commissioners (from 1852)' (Field, 2009: 4).¹¹ The Ecclesiastical Commissioners Act

1836, the work preceding it, and the subsequent similarly named Acts are examples of a powerful state re-shaping the church through making visible its assets and revenues. Further, the Ecclesiastical Commissioners ‘was founded with wide-ranging powers to confiscate the wealth of the bishops and cathedrals, and return to a more balanced allocation of resources, giving the bishops little option but to return to their important spiritual role’ (Laughlin, 1988: 31).

The state-church attempted to reduce Parliamentary interference (governmentality) (Laughlin, 1988) but it remained answerable to the Crown. Five bishops (including the Archbishops of Canterbury and York), the Lord Chancellor, principal officer of state and three laymen formed the Ecclesiastical Commission and were empowered to purchase and consolidate church land to meet the recommendations in the initial report of the Commission and satisfy the King to this effect; indeed they became the national governing board of the Church of England (Best, 1964).¹²

The final stage of reform in this period was to complete the detachment of the ecclesiastical parish from the civil parish and to establish local government separate from the church (see 1894 Act). This was the culmination of redrawing parish boundaries and re-allocating endowments from inactive to active parishes (see, for example, the Parochial Church Act 1883) (Fishman, 2005). Unbundling of civil and ecclesiastical parishes created a new relationship between state and church as the latter finally lost its power over secular civil issues.

State-church and (secular) charities: Governmentality reforming charity (1689-1894)

Returning to the late-eighteenth century, this sub-section considers other churches/denominations and secular charities which, during this period, governmentality tools made increasingly visible. The state-church was required to assist in this endeavour. The increase in the establishment of secular charities and benevolent societies coincided with

government concerns about tax avoidance, with the 1798 Tax Act threatening increased visibility to secular and other religious charities (the church was exempt). Unsurprisingly, charities protested (Tompson, 1979), forcing the Assessed Taxes Act 1799 to exempt entities ‘established for charitable purposes only’. From 1805, such exemptions were provided as “relief” by the Commissioners for the Special Purposes of the Income Tax (Gousmett, 2009).¹³ Many charities were also able to claim relief from land tax, house duty, stamp duty, legacy duty, the poor and church rates, with such rebates apparently recognising their input to the common-good (Tompson, 1979).

Due to citizens’ concerns about charity mismanagement, parliament undertook enquiries (Tompson, 1979), requiring the church to assist it by making visible the operations of secular charities (through 1786 Acts and the “Gilbert Returns” on the availability of poor relief). This was despite disquiet that the state-church also experienced similar mismanagement to the charities they were being asked to report on. Clergy were required to make visible local secular charities benefiting the poor (particularly their donations) (Fishman, 2005; Gousmett, 2009). Unsurprisingly, their returns show evidence of secular charity mismanagement (Fishman, 2005). These returns and general enthusiasm for select committees and enquiries from the late-eighteenth century saw the 1816 Select Committee on the Education of the Lower Classes in the Metropolis being re-formed by Lord Chancellor Brougham as a Charity Commission in 1818 – it received two more extensions before ceasing in 1837 (Tompson, 1979). Similarly to the 1786 Gilbert Returns, the Charity Commissioners required the church to make visible all secular charities in each parish, the founders, purpose and current trustees and then examined these. Nearly ninety percent of the more than 26,000 charities examined by 1834 were found to be in order, with only 400 being ‘referred to the Attorney General for prosecution... Another 2,100 trusts were reformed or renovated in some way’ (Fishman, 2005: 739).

Despite the threat of more state regulation, it took at least ten bills before a permanent Charity Commission for England and Wales was established (in 1853). While the 1860 Act endowed substantial judicial powers to reform secular charities, the state-church was excepted from the Charities Act 1860 (s. XLVI), was not required to register with the Charity Commission, or to prepare and file accounts with the court (s. LXI).¹⁴ Some other charities also received exemptions (s. LXII).¹⁵ Thus, while the state-church was no longer required to report on miscreant charities, it enjoyed exemption from governmentality tools until well into the twentieth century (see next section).

State-church and citizen: governmentality and reform (1689-1894)

The Glorious Revolution brought more religious freedom and thus, heightened religious pluralism. Nevertheless, state governmentality tools continued to be applied to citizens. In comparison to the prior period, the state treated dissenters less harshly, although Roman Catholics continued to be discriminated against. Later, upon the Union of Great Britain and Ireland, and following the 1829 election to the Westminster Parliament of a Dublin Barrister and Roman Catholic (Daniel O'Connell), the Roman Catholic Relief Act (1829) was passed, granting these believers the freedom to practise, to vote and to serve in Parliament (Maclear, 1995).¹⁶ This represented a loosening of the prior governmentality.

Yet, religion was still held as a common-good. The state noted concern that the rapid industrial and demographic changes brought about by the Industrial Revolution had severely strained the state-church; that it did not meet people's needs and that working people 'were gravitating towards anti-establishment denominations' (Snell and Ell, 2004: 25). The ten yearly (decennial) census which began in 1811 did not ask citizens about their religious adherence, despite probing other societal data.¹⁷ Hence, to ascertain the veracity of its concerns, as part of the decennial census in 1851, the state required every place of worship in Britain to return the

number and dates of construction of churches/chapels (if after 1800), the capacity of these worship houses (“sittings”) and the total number of attendances at all services held on 30 March 1851 (“attendances”) (Snell and Ell, 2004).¹⁸ Church of England parishes were also required to return income sources (e.g. pew rents, fees, dues) and endowments, and Quaker meeting houses to report their property area to enable an estimate of sittings (Snell and Ell, 2004). The logic for utilising attendances rather than requiring citizens to state their adherence was to reduce the likelihood of respondent bias arising due to the fear of confessing dissent (Snell and Ell, 2004). However, as the results were not compared to the total population, there was no mechanism to include those who did not attend church/did not profess Christian faith. A total of 34,427 returns were received from England and Wales as shown in Table 2. Only 3,395 were received from Scotland and the originals of these are no longer available for analysis (Snell and Ell, 2004).

[INSERT TABLE 2 ABOUT HERE]

Table 2 shows a large number of dissenting churches. Attendance varied regionally, with particular denominations being popular in certain districts. These churches also varied as to whether they had a centralised religious hierarchy (as with the Presbyterians, Methodists, Mormons) or were independent at the “parish” level (as with the Independents, Baptists, Quakers, Unitarians) (Snell and Ell, 2004; Morgan, 2009a).¹⁹ While Roman Catholics had been repressed until 1829, ‘there had been a significant Catholic (and to some extent Irish) presence in English towns’ (Snell and Ell, 2004: 173). The 1845-9 Irish famine caused many Irish to change from being seasonal workers in England to permanently migrating and, while it cannot be assumed that all Irish migrants would be practising Roman Catholics, many were. In the years following the 1851 census, the Roman Catholic Church rapidly expanded, helped also by French émigrés (Gibson, 1994).

The final column of Table 2 shows the index of attendance calculated by Snell and Ell (2004), being total attendance as a percentage of the returns from each district. The Church of England's index of attendances was 48.6 percent overall, although it ranged from 6.2-99.2 in different districts. Decline in citizen support of the state-church is also evident from Snell and Ell's (2004) comparison of the 1676 Compton survey and the 1851 census across 12 matched counties, although it remained stronger than any other denomination and was present in all 624 registration districts in England and Wales (Snell and Ell, 2004) (see Table 1). It should be also noted that Compton's 1676 survey measured expressed adherence, while the 1851 survey measured attendance at services on a particular day. In both cases, the state required clergy to make visible, citizens' commonly-held beliefs which did not wholeheartedly support its state-church.

This census data showing 41.65% of the attendances were at the main Protestant dissenting churches was far more than commonly recognised (Gibson, 1994). Dissenters' business success is renowned, given their exclusion from Oxford and Cambridge Universities and high levels of social discrimination (Funnell and Williams, 2014; Parker, 2014). Although the Church of England remained strong, it was now 'one denomination among many' (Gibson, 1994: 171). Hence, compulsory church rates were abolished in 1868 (Ellens, 1987).

Further towards the centre and neutrality (1895-present)

The dismantling of church (parish) local government, religious pluralism and the rise of secular charities leads to the present-day evidence of governmentality in the state-church relationship, the interplay with charities and citizens' expressed adherence, as well as examples of increasing state neutrality.

State and church: governmentality reforming the relationship (1895-present)

Increasing dislocation of state and church and pressure for self-government led to the Church of England Assembly (Powers) Act (Enabling Act) 1919 enabling the General Synod of the 'Church of England to pass "measures" to do with its internal management, but which still, in certain circumstances, needed to be ratified by Parliament' (Laughlin, 1988: 32). (For example, in 2014 the church required parliamentary approval to be able to appoint female Bishops - The Church Commissioners, 2014). Following this 1919 Act, Laughlin (1988) notes the church had a "complex agenda" to manage its own (now centralised) finances, its spiritual remit and its changed church-state relationship.²⁰ By 1948 the Queens Anne's Bounty Fund and Ecclesiastical Commissioners were re-formed as the Church Commissioners (see note 11) setting the scene for a further drawing away from the extreme of a state-supported church.

State-church and (secular) charities: governmentality reforms (1895-present)

Next, state governmentality tools focused on secular charities, with the Charities Act 1960 creating the first systematic charities register and requiring them to keep accounts. While the Commissioners could require larger charities to file these accounts, they seldom used this power (Morgan, 2010). Later, the Charities Act 1993 required larger secular charities (but not excepted or exempted charities) to follow a Statement of Recommended Practice (SORP) and file accounts and, depending on size and structure, have them independently examined or audited (Morgan, 2010).²¹ Accounting and regulatory changes occurred at regular intervals until the most recent Charities (Protection and Social Investment) Act 2016.

The state-church was not entirely exempt, as, consequent upon the introduction of accounting regulation for secular charities (see Charities Act 1993), accounting regulations were also introduced for Church of England entities by General Synod in 1997. These entities were required to "generally follow" Charities Act Regulations (i.e. the SORP), and provide annual accounts and additional activity information for parishioners at their Annual Parochial Church

Meeting (Business Committee of the General Synod of the Church of England, 2002). Morgan (2009b) found compliance with General Synod requirements was patchy and until the Charities Act 2006, Church of England parishes and dioceses were excepted from registering or publishing accounts with the Charity Commission.

The definitional changes in the term “charity” through the Charities Act 2006 brought the most significant change in the relationship between the state, the church and other charities. While implied in the fourth ‘head of charity’ (purposes beneficial to the community), it had long been presumed that charities established for the other three “heads” (relief of poverty, advancement of education and/or religion) automatically delivered public benefit (Morgan, 2012). As a result of strong lobbying for ‘a single definition based on a new concept of public benefit’ (Morgan, 2012: 74), the Cabinet Office (2002: para 4.18) recommended there be ten purposes of charity but that ‘there is a need to apply the public benefit test more consistently’. Thus, the presumption was removed that charities established under the first three heads (as above) were also formed for the public benefit (Morgan, 2012). Unsurprisingly, this caused angst amongst, for example, fee-charging educational institutions, but it also meant that entities formed for the advancement of religion were not now presumed to be also formed for the public benefit, despite many local (non-state-church) churches being excepted from registration under the Charities Exception from Registration Regulations 1996 (Morgan, 2009a; see also Charities Act 2011 s. 30). Since 31 January 2009 all excepted entities with over £100,000 in annual revenue have been required to register as charities (including the Church Commissioners). If a charity complies with the requirements in the Finance Act 2010 (Sched. 6, para. 7), it may obtain taxation relief on ‘(a) income tax (b) capital gains tax, (c) corporation tax, (d) value added tax, (e) inheritance tax, (f) stamp duty, (g) stamp duty land tax, and (h) stamp duty reserve tax’.²² Registered charities with an annual income over £25,000 must file their annual accounts with the Charity Commission of England and Wales. Charitable companies and all

charities with an income in excess of £250,000 must file accrual accounts which comply with the Charity SORP, while others can file receipts and payments accounts (Morgan, 2017). As from 1 April 2008, charities must also file a Trustees Annual Report, including narrative information about activities the charity has undertaken to further their charitable purposes for the public benefit.

Nevertheless, Church of England corporations (ecclesiastical corporations), the glebe lands held by Diocesan Boards of Finance or their consecrated property trusts are not governed by the same Charities Act 2011 (see s. 10). They are instead governed by the General Synod of the Church of England through its various statutes that are English law. Further, Church of England churches and chapels are not required to be registered under the Places of Worship Registration Act 1855, although they receive similar relief (i.e. rate relief on meeting houses) to other religious entities that are so registered.

Therefore, while the Charities Act 2011, as a governmentality tool, has increasingly harmonised charity and state-church regulation and accounting requirements, continued disparity exists between various segments of the state-church and other charities. Only when both regulators (the General Synod of the Church of England and the Charity Commission) monitor in a similar manner, will the letter of the law be applied equally. As noted by Morgan (2009a: 360-1):

... in a modern society comprising people of all faiths and none, it would be anachronistic for Christian churches to continue to receive the benefits of charitable status without the normal standards of accountability.

In a recent study, Yasmin et al. (2014) suggest that religious entities in England comply with mandated accountability reasonably well, but that the Charity Commission's recommended

disclosures which are voluntary are less-well complied with, suggesting lower levels of public accountability.

State-church and citizen: Governmentality and reform (specifically 2001 and 2011 census)

Returning to citizens, the state did not offer the public the opportunity to note their professed beliefs in decennial population surveys until 2001 and 2011 (a question on religion was also included in the Labour Force Survey and Citizenship Survey – Field, 2009). This question did not differentiate between different Christian denominations, but the results (see Table 3) show increasing pluralism.

[INSERT TABLE 3 ABOUT HERE]

Extrapolating from The Church of England Research and Statistics (2016) suggests that only eight percent of all those professing a Christian faith attend the state-church, representing only 4.7 percent of the total responses to the 2011 national census. Hence, this more recent census data shows that the state's 1534 intention to have a state-church which all citizens attend, has been dissipated with increasing pluralism. The presence of differently-held beliefs suggest that the meaning of common-good is complex and may require a move to state-neutrality. What other evidence is there that the state-church relationship has moved towards "neutrality"?

Increasing state neutrality

Following the roll-back of the welfare state in the late-1970s and into the 1980s (associated with New Public Management), government has increasingly funded the charity sector, (including churches - faith-based entities) to deliver welfare services, requiring them to become alternative or the main providers of such services (Cordery, 2012; Göçmen, 2013). This is another example of governmentality tools to encourage charities to deliver on a conception of common-good. The literature has focused more on the US since President Reagan's support of religious organisations as effective social service providers, the concept of *Charitable Choice*

from 1996 onwards and the Bush administration's *Compassionate Conservatism* initiative from 2001 (Göçmen, 2013). The US' strictly separated state-church relationship makes such state contracting-out controversial. However, and despite a longstanding state-church in England, a wider range of faith-based entities also became a focus in the UK with, for example the Conservative Party's social policy initiative *Renewing One Nation* from the mid-1990s and the Blair administration's recognition that faith-based entities could improve social welfare, provide services and regenerate communities (Harris, 2002). The Cameron Government singled out churches as specifically being able to assist "socially marginalised users" (Billis, 2001).

Generally, secular states' increased foci on religious entities for social services has raised concerns about marketisation of faith-based entities, that they will be diverted from their mission and secularised (Cairns et al., 2007). Nevertheless, in their case study of a Church of England Diocese, Cairns et al. (2007) find parish enthusiasm for building relationships and assisting in local communities using state funding. Further, there is concern that state contracting-out to faith-based organizations risks unwelcome proselytisation of service recipients or exclusion of those who do not share the same faith (Commission on the Voluntary Sector and Ageing, 2015) and therefore the common-good will not be met. Cairns et al. (2007) find no evidence of this, neither do Harris et al. (2005) in the British Jewish community, with The Centre for Social Justice (2013) noting an increased number of grants and contracts having been provided since 2011 to faith-based entities, especially for tackling poverty and (notes Snyder, 2011) in settling migrants to the UK. Churches are also 'widely seen by policy makers as sources of values and commitment', with an important contribution to make to 'building a sense of local community and renewing civil society' (Cairns et al., 2007: 413) but perhaps not necessarily a more homogeneous one.

Discussion

Diverse state-church relationships exist in different jurisdictions (DiMaggio and Anheier, 1990; Monsma and Soper, 2009). This research has applied the Monsma and Soper (2009) framework of the state-church relationship to extant literature and a particular case – that of England. Although this research is limited as it does not utilise archives (Carnegie and Napier, 1996), a high-level view using secondary data was necessary to trace the changes in the relationship and governmentality tools over an extended time period. Prior research has identified that states' actions (governmentality) affect religious organisations, but this longitudinal study using the Monsma and Soper (2009) framework enabled further theorisation of relational changes, perceiving them to be formal and planned, rather than *ad hoc*. This research therefore increases understanding of the state-church relationship in England (now 'partial establishment') and the steps that have been taken to address regulatory imbalance in today's pluralist society. It does so, to open a debate about state-church relationships.

The research shows that although Henry VIII established a state-church of which he could be head, in the current day the relationship has weakened considerably in practice, due to changing notions of common-good within society. Historical global pressures included the (Protestant) Reformation, which supported the dislocation of England from papal authority, but citizens also dissented from being forced to adhere to the newly established Church of England. Seventeenth century Enlightenment thought, English civil wars and the Glorious Revolution reduced the power of the monarch and the state-church. State-church disconnection escalated through the nineteenth century when local government devolved from it. In the twentieth century, increasing migration and religious pluralism, as well as secularisation of society, has dashed the belief that a homogeneous religion is a means for a stable society. Nevertheless, England has not fully embraced state-neutrality, with Monsma and Soper (2009) describing the church-state relationship as one of 'partial establishment'.

Presentation of this case is through three distinct periods evidencing how the state-church relationship changed over time following external and internal pressures, and specifically support from Foucauldian governmentality tools. These include the financial data used for dissolution, political enquiry (into the church, secular charities and citizens' censuses), regulation and mandatory public and parliamentary reporting by the church and charities. Table 4 summarises these governmentality tools (Foucault 1988, 1991) over each of the periods described.

[INSERT TABLE 4 HERE]

Table 4 begins with the development of a state-supported church, reflecting age-old practices of an inseparability between religion and state (see, for example, Ezzamel, 1997, 2002; Fleischer, 2010). While other studies (for example, Ezzamel, 2005, 2009, 2012; Fonfeder et al., 2013) analyse internal (accounting) controls rather than coercing adherence, the current study looks outwards. Table 4 shows that initially (1529-1537), Henry VIII limited the financial powers of the church to gather revenue and also, by separating and taking control of the civil and ecclesiastical courts, its legal power. State intervention in church life diminished the Lords Spirituals' power, making the church answerable to parliament. Henry VIII also empowered citizens to sanction state-church mismanagement. The dissolution enriched Henry VIII through fines, seizure of assets and taxes. These, and other statutory arrangements are direct disciplinary tools (Foucault, 1988, 1991); mechanisms shaping and normalising conduct, and in this case, establishing and managing the state-church. Later, the state (Elizabeth I followed by Charles II) applied governmentality tools (uniform orders of service).

Foucault (1988, 1991) argued that governmentality tools could achieve a common-good. The state attempted to encourage citizens to 'self-regulate' (Miller and Rose, 1990), requiring adherence to the state-church, as it sought to develop a stable society (Madeley, 2003). Direct

governmentality tools on citizens included nonconformist fines, excommunications for non-attendance/non-adherence (Madeley, 2003), and forcing citizens to pay church- and poor-taxes. Indirect governmentality tools such as returns and censuses, made visible and moralised church attendance as a “common-good” for citizens. The disconnect between the state’s belief as to the common-good and that of citizens is evident from failure to achieve the state’s aim of universal state-church attendance (Haigh, 2001). Such controls (making visible, fining and taxing) compare and differentiate (Foucault, 1991; Gatti and Poli, 2014). While direct dividing practices were also evident in the study by Madonna et al. (2014) of The University of Ferrara, this study augments that research by highlighting both direct and indirect tools.

In the second period following the Glorious Revolution, and the rise of democratic rule, the Toleration Act and subsequent events took the state-church relationship one step towards the centre of Monsma and Soper’s (2009) continuum through direct unbundling (period 2). The state prioritised new statistical methods (Miller and Rose, 1990) demanding that the church make visible its physical and financial needs (for example through Ecton’s *Liber Valorum* and nineteenth century Commissions of Enquiry). These classic governmentality tools (Foucault 1988, 1991; see also Miller and Rose, 1990) enabled the state to initially target its monetary support of the church. Nevertheless, an important and visible aspect of this unbundling period was the progressive extrication of local government from the church.

The state also moved to regulate charities (both religious and secular) - a direct governmentality tool also seen in prior literature (especially *waqfs*, see Melčák, 2010; Rothstein and Broms, 2013; Yayla, 2011). Further, the state-church was required to operationalise indirect governmentality tools on charities (1786 returns, 1816-37 enquiries), in order to make them visible and to open them up for further inspection and regulation by the state. This inspection intensified with the establishment of the Charity Commission of England and Wales.

Nevertheless, the state also continued to bend to growing pluralism by acquiescing to dissenters who were made visible through the 1851 Census of Religious Worship. Compulsory church rates are a further example of an indirect governmentality tool (where the church reported on citizens and levied them), and the abolition of these rates in 1851 show further weakening of the state-church relationship and acceptance of different conceptions of the common-good.

In the final period considered in this research, the state moves more towards neutrality. Nevertheless, direct governmentality is observed in the continuing requirement that important church staff be subject to state appointment, as the state may use these appointments to govern at a distance. Further, parliament holds to account the Church Commissioners (initially established to reform parish boundaries and manage the church). Nevertheless, for most of this period, the state-church enjoyed reduced (financial) reporting requirements, a benefit still held by a limited number of state-church entities. Lobbyists (on for example the Charities Act 2006) and the state have reduced the differential application of governmentality tools on charities and the state-church in the present era, although some aspects of the church remain invisible to the public.

This final period no longer evidences the state-church applying indirect governmentality tools to charities as it did in the second period of this study. Secular charities are directly regulated and the state continues to restrict which “dissenting” churches may register as charities (for example the Temple of the Jedi is not deemed to be a charity). However, even unregistered entities may receive relief from land tax through registering a place of worship. Finally, citizens no longer must answer to the state-church as indirect administrator of censuses, but report directly to government. These censuses confirm the findings of the prior period, that the common-good no longer prioritises adherence to the state-church, indeed that less than five percent of the population attends it.

Conclusion

The objective of this research is to open a debate about the church-state relationship and the appropriate tools to serve the common good. It does this through the introduction of a new framework to analyse accounting history literature and state-church relationships – the Monsma and Soper (2009) continuum from strict separation of church and state, to the church supported by the state with an established church. The longitudinal case study highlights the unique historical relationship between the English state and the Church of England (initially a state-supported church), and demonstrates the dramatic change to the state-church relationship over time. This theorisation underpins the current regulatory framework in England.

By applying Foucauldian governmentality over three distinct periods, the paper further theorises the Monsma and Soper (2009) framework. Governmentality tools are used to achieve the aims of the state-church - a belief that it would serve the common-good to ensure an homogeneous society (e.g. 43 Geo. 3 c.108 (1802)). This historical case study shows the progression of governmentality tools (Foucault, 1988, 1991) in managing the state-church specifically, and also charities in general. Increasing data collection, commissions of enquiry, imposed regulation and new accounting standards evidence direct interventions used over successive periods to make church and charities visible. The state previously used the church to also assist it in indirect governmentality on charities and citizens, but no longer is able to make these demands. Nevertheless, the state has also become more dependent on churches and charities for service delivery and to assist in developing policy in order to build a better society.

Various governmentality tools were applied to coerce the church, charities and citizens to act in the common-good. This historical analysis shows that the concept of common-good has also changed over time. Secularisation has previously been blamed for the decline in the importance of the church (Laughlin, 1988; Lightbody, 2000, 2003), nevertheless in this paper, diminished

state-church power has also resulted from competition from other denominations (dissenters and Roman Catholicism in the sixteenth to nineteenth centuries) and religions (pluralism); and the withdrawal of state support.

The majority view of common-good (from census data) suggests the need for state-neutrality rather than a single state-church (see Monsma and Soper's framework). Regulatory change enables public visibility of religious wealth and operations, requiring the church to account for its common-good contribution. Yet, the Charity Commission decides whether religious bodies seeking registration as a charity act in the common-good or not, limiting the entities benefiting from charity registration (these benefits include: protection of charitable gifts, taxation reliefs and the reputational benefit of ongoing Charity Commission registration). Conversely, parts of the state-church are exempted from the regulator's scrutiny, suggesting that governmentality tools are slow and difficult to change due to vestiges of past structures. This extends the governmentality framework through the lens of Monsma and Soper (2009).

Despite the arguments for state-neutrality, the state-supported church relationship developed from 1534 in England retains special structures that both constrain and formalise change within today's state-church. Parliament governs at a distance increasing the compliance costs of the state-supported church. This may place the church at a disadvantage to more recently formed religious entities that are also recognised by the state and afforded taxation benefits. A rethinking of extant regulatory and parliamentary structures in this respect is required.

Through the novel development of the Monsma and Soper (2009) framework and Foucauldian governmentality within that, the paper opens the state-church relationship debate within the accounting history literature and provides opportunities for comparative research. This research could be extended to other jurisdictions and to state-supported religions that are not Christian, to understand how different aspects of the Monsma and Soper (2009) framework

have operated over time, from different points on their continuum, or where the accounting regulation of churches conflicts with the espoused approach (e.g. Australia, the US). Another approach is to analyse how state-neutrality has developed (e.g. in the Netherlands) and the accounting and regulatory governmentality tools that underpin it. In particular, studying how regulators develop understandings of common-good would be useful. The state may choose to encourage societal stability through particular common-good notions, but this historical case study has shown that, over time, citizens will likely subvert the state's direct and indirect attempts to impose demands that fail to attend to their concept of common-good.

Notes

- ¹ Available at: <http://www.bbc.co.uk/news/uk-38368526>, accessed 20 July 2017.
- ² Available at <https://www.bdb-law.co.uk/blogs/charity-laws/11-arent-jedis-charitable-meaning-religion-charity-law/>, accessed 20 July 2017.
- ³ No doubt drawing on John Locke's statement in 1689 on the separation of Church and Magistrate.
- ⁴ See Maclear (1995: 34) who notes that 'until the Revolution, the colonies of the [US] South were all to maintain Anglicanism as a state religion'. The Puritans in Massachusetts differed in that they not only supported Congregationalism but also the separation of church and state into their specific spheres of authority (Maclear, 1995).
- ⁵ While in Spain in 1767 the enlightened government expelled the Jesuits, generally they had difficulties with delineating the state sphere from that of the religious (Alvarez-Dardet Espejo et al., 2006). Therefore, secular government occurred definitively later in Spain, but 'between 1833 and 1936 [there] was a constant pendulum-like motion between pro-clerical and anticlerical governments' (Fernández Roca, 2010: 243).
- ⁶ Rothstein and Broms (2013: 479) suggest that this was the result of an 'implicit bargain between rulers and their wealthy subjects. Rulers made a credible commitment to leave certain property effectively in private hands; in return, *waqf* founders agreed to supply social services, thus unburdening the state of potential responsibilities'.
- ⁷ Nevertheless, non-resident clergy were still an issue in 1777 when the Clergy Residences Repairs Act attempted to ameliorate this, but Snell and Ell (2004) reported over 1,000 clergy remained non-resident in 1850 (ill-health and lack of or sub-standard housing being common reasons given).
- ⁸ From 1717, tithes were reinvested in parishes where the living (benefice) was low (initially below £35 and then below £50) through the Queen Anne's Bounty which sought to "grow" parishes' revenue-bearing assets to enable a reasonable income to fund priests (benefices) (Best, 1964). This fund was topped up by government in the nineteenth century (Best, 1964; Snell and Ell, 2004).
- ⁹ Maclear (1995) notes that a "Comprehension Bill" failed in the Commons. Had it passed instead, it would have included "Moderate Dissenters" (Presbyterians) in an enlarged state-church.
- ¹⁰ Gibson (2007) notes the fear of Roman Catholicism and strong arguments for (re)union of Protestants. Nevertheless, the Blasphemy Act 1697 meant cases could be brought against those with heretical ideas including those who did not believe in the Trinity, although the Toleration Act was amended in 1779 so that dissenters could assert belief in Scripture rather than Church of England Articles. The Doctrine of the Trinity Act 1813 allowed Unitarians to practise and likewise the Jewish Relief Act 1858, for Jews. The Blasphemy Act was repealed in 1967. (See also the Criminal Justice and Immigration Act 2008 as signalled in the Racial and Religious Hatred Act 2006.)
- ¹¹ These continue, with the Church Commissioners being a 1948 merger of the Ecclesiastical Commission and Queen Anne's Bounty. Yet, the Church Commissioners has been a registered charity only since 2009 (see next sub-section). However the Church of England General Synod can pass "measures" that have the same status as Acts of Parliament. The Queen opens each quinquennial Session of the Church of England General Synod.

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- ¹² The Ecclesiastical Commissioners are now termed “Church Commissioners”. They comprise the Archbishops of Canterbury and York, all bishops, deans of Canterbury, St Paul and Westminster, the Lord Chancellor, first Lord of the Treasury, Chancellor of the Exchequer, Lord President of the Council, Home Secretary, Lord Chief Justice, Master of the Rolls, two judges and lay members that the crown and Archbishop of Canterbury have appointed. Laughlin (1988) suggested that over 40 percent of parishes’ income derives from this entity’s investments and expenditure comprises staff and building maintenance.
- ¹³ While charities were able to claim relief from many taxes (including income tax), it was a dissenting church that brought the classic Pemsel Case. In 1886 the treasurer of the Moravian Church (Pemsel) had his application for relief from income tax disallowed on the basis that income had not been applied for charitable purposes. Lord Macnaghten was required to define charitable purposes as the 1799 Act providing exemptions had not done so when it had been passed (the relevant Act at the time was the Income Tax Act 1842). He stated: ““Charity” in its legal sense comprised four principal divisions: trusts for the relief of poverty; trusts for the advancement of education; trusts for the advancement of religion; and trusts for other purposes beneficial to the community, not falling under any of the preceding heads’ (Gousmett, 2009: 428).
- ¹⁴ While Roman Catholic churches were exempt from the 1853 and 1855 Amendment Act initially (s. XLVII, extended by Acts in 1856, 1857 and 1858), they were subject to its provisions from 1859. Further persecution against Roman Catholic trusts (on the basis that they were believed to have “superstitious” objectives) was disallowed in the 1860 Roman Catholic Charities Act. Roman Catholic Churches were not, however, on the list of excepted or exempted charities in the Charities Act 2006, but arguably could be excepted as Places of Worship (1855 Act); further due to their proclivity to organise on a Diocesan-wide basis, they typically register as large charities (Morgan, 2009a).
- ¹⁵ Places of Worship were exempted from compliance until the Charities Act 2011. In s. 30, previously excepted charities (including entities registered as places of worship) must register if their income exceeds £100,000 and report in the normal way. The limit will be reduced over time (Morgan, 2017). However, merely being a registered Place of Worship does not automatically make an entity a charity (available at: <https://www.bdb-law.co.uk/blogs/charity-laws/11-arent-jedis-charitable-meaning-religion-charity-law/> accessed 20 July 2017).
- ¹⁶ In 1850 Pope Pius IX appointed the Archbishop of Westminster and established twelve episcopal sees throughout the UK (replacing the previous eight established in 1840 and the four before then (Maclear, 1995). Nevertheless, restrictions continued. Protestants were not allowed to join Roman Catholic schools, and monastic orders or endowment of schools and universities were prohibited.
- ¹⁷ Early episcopal visitation returns collected at a diocesan level in the state-church and surveys by individual denominations and religions provided some data. Field (2009: 7) also notes that the armed forces have gathered data on their staff’s religion (Army since 1860, the Royal Navy since 1839 and the Royal Air Force since 1863) and that prisoners likewise have been surveyed ‘in the 1860s and 1906, and annually from 1962’.
- ¹⁸ The House of Commons resolved on 19 June 1829 to make a ‘A Return of the number of Places of Worship not of the Church of England in each Parish, distinguishing as far as possible of what sect or persuasion, and the total number of each sect in England and Wales’ (Snell and Ell, 2004: 259). Most of this data was destroyed in the 1834 House of Parliament fire.
- ¹⁹ However, Snell and Ell (2004) note that the Independents formed the Congregational Union of England and Wales in 1832 to create some coherent ideals and the Baptist Union formed in 1813. They still retain levels of independence at parish level.
- ²⁰ It had also to contend with the separation of the Church in Wales (under the Welsh Church Act 1914) from the Church of England. This meant that Welsh Bishops were no longer entitled to sit in the House of Lords as Lords Spiritual and no longer received tithes from the state.
- ²¹ This took effect for financial years starting on or after 1 March 1996, making it mandatory to prepare SORP accounts and to file them from 1997.
- ²² Value Added Tax relief is relatively minor (Morgan, 2017 - see chapter 11).

APPENDIX

[INSERT APPENDIX TABLE HERE]

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