

**TESTING THE STAKEHOLDERS APPROACH FOR HISTORICAL
CASES OF PRIVATE PATRIMONIES. THE OSUNA DUCAL ESTATE
(1590-1633)¹**

**UNA APLICACIÓN LA APROXIMACIÓN DE LOS STAKEHOLDERS
EN CASOS HISTÓRICOS DE PATRIMONIOS PRIVADOS. LA CASA
DUCAL DE OSUNA (1590-1633)**

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ABSTRACT

The main aim of this paper is to test the validity of the stakeholder approach in a historical context different to the one in which it was originally developed. Specifically the late 16th and early 17th centuries. Furthermore, the paper applies this framework to the management of a private wealth, the Osuna ducal Estate, which is also a singularity with regards to previous works that have used this approach. For this purpose, we focus on the identification and salience of stakeholders. From 1590 onwards, the ducal Estate wealth was seized by the Government due to its high level of indebtedness. Since the changes in the ducal Estate management and accounting were promoted by creditors and the Crown, it seems that the stakeholder approach could be useful to analyse the case.

RESUMEN

El objetivo de este trabajo es poner a prueba la validez de la aproximación de los *stakeholders* en un contexto histórico diferente en el que no ha sido usado habitualmente. En concreto finales del siglo XVI y principios del XVII. Además el trabajo aplica este marco a la gestión de un patrimonio privado, la Casa ducal de Osuna, lo que supone también una singularidad respecto a trabajos anteriores que han usado esta aproximación. Para ello, nos centramos en la identificación y la prominencia de los *stakeholders*. Desde 1590 en adelante, el

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patrimonio de la Casa ducal fue incautado por el Gobierno debido a su alto nivel de endeudamiento. Dado que los cambios en la gestión y la contabilidad de dicho patrimonio fueron promovidos por los acreedores y la Corona, parece que el enfoque de los *stakeholders* podría ser útil para analizar el caso.

KEYWORDS:

Accounting History, Stakeholder Approach, Aristocratic Accounting, 16th and 17th century.

PALABRAS CLAVE:

Historia de la Contabilidad, Aproximación de los Stakeholders, Contabilidad Señorial, Siglos XVI y XVII.

1.- Introduction

Bisman (2012) quoted several frameworks few used in accounting history, instead of their potential; one of them is the stakeholders approach. Certainly, we can only quote the following studies that used it: i) the work published by Scott et al. (2003) where these authors have analysed the implementation of accrual criteria in accounting reported by two publicly funded hospitals in New Wales of South in the period 1875-1975 due to the requirement of the government, ii) the paper by Chandar and Miranti Jr (2007) on the process of firm-specific learning relating to the development of actuarially based pension accounting at the Bell System in the USA from 1913 to 1940, iii) the work by Cámara et al. (2009) on the evolution of annual reports of the Spanish Tobacco Monopoly between 1887-1986 as answer to the changing requirements of the stakeholders and iv) finally, the paper by Fowler (2010) devoted to the changes in accounting of the Nelson School Society in New Zealand in mid 19th century.

This paper analyses the changes happened in accounting and management in the Osuna ducal Estate (hereinafter ODE), one of the most important Spanish Aristocratic organizations, during the end of 16th century and first part of 17th. These changes have been yet described in this same journal (López-Manjón, 2007), so the aim of this paper is to take advantage of that description in order to test the validity of stakeholders approach in an historical context, characterised by a non capitalist economy and related to the accounting and management of a private wealth.

The situation in that period of transition to the Modern State meant the involvement of several agents implied on the management of Aristocratic Estates: “*It was the outcome of a new equilibrium among the powers of the King, the cities, the rural communities, the Church and the nobility*” (Yun-Casalilla, 2005: 87). The progressive concentration of power in the Crown is described by Blanco-Valdés (2010) as a permanent dispute with the privileged groups that were limiting its freedom to exercise an absolute power. In fact, in opinion of the same author they were the Constitutional States in the 18th century that actually reached the concentration of the absolute power in a unique institution: the State.

Following Atienza (1987), in this new game of equilibrium, the monarchy was supported by nobility and the aristocratic privileges were justified by services of the Crown, what were finally considered public services. On the other hand, the Nobility was highly

interested in the existence of a strong central power which controlled the pressures of new economic agents. These new social groups, their creditors, were their liquidity source, and indirectly to the Crown. Taking into account that stakeholders approach “*is about groups and individuals who can affect the organization, and it is about managerial behaviour taken in response to those groups and individuals*” (Freeman, 1984: 48), we propose that the situation of Spanish Aristocratic organisations may be analysed from a stakeholders perspective. We can identify the Crown, the Aristocracy and the creditors as groups able to influence and sensitive to be influenced by the Aristocratic organization performance.

The rest of the paper is organised as follows. Firstly, we describe the theoretical frame used. Following, we present the indebtedness situation of Aristocratic organizations by emphasizing the role of the Crown. Section fourth summarizes the changes happened in the ODE management, later we make the discussion of the case and finally we present the concluding remarks.

2.- The Identification of Stakeholders, their Salience and Strategy

Mitchell et al. published in 1997 a paper aimed to formulate a theory of stakeholder identification and salience able to explain to whom and to what managers actually pay attention. That paper constitutes the theoretical basis used in our work. Mitchell et al. (1997) indicated that the three key attributes of a stakeholder are urgency, legitimacy and power. Depending on the combination of these factors, managers will have to pay more or less attention to a stakeholder.

In order to define power, these authors follow Dahl, 1957, Pfeffer, 1981, and Weber, 1947, describing it as “*a relationship among social actors in which a social actor, A, can get another social actor, B, to do something that B would not have otherwise done*” (ib.: 869). Within their framework, they use the legitimacy definition offered by Suchman: “*a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions*” (1995: 574 quoted in ib.: 866). Urgency is defined in the mentioned paper as “*the degree to which stakeholder claims call for immediate attention*” (ib.: 869).

The key contribution of Mitchell et al. is the addition of urgency to the list of stakeholder attributes in order to change the model from static to dynamic (ib.: 867). Moreover, these authors pointed out several additional features of the attributes. First of all, they are variable, not a steady state. They can be gained and they can be lost. They are socially constructed rather than objective realities. Finally, neither the stakeholder nor the managers are always conscious of their attributes. Even if such awareness exists, there is not always a wilful exercising of these attributes (ib.: 868).

Based on these attributes, Mitchell et al. drew up a classification of stakeholders. It is remarkable that the point is not the existence or not of the attribute but rather the managerial perception regarding the existence of these attributes. Thus, they define latent stakeholders as those for which the manager perceives the presence of only one attribute. Expectant stakeholders are those for which the manager perceives the presence of two attributes. If the

manager perceives the presence of the three attributes, stakeholders are named definitive stakeholder.

The dynamism of the model allows for stakeholders to change their position in the previous classification by gaining or losing attributes. In the first two categories, the authors establish sub-sets depending on the perceived attributes. Specifically within the category of expectant stakeholders, they distinguish:

1. Dominant stakeholders. When the manager perceives the presence of power and legitimacy.
2. Dependant stakeholders. When the manager perceives the presence of legitimacy and urgency. They are called dependant because their lack of power means they need the help of other groups/individuals (manager or stakeholder) in order to achieve their objectives.
3. Dangerous stakeholders. When the manager perceives the presence of power and urgency. The absence of legitimacy usually leads to the use of violent and coercive measures.

As far as latent stakeholders, they distinguish: a dormant stakeholder if only power is perceived; discretionary stakeholders when their only perceived attribute is the legitimacy; and demanding stakeholders who are those for which urgency is the only perceived attribute.

The authors propose that the salience of a stakeholder depends on the combination of attributes perceived by the managers (ib.: 873). Thus, the level of salience will be high for definitive stakeholders, medium for expectant stakeholders and low for latent stakeholders.

Using the theory of dependence of the resources, Frooman (1999) distinguished four types of stakeholders influence strategies depending on the type of resource control and the types of influence pathways. That is:

- Direct withholding strategies.
- Indirect withholding strategies.
- Direct usage strategies.
- Indirect usage strategies.

The withholding strategies are defined as “those where the stakeholder discontinues providing a resource to a firm with the intention of making the firm change a certain behaviour”. The usage strategies are those in which the stakeholder continues to supply a resource, but with strings attached (Frooman, 1999: 197). In the direct strategies the stakeholder manipulates directly the flow of resources and in the indirect strategies it uses another group to influence in the firm.

The level of firm dependence determines the type of pathway chosen. If the firm is low dependant on the stakeholder, this will have more difficulties and will be more likely to use indirect strategies. If the firm is highly dependent on the stakeholder, it will not need to

use any indirect way to press the firm. On the other hand, the level of stakeholder dependence determines the type of resource control chosen. If the stakeholder is highly dependent on the firm, it will be dangerous to use a withholding strategy because it could look back against it. Thus, the more likely strategy will be the usage. If the stakeholder is low dependent on the firm, it will not have why to take care of the firm success and it will be more likely to use a withholding strategy.

Thus, the choice of the influence strategy will depend of the relations of interdependence between the firm and the stakeholder. Frooman (1999: 201 and 202) conclude with the four following propositions in which he predicts the choice of influence strategy depending on the relationship stakeholder-firm:

- In cases of low interdependence, the stakeholder will choose an indirect withholding strategy.
- When the firm has the power, the stakeholder will choose an indirect usage strategy.
- When the stakeholder has the power, it will choose a direct withholding strategy.
- In cases of high interdependence, the stakeholder will choose a direct usage strategy.

3.- Aristocratic organisations indebtedness. The role of Crown

Aristocratic Estates involved the transfer of public competitions in matters of administration and government, justice and taxes (Atienza, 1987). So, Aristocratic Estates were forming a part of the gear of the "State system" in the Spain of 16th and 17th century. In spite of their great properties and rents (Reglá, 1974, Bernal, 1983; Atienza, 1987), most of Spanish aristocratic organisations had a high level of indebtedness at that period. Literature provides different reasons to justify this seemingly contradictory situation. Thus, Domínguez Ortiz (1983: 301) blames the inappropriate management of wealth and the high level of non-productive assets. Atienza (1987: 339 and following) follows this opinion and adds other reasons such as the necessity of providing economically for relatives excluded from the *mayorazgo*² inheritance and high crown taxes.

Yun-Casalilla (2002), however, does not agree with these authors regarding the mismanagement of aristocratic wealth. In his view, there were reasons for indebtedness out of the control of their managers such as the social and legitimising functions of the lordships, the services rendered to the crown or the irregularity of income that depended on the circumstances of the agricultural market every year. Furthermore, the aristocracy had to pay

² That was a Castilian legal Institution by which a set of possessions formed an indissoluble and un-attachable unit, only transmissible through inheritance. Any other kind of transmission, division, or disposition, including the mortgage on such property, required a royal authorisation.

out large sums at specific moments, for instance, the dowries payable when their daughters married or the aforementioned services to the Crown. More in deep the same author pointed out the relevance of this period of transition to the Modern State: “*It was the outcome of a new equilibrium among the powers of the King, the cities, the rural communities, the Church and the nobility, which limited or made more selective the forcible expansion of seigniorial revenue but eliminated neither the vigour and needs of the lordships as units of social domination, nor their expenses, nor the forms of management on which they depended*” (Yun-Casalilla, 2005: 88). It is also important taking into account that the aristocratic administrations did not aim with the maximization of profits but they were: “*the result of complex and heterogeneous networks of family interest and tensions whose main goal was to maintain the internal equilibrium and to support the political aspirations of the lineage*” (Janssens and Yun-Casalilla, 2005: 2)

Putting the reasons to one side, the fact of the matter is that at the end of the 16th and beginning of the 17th century the Spanish Aristocracy had a high level of indebtedness. That meant an increase of the dependence of the Castilian aristocracy on the crown. (Jago, 1973: 233). In these circumstances, the Crown intervention was necessary. Apart from the legal necessity, you must take into account that most of the indebtedness was justified by the services rendered by Aristocracy to the Crown. Therefore, the King was in a certain way responsible for the situation. Besides, the Aristocracy played an important role on the system that supported the Crown. So, Crown was interested in Aristocracy did not go to the bankruptcy by the services rendered, and also by images reasons.

As first way of support, the Crown reduced the *censos*³ interest rate (Domínguez Ortiz, 1985; Yun-Casalilla, 2002). Crown also helped Aristocracy facilitando que obtained liquidity using its main wealth, what was linked to *mayorazgo*. In this case, the support of the Crown was necessary because properties linked to *mayorazgo* could not be sold nor mortgaged without an special royal licence (Jago, 1973). Although originally, the permissions were justified to allow the nobles to support the King, it was extended quickly to other aristocratic needs. In short, the aristocratic indebtedness was mainly a liquidity crisis and the *mayorazgo* survived due to its new function as liquidity source (Yun-Casalilla, 2005).

Anyway, the high aristocratic indebtedness reached such level that creditors could not even collect the interests of the loans. At this point, the following measure used to be the *concurso de acreedores*: “*It took the form of a compulsory encounter between creditors and debtors before the chancery courts. It was the task of the judge to determine in what order debtors were to be paid by grading all debts in order of priority and to set an allowance for*

³ The *censos* were contracts through which you obtain an amount of money in exchange for the payment of annual rent and with the warrant of a real estate good. In order to avoid the ecclesiastic prohibitions of usury, the contracts had the legal form of sell of the good futures rents. Usually the contracts did not include an amortization period. The redeemable *censos* finished when the debtor gave back the received money in an only payment. The non-redeemable were perpetual contracts.

the holder of the mayorazgo and his family" (Jago, 1973: 229). The same author adds that the courts used to appoint a judicial administrator in charge of supervising the collection of rents and the payment of all the expenses.

4.- The Osuna Ducal Estate. Changes in management

As we have said previously, the changes happened in the management of the ODE during the period 1590-1633 have been previously described in this journal (López-Manjón, 2007). Thus, the aim of this section is only to summarize them remarking the role played by accounting in the process. We refer the reader to that paper for obtaining further details. The progressive indebtedness of the ODE led creditors and guarantors to lodge complaints and initiate several litigation proceedings in different Tribunals. According to SNAHN⁴, Osuna, file 38 (1), the Crown decided to seize the ducal wealth from 1590 onwards, and promulgated the following rules:

- Transferring the management of ducal wealth to the Council of Castile. They did not manage it directly but appointed an administrator in charge of ducal wealth.
- Drawing up a rating of creditors to ensure the correct payment of debts. In this rating, debts were ordered chronologically. The result of this rating was that in 1594 ODE accumulated 194 debts for 264,992,395 *maravedíes* and had to pay 14,765,726 *maravedíes* annually in interest⁵.
- Limiting proceedings to all the usual tribunals. All cases pertaining to the ODE had to be legally brought before the Council of Castile.

During this period, the ODE had a collector in each village of the district. This person was in charge of the collections of the rents and the payments related to the ODE. Periodically, irregularly but always for periods bigger than a year, the collectors reported accounts to the ODE using the system defined in the *Tratado de Cuentas* by Diego del Castillo as the *Cargo y Descargo*. Cristobal de Auleztia was designated by the Council of Castile as manager and he was in charge of the ducal wealth during the period 1594-1596. He received complaints from creditors about the accounts presented by some of the ODE's collectors. Thus, Francisco de Santander, on his own behalf and representing other creditors, presented in 1594 claims about the accounts of Andres Banegas, Olvera's collector, and about

⁴ Spanish stands for Historical National Archive, Section Nobility.

⁵ The *Maravedí* was the coin commonly used in Spain in that period. It was used as accounts unit until mid 19th century. The *Ducado* was a gold coin used in Castile since 1497. Stopped coined in 1535 and since then only worked as an accounting unit equaling 375 *maravedis*

Rui Díez Roldan, who was La Puebla’s collector (AMO⁶, file 13 (53)). Santander argued that the mistakes made in the settlement processes harmed his interests and those of other creditors, so the accounts should be re-drawn up. Due to that the management by the Council of Castile did not solve the problems of non-payment to the duke’s creditors, they asked the Crown for changing the rules on administration of ducal wealth in 1598. They argued that the accounts submitted by Cristobal de Auleztia on the period 1594-96, included collections of one hundred and forty-eight millions of *maravedíes* during these three years. But he only had paid thirty-five millions of *maravedíes* of debts and twenty-two of salaries assigned by the duke and the same Cristobal de Auleztia but “the rest had been spent in maintenance allowance of the ducal family, costs and expenses and in taxes”. They claimed on the appointed managers looked for them own profit and also because in their opinion the salaries designed for the ducal staff were excessive. The result of the royal intervention, according to the creditor’s complaints, was that total debt was increased in one hundred and fifty thousands of *ducados* from the moment in which the royal administration started (that meant 21,23 %).

The solution put forward by the Crown, at the proposal of the creditors and guarantors, and with the agreement of the Duke, was the whole lease of the ducal wealth. In order to calculate the price of the whole lease the graduate Tejada ordered to make a calculation on the value of the rents during the period of seizure. The result of that calculation is summarized in table 1. Only one person, Gaspar de Zárata presented an offer and the final price fixed was 138.062 *ducados* every year with 3.000 as *prometido*⁷.

Table 1. Rents value in the period 1594-98					
	1594	1595	1596	1597	1598
Osuna	37.645.106	34.552.841	37.502.746	34.487.909	39.176.163
Peñafiel	7.367.606	7.347.586	6.576.283	6.843.928	7.125.389
Ureña	1.012.159	1.947.262	1.952.111	2.040.401	2.019.315
Total Income	46.024.871	43.847.689	46.031.140	43.372.238	48.320.867
Average of expenses of collection	2.480.462				
Average net value of the rents	43.039.350				

⁶ Spanish stands for Osuna’s Municipal Archive

⁷ *Prometido*: Sum given to the bidders in the public auctions for the lease of the royal rents with charge to the total of the leased rent.

Once again, the whole lease was not a satisfactory solution. Through the administration provided in the first five years of the lease, more than 30 million *maravedíes* were lost and nearly uncollected. The leaseholder had been in prison for over a year in relation to a sum of more than 28 million *maravedíes*. The debts from mortgages had increased in excess of 250.000 *ducados*.

The ODE's creditors and guarantors reached an agreement with the Duke. This agreement was signed in Brussels on February 9th, 1604 and its signatories required royal authorisation and ratification. The solution agreed with the Duke and the creditors was that an individual with a personal but unselfish interest in the matter should be appointed to administer the Estate. The person chosen was the Count of Haro, cousin of the Duke, granted the authority to govern and manage the ducal estate for a specific period of time. It is no casual that the new manager was a relative of the Duke. You must take into account the importance of the family networks in the management of the Aristocratic Patrimonies (Janssens and Yun-Casalilla, 2005). It is remarkable that pushing creditors down to last place in the order of payments stipulated in the agreement.

This agreement was ratified by the King on September 11th, 1606, imposing a requirement for authorisation from the Council of Castile in terms of: i) soling of free properties, ii) dropping cases to recover properties or claiming debts and iii) changes in the allowance assigned to the ducal family. From that moment, the members of the Council of Castile no longer managed the ducal wealth or dealt with claims related to it; hence creditors could turn to the Tribunals. The only one accounting reference in this document is the obligation of the count of Haro of controlling the leaseholders accounts settlement.

Even during the term of the lease, members of the Council of Castile appointed for ODE administration passed an Instruction in Valladolid on July 16th, 1605 treating to change in depth the management system. For instance, this Instruction promulgated an important change in the ODE's bookkeeping, meaning a remarkable increase of the frequency of accounts (López-Manjón, 2007). As far as accounting documentation is concerned, the Instruction indicated that each district should draw up:

1. A Book aimed to register and justify all the amounts deposited in the safe (*Libro de Cuenta y Razón de lo entrado en el Arca*).
2. Current Account Book for the amounts deposited in the safe. For each entry, the bookkeepers should register day, month, year and currency.
3. A Book aimed to register and justify all the payments (*Libro de Cuenta y Razón de los Pagos*).
4. Basing on the previous books, the account of the safe would be settled.
5. Biannual report on the profit, value and leasing of rents.
6. Biannual report of the amounts deposited and paid for the safe and overdue credits. The Osuna district should also draw up a biannual list of the surplus sent to the Court safe.

Although we do not have evidence of their fulfilment, it is remarkable the importance given by the members of the Council of Castile to accounting as a way to a possible solution to the poor economic situation of the Estate.

Finally, on May 22nd, 1633, the King signed an Order returning the administration of their wealth to the Duke. This same document recognised that the problems of indebtedness had not been resolved: “According to the accountants’ reports in 1606 overdue interest stood at 200,000 ducados and by 1633 the sum had reached more than 450,000 ducados” (SNAHN, Osuna, file 15 (16)). The Order maintained the conditions of the 1606 agreement and the Duke had to spend 4,000 ducados every year repaying mortgages. The creditors appointed a representative in the ducal wealth administration. The timeframe for this arrangement was from 1633 to 1639.

The return of direct management was extended in 1639 (for the period 1640-48) and in 1647 (for a further nine years). In both cases (SNAHN, Osuna, files 15 (20) and 16 (4)), the extensions were justified in terms of the services rendered by the Duke to the Crown, providing soldiers to fight on his behalf. The first document mentioned the creditors’ satisfaction with the direct management arrangement.

Table 2 summarises the changes happened in the ODE management during this period and the role of accounting both as a tool used to provoke the changes and as a component of each new management system.

TABLE 2. CHANGES IN ODE MANAGEMENT 1590-1633			
YEAR	ROLE OF ACCOUNTING IN THE CHANGE	MANAGEMENT SYSTEM	ROLE OF ACCOUNTING IN THE SYSTEM
1590	Creditors complaints	Seize of ducal Patrimony	New rating of creditors Annual accounts reported by administrators in presence of ducal Estate accountant
1599	Creditors complaints based on accounting reports Calculations of the value of the rents	Whole lease	Leaser must report every year in presence of the ducal Estate accountant
1605		Instruction on Accounting	Increase of bookkeeping and frequency of information
1606	Creditors complaints based on accounting reports	Agreement with creditors	Control on leaseholders accounts
1633	Accountants reports pointed out increase in the indebtedness	Return of the administration to the dukes	

5.- Discussion

In terms of stakeholders salience, the situation of the ODE wealth previously to the Royal seizure could be defined as follows: i) The Duke administered ODE wealth, ii) the Crown was a stakeholder within in the social system of the period, endowed with power and legitimacy, making it a dominant stakeholder. The Crown could affect the ODE and any organisation in this period through absolutism. It could be affected by ODE because aristocratic organizations were one of its mainstays that supported the social system of the period. In this social situation, the Crown had no urgent claims to make of the Duke in relation to ODE wealth management. iii) Creditors could affect the organisation by withholding further credit and they could in turn be affected by the performance of the ODE because if the organisation had no surplus, they could not collect their loan interests. Creditors were initially in a situation of discretionary stakeholders. They had legitimacy because of their loan contracts. In fact, they had legitimacy as regards both the Duke and the Crown because the mortgages on properties linked to *mayorazgo* required royal authorisation. Thus, they stood by royal protection when they granted financial aid to the ODE. When non-payment occurred, they had urgent claims to make, which turned them into dependent stakeholders. According to Mitchell et al. (1997), they needed the coalition of a powerful stakeholder in order to achieve their objectives. Thus, they went to the tribunals and they achieved the exclusion of rents in the years 1590 and 1591.

The dire economic situation of the ODE meant that the Crown had an urgent interest in resolving its problems; thus, the Crown became a definitive stakeholder because it had power, legitimacy and, now, urgency. The solution adopted was the royal seizure of wealth. Thus, as of 1590, in terms of the stakeholder classification, the new situation was as follows. The Duke became a discretionary stakeholder because he had legitimacy as the wealth owner. The existence of *mayorazgo* that ensured he would keep the wealth and collect some income, the maintenance allowance, reduced his urgency. His power was restricted by the royal seizure. The Crown, in a broad sense, including the King in person and the Council of Castile, became the ODE's wealth administrator. Finally, the creditors became dominant stakeholders. They had the legitimacy of the loan contracts drawn up with royal authorisation. They had power through the cases they won in the tribunals and above all because their aim to avoid ODE bankruptcy coincided with that of the Crown. As a consequence of this new attributes:

i) When the Duke wanted to become involved in the administration of his wealth, he became a dependent stakeholder because he added urgency to his legitimacy. Thus, he needed the coalition of other stakeholders to achieve his objectives. In the agreement of 1606 he gained the possibility to increase his influence on the management of the wealth, through the position of his cousin, and the possibility to increase his maintenance allowance. To do this, he needed the support of the creditors to obtain royal authorisation. In 1633, the King returned to the Duke the management of the ducal wealth but the conditions of this return specified the amounts allocated to the annual payment of

mortgages and interest (SNAHN, Osuna, file 15 (16)). In 1640, the King extended the Duke's direct management of the ducal wealth on the grounds of the services rendered by the Duke and the creditors' satisfaction with the arrangement (SNAHN, Osuna, files 15 (20)).

ii) When the creditors' claims attained a level of urgency, in other words, when they were unable to collect their interest, they became definitive stakeholders and managed to force several changes in the management of ducal wealth, the whole lease of 1599, the 1605 Instruction on Accounting, the 1606 agreement between the Duke and his creditors and the non-renewal of the whole lease from 1608. The legitimacy of their complaints was supported by accounting information from the ducal household.

Summarising, the management changes that took place in the ODE between the years 1590-1633 were the result of pressure from a group of stakeholders, the creditors, who became definitive stakeholders when they embodied all three key attributes: power, legitimacy and urgency. After the changes, their situation improved, they lost urgency and returned to the status of dominant stakeholders. But the creditors had power depending on the King's will; indeed, it could be said that they took advantage of the fact that their objectives coincided with the Crown and used its power indirectly. Thus, they could at any point have become discretionary or dependent stakeholder. Furthermore, we would argue that the creditors were aware of their limited power because i) In the agreement of 1606 they agreed to occupy last place in the order of payments and ii) they accepted the return of ducal administration even though the indebtedness problems had not actually been resolved.

With regards to the typology of influence strategies provided by Frooman (1999), we can say that the creditors had a different level of dependence on the ducal Estate. The collection of the interests of the credits could be the main economic resource of some families, but in other cases, the collection of these interests could be only a residual income. According to the Frooman's typology, the type of resource control would depend on this level of dependence. However, in the studied case, the stakeholder had a limitation to continue providing resources to the ducal Estate. Probably, the more dependent creditors had fewer possibilities to continue providing resources and the less dependent would have more possibilities to give more resources to the ducal Estate. The chosen strategy by the creditors as a whole was closer to the usage strategies, influencing in the patrimony management in order to secure the interests payments as a previous condition to continue providing resources. But, with independence on the decision of giving or not more resources the way of influence was useful to the creditors in order to the fulfilment of conditions of the flows of resources previously given to the Estate.

The use of an indirect pathway is coherent with the Frooman's model because of the low dependence of ODE on the creditors. The credits had been previously given, the Estate had the royal protection and they could look for other creditors in the future.

6.- Concluding remarks

Previous literature has used stakeholders approach until now to explain changes in business firms framed in a capitalist economic context. However, the importance of agents related to the firm apart from shareholders is in the start point of stakeholder approach. In fact, the vagueness of stakeholder definition is one of the problems that impelled Mitchell et al (1997: 857) to formulate a theory of stakeholder identification and salience: “*Persons, groups, neighbourhoods, organizations, institutions, societies and even the natural environment*” have been identified as potential stakeholders in some moment. In this sense, the accuracy of stakeholders approach in a non-capitalist context could be hoped. Following this, the case of ODE proves the availability of stakeholder approach to explain management changes in private organisations embedded in a non capitalism context and dealing with organisations whose objectives were not the look for profits. You have to take in mind that as well as ODE as its creditors were mainly renter organizations.

Therefore, the stakeholder approach has been able to explain sufficiently the changes that took place in the management of ODE in 16th and 17th centuries and the role of accounting in all these changes. That means firstly a contribution as well as in the studied period due to research works that have used stakeholders’ approach, as well in accounting literature as in other management topics, have focused until now on 20th century with only one exception referred to the final years of 19th century. It is remarkable that this implies the use of stakeholders approach in a non-capitalist context. On the other hand, the paper contributes with the analysis of a private patrimony management on the frame of stakeholders approach.

From its origin, accounting played an important role in all the changes happened in ODE management from the Royal Intervention until the return of its administration to the dukes. Accounting was present throughout the process as a legitimating element of the creditors’ complaints. They complained about the accounts rendered by collectors, and argued the failure of the whole lease being based on the accounts of the lesser. Thus, the stakeholders who had a weaker position used accounting to reinforce their legitimacy. This legitimating role of accounting was even recognised by the King who referred to the reports of the book-keepers when returning the administration to the Duke, though ultimately his criterion was based on gratitude for the services rendered by the Dukes. Thus, at the end of the process the indebtedness situation did not actually improved, but you must take into account that King and the dukes did not look for economic objectives but political and social ones. And in the context of a renter economy, creditors were satisfied if they could collect their interests, they did not aspire to recover the principal of their loans.

On the other way, accounting was the striking point of the changes promoted by Council of Castile in the 1605 Instruction. This rule was attempting to introduce new accounting methods and, overall, increasing the frequency of required accounting reports. Although there is not evidence on the implementation of this Instruction, even more, the later agreement with creditors indicates it was not, we conclude that the Instruction is a sign of the

belief among members of the Council of Castile about the possible contribution of accounting to improve the situation of the ODE wealth.

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