

**ACCOUNTING FOR EARTHQUAKE:
GOVERNING THE POPULATION'S HEALTHCARE
AFTER THE DISASTER**

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ABSTRACT: This paper, through the use of the “governmentality” framework, analyses the roles that accounting has played in the dynamics of the keeping (the Region) and controlling (the State) the accounts of the recent Abruzzo earthquake, and in the government “at a distance” of the Abruzzo population’s healthcare after the disaster. In a scenario dominated by the federalist discourse and a tight annual healthcare Budget Recovery Plan, the sudden ascent of a novel discourse triggered the launching of an emergency governmental programme. Accordingly, additional funds were allocated to cover the increasing 2009 healthcare costs, but they were later subjected to the issuing of an “Operational Programme”(OP). A governmental expert, operating on behalf of the Region, had to present it to the State for the approval in order to distinguish the extraordinary earthquake-related costs from those referred to the ordinary operations. Novel and purposely defined cost accounting criteria – acting as ‘technologies of government’ – were thus forged by the governmental expert in order to foster the deployment of new homogenized accounting procedures, reports and disciplinary writing techniques within the Local Health Authorities of the Abruzzo Region and, concurrently, to calculate only earthquake-related costs. The analysis seeks to go beyond extant research by investigating the ad hoc cost accounting criteria and techniques designed to keep and control “at a distance” the healthcare accounts of the Abruzzo earthquake, examining at the same time the content of the healthcare emergency regional OP, as well as its subsequent control by State experts. This paper thus unveils how, in a moment of crisis, the Region, through accounting mechanisms, seized the opportunity to better solve its financial problems by adding costs, later deemed not refundable by the State, and how the State, in its turn, used accounting techniques to object to a part of the claimed emergency healthcare asking for the re-formulation of the OP.

Key-words: accounting, earthquake, governmentality, healthcare.

1. Introduction

3.32 a.m., 6 April 2009

....the earth loudly trembled...and a 6.3 magnitude earthquake¹ destroyed L'Aquila, a picturesque medieval town² located in the Abruzzo Region east of Rome, Italy. Though the epicenter was in L'Aquila, other two Abruzzo Provinces, Teramo and Pescara, were also ravaged by the seismic catastrophe, involving several municipalities and thereby causing more than 300 victims, about 1,600 injured people and 65,000 homeless, and damages estimated at 10.2 billion euros. In L'Aquila and in the surrounding areas, the local university, the hospital as well as schools, public buildings, churches, cathedrals, monuments, private houses, ...where seriously devastated or even erased (see, for example, *New York Times*, *The Guardian*, or *The Australian*, of April 2009). The shock also damaged essential infrastructures, such as power stations, water distribution networks, roads, etc... and had a drastic impact on the regional economy as well, causing the cessation of most activities. The Italian Government immediately declared the "state of risk" and, one day after, the national "state of emergency" (Decrees of the President of the Council of Minister – DPCM - 6 and 7 April 2009), thereby launching the first temporary urgent measures for the post-disaster management, and appointing the Head of the Civil Defense Department - Guido Bertolaso - as "Commissioner" delegated to guide the post-disaster operations (DPCM, 6 April 2009).

Admittedly, in the last decades earthquakes have destroyed several cities and populations in different nations and societies. For example in China the Tangshan earthquake in 1976 killed 240,00 people, whilst in the more recent Sichuan shock about 70,000 people died. In Japan, on 17 January 1995 Kobo was devastated by a major earthquake, causing the death of more than 6,400 people. Earthquakes have also marked the history of Los Angeles or San Francisco, or Indonesia, as

¹ The magnitude of an earthquake is a measured value of its size in terms of energy released. Earthquakes are also classified in categories ranging from "minor" to "great", depending on their magnitude. Here follows the most commonly used classification: minor 3-3.9; light 4-4.9; moderate 5-5.9; strong: 6-6.9; major: 7-7.9; great:8 or more (Lee, Jennings, Kisslinger & Kanamori, 2002).

² In the sixteenth century L'Aquila was the residence of Margaret of Austria, daughter of Charles, who governed the State of Abruzzo (Sargiacomo ,2008).

well as of L'Aquila (Centofanti, 2003)³ itself. The apocalyptic 7.3-magnitude earthquake on January 2010 “flattened” and disintegrated Haiti’s capital Port-au-Prince, exceeding 210,000 died people, and 1 million homeless, whilst the more recent massive 8.8-magnitude Chile earthquake devastated the Maule Region, triggering a tsunami and causing more than 480 victims, as well as affecting in some way 2 million people. Despite so many tragic examples, accounting literature has totally neglected the role that accounting plays in the aftermath of major earthquakes and national disasters, meant as any event or force of nature that has catastrophic consequences such as tsunamis, flash floods, hurricanes, tornados, volcanic eruptions, etc...(Seymour, 2001, 2006, 2007). For example, there is still much to learn about the ways in which accounting intervenes in the dynamics of the emergency regime caused by a natural disaster to officially count regional and local damages, to report them at the national level in order to unlock the funds allotted by the States, to control the regional accounts and to object to the claimed emergency expenses, etc...

This paper, informed by the Foucauldian governmentality framework (Foucault, 1988, 1991), aims to analyse the roles that accounting and financial information have played in keeping – at the Region level - and controlling – at the State level - the accounts of the recent Abruzzo earthquake, and in the government “at a distance” of the Abruzzo population’s healthcare after the seismic disaster. Admittedly, a major strand of Foucauldian supported accounting research has been informed by the ‘governmentality’ framework which underpinned studies addressed to investigate the private (*e.g.*, Jeacle & Walsh, 2002; Neu, Ocampo Gomez, Graham & Heincke, 2006), the public (*e.g.*, Miller, 1990; Miller & O’Leary, 1994; Neu, 2000) and the healthcare (*e.g.*, Preston, Chua & Neu, 1997) sectors. With regards to these two latter fields of research in particular, while Foucauldian governmental ideas have been deemed appropriate to analyse the ways in which governments seek to manage populations in order to reach governmental aspirations (Rose & Miller, 1992), Foucauldian analyses of governments do not seem to have sufficiently examined the

³ Indeed, the city was struck by earthquakes in 1315, 1349, 1452, 1501, 1646, 1703, and 1706. The February 1703 earthquake, which caused devastation across much of central Italy, largely destroyed the city and killed around 5,000 people (Cappa, 1871; Centofanti, 2003).

ability of accounting to manage distant populations (Miller & Rose, 1990; Rose, 1991; Rose & Miller, 1992).

Therein, the first pioneering researches have explored different topics within the public sector. Burchell, Clubb & Hopwood (1985), for example, have scanned the rise of interest in value added accounting in the UK during the 1970s. Miller (1990) has analysed the Colbert period during the reign of Louis XIV. Miller & O'Leary (1994) have investigated the dynamics of a specific attempt to govern the economic and personal dimensions of the Caterpillar's Plant with a Future in the USA in the 1980s. Neu (2000) and Preston (2006) have highlighted the roles that accounting played in the government-indigenous people relations in Canada, whilst Neu & Graham (2006) have illustrated the adoption of accounting- and non-accounting-based disciplinary techniques in the process of constructing the Canadian nation.

Relatedly, whilst the healthcare scenario has undoubtedly attracted the general interest of accounting research (*e.g.*, Chua, 1995, Chua & Preston, 1997; Abernethy, Chua, Grafton & Mahama, 2007), very few but precious governmentality analyses have been there addressed. Indeed, Preston, Chua & Neu (1997) have examined the use of diagnosis-related group costing in modern US healthcare. Llewellyn and Northcott (2005) have highlighted the introduction of hospital cost benchmarking as a mean to promote the "average hospital" in UK. Moreover, Neu, Rahaman & Everett (2010) have recently emphasized the role played by accounting for social purpose alliances, focussing on the HIV/AIDS Pandemic scenario in Africa.

Proceeding from the examination of national laws and ordinances - which deployed the emergency structural programmes instituted at the Italian level to face the difficulties caused by the earthquake to the Abruzzo healthcare regional system - and analysing the governmental expert's decrees related to the elaboration of homogeneous cost accounting criteria and vocabulary to report the growing operating costs and the post-disaster "Operational Programme" (OP) needed to unlock the national emergency funds, as well as referring to the objections raised by ministerial experts on the OP, this study aims to contribute to the accounting literature in two major interconnected ways.

Firstly, in response to Hopwood's early call to investigate "...how accounting systems do and do not function...with the circumstances which promote or constrain the effectiveness of the accounting function, with the bases for designing alternative forms of accounting" (Hopwood, 1978, p. 93) the paper illustrates the emergence of "alternative forms of accounting" in the aftermath of the Abruzzo earthquake, thereby going beyond extant research which has, so far, neglected to examine the roles played by accounting in catastrophic situations triggered by natural disasters. Secondly, and in a related manner, the present analysis adds to the Foucauldian literature a study on the government of population's healthcare system in a situation of "crisis", "national emergency" and "non-security" where – paraphrasing Foucault – it is investigated the hitherto unexplored government of "men in their relation to that other kind of things, accidents and misfortunes such as famine, epidemics, death, etc..." (Foucault, 1991, p. 93), earthquakes and natural disasters included. Indeed, if within the healthcare literature the above mentioned Preston *et al.* (1997) paper is the starting point as it considers the notion of governmentality and how costing mechanisms are an invisible way or rationing services, thereby highlighting that the techniques of government can be distributive, and not just organizational in the execution of "normal" programs, this paper looks at how "crises" may interrupt these "normal" programs, and thus create situations where the need to respond to crisis – in this case triggered by the seismic shock - is somewhat contrary to the overall discourse of rationalization and federalist distribution that the Italian Government had been previously following. The paper will thus highlight the dynamics of the case, by illustrating the strategies adopted both by the State and by the Region, at the same time unveiling both how these institutions attempted to work around and through the accounting mechanisms to achieve their different aims.

In order to pursue the research objectives set above, the rest of the paper is structured as follows. The second section summarizes the basic tenets of the 'governmentality' framework. There follows a brief overview of the Italian National Health Service scenario and a portrayal of the funding model and the organization of healthcare of the Abruzzo Region before the seismic

disaster, thereby adding relevant contextualization features to the case. Indeed, the Region, as it will be later explained, was already suffering from financial distress, and thus the novel emergency ‘governmental programme’ had to be intertwined with the *ex ante* budget recovery prescriptions dictated by the ongoing federalist programme. The fourth section shows a chronology of the State emergency ‘governmental programme’. As it will be later explained, the consequence of the prescriptions triggered by the federalist discourse on the governmental emergency programme was that, in order to access the allocated healthcare emergency funds, the Abruzzo Region had to document the increasing operating costs and activities caused by the earthquake. For so doing, accounting (Robson, 1991,1992) and non accounting inscriptions had to be concurrently gathered by a “centre of calculation” (Latour, 1987), represented by the governmental Commissioner *ad acta* responsible for the regional healthcare, supported by the healthcare Direction of the Abruzzo Region. The fifth section specifically analyses the novel purposely defined uniform cost accounting criteria adopted by the Abruzzo Region healthcare system, which acting as “technologies of government” (Miller, 1990; Miller & Rose, 1990) shaped the behaviour of the regional healthcare system operators to homogeneously calculate the extraordinary costs and activities caused by the earthquake. The sixth section portrays the ‘Operational Programme’ elaborated by the aforementioned Commissioner *ad acta* on the basis of accounting information gathered within the Abruzzo Region. Indeed, as recalled earlier, healthcare extraordinary costs and activities, synthesized by the “Operational Programme”, must be reported to the Italian Government in order to prove the increasing healthcare costs and unlock the funds allocated at a national level, which must be distributed first at a regional level, and then to the Local Healthcare Authorities (LHAs) operating in the Abruzzo Region. In the following section the State control on the OP is illustrated, as well as its impact on the national emergency policy. The final section discusses the main findings, outlines the conclusions of this study and provides future extensions of this research.

2. Theoretical Framework

As already said in the introduction, this paper invokes the Foucauldian notion of governmentality to analyse the accounting for earthquake and the government of the Abruzzo population's healthcare after the seismic disaster. For this purpose it seems appropriate to emphasize the contours of the governmentality perspective which are more relevant for the foci of this paper. According to Foucault, 'government' can be briefly defined as a "...conduct of conduct" (1982, pp. 220–221), meaning "...a form of activity aiming to shape, guide or affect the conduct of some person, or persons" (Gordon, 1991, p. 2). More broadly speaking, government is the "...right manner of disposing things so as to lead to an end which is 'convenient' for each of the things that are to be governed...", and it should include also the government of "men in their relation to that other kind of things, accidents and misfortunes such as famine, epidemics, death, etc..." (Foucault, 1991, pp. 95; 93) represented, in this case, by the Abruzzo seismic "misfortune".

The governmental rationality embedded in the Foucauldian perspective calls "...attention to a certain way of thinking and acting embodied in all those attempts to know and govern the wealth, health and happiness of populations" (Rose & Miller, 1992, p. 174), and relates "...to the management of a population, at an aggregate level (the state) and also at a micro level" (Jackson & Carter, 1998, p. 49). In this paper, the management of the Abruzzo population's healthcare after the disaster will be analysed both at the State macro level and at the Regional micro level.

According to Rose and Miller (1992, p. 175), the modes of government may be first analysed in terms of their political rationalities. Political rationalities are explained by wider discursive fields in which conceptions of the precise ends and means of government are articulated (Miller & Rose, 1990, p. 5), different forms of authority represented, as well as the detailed distribution of tasks between authorities. They also highlight the goals and principles that should direct government activities, elucidating, at the same time, the ideals or principles to which government is devoted. Interestingly, political rationalities are illustrated through a distinctive use of language, rendering reality thinkable in such a way that it is amenable to political deliberation (Rose & Miller, 1992, p. 178). As it will be shown later in the paper, the tragic event of the earthquake imposed an

emergency political discourse, which required the temporary suspension of the federalist budget recovery plan previously implemented since March 2007 to the Abruzzo healthcare scenario. Therein it is important to note that, under the Foucauldian perspective, it is possible that government involves the balancing of numerous, often incompatible and sometimes opposing ends (Foucault, 1991, pp. 93-94).

The Italian Government, since 6 April 2009, was required to elaborate solutions capable of overcoming the emergency of the State. Therefore, groups of governmental experts (Rose & Miller, 1992) working in many fields (*e.g.*, firstly in “disaster management”⁴, and in fields like “healthcare management and accounting”, “reconstruction of cultural heritage real estate”, “earthquake proof buildings”, etc...) had to intervene immediately proposing appropriate government programmes and tools able to overcome the issues raised by the earthquake, thereby legitimating the actions deployed at the State level in order to solve the identified issues (Rose, 1991).

In order to deeply analyse governments, particular attention should be also addressed to “...the investigation of the ‘technologies’ which seek or claim to give effect to the aspirations of the programmers” (Miller & Rose, 1990, p. 28). By ‘technologies of government’ we mean, following Miller & Rose’s (1990, p. 8) suggestion, those mechanisms (including accounting) “...through which authorities of various sorts have sought to shape, normalize and instrumentalize the conduct, thought, decisions and aspirations of others in order to achieve the objectives they consider desirable”. These technologies intervene in the existence of a population, getting individuals “...to act and to align their particular wills with ends imposed on them through constraining and facilitating models of possible actions” (Burchell, 1991, p. 119) in the name of a governmental programme and its aspirations. In this paper it is argued that the healthcare governmental expert has faced the issues raised by the earthquake cost accounting “problematization” (Dean, 1999). Accordingly, he stipulated novel purposely defined cost accounting criteria that – acting as technologies of government - have later been compulsory used to concurrently and homogeneously

⁴ See, for example, Alexander (2000, 2002).

gather the “knowledge” of the regional healthcare extraordinary costs and activities. By obtaining the “knowledge” of the regional earthquake-related operating costs this governmental expert was able to elaborate the healthcare “Operational Programme” that was supposed to unlock the already allotted national emergency funds.

Admittedly, “Government...is always dependent on knowledge” (Miller & Rose, 1990, p. 6), and through the “...creation of an exhaustively detailed knowledge of the governed reality of the State itself” – says Gordon (1991, p. 10) - governments can rationally intervene in the life of the population. Thus, accounting and non accounting knowledge of the effects of the earthquake on the healthcare system of the Abruzzo population, is undoubtedly “...central to the activities of government and to the very formation of its objects, for government is a domain of cognition, calculation, experimentation and evaluation” (Rose & Miller, 1992. p. 175) along with discipline. Admittedly, discipline “...was never more important or more valorised than at the moment when it became important to manage a population” (Foucault, 1991, p. 102), and is “...roughly correlative with the development of the bureaucratic and the administrative apparatus of the state” (Dean, 1999, p. 19). Importantly, Foucault suggests that, as it is argued in this paper referring to the post-earthquake situation, disciplinary techniques, such as the “art of distribution” and the “control of activity” are pivotal for achieving an efficient regulation of the operations of the individuals in time and space, as well as the use of the techniques of “hierarchical observation, normalizing judgement and the examination” (1979, p. 170), “which combine to determine norms or rules of conduct and shape or “normalise” people to fit them” (Marsden, 1998, p. 109). As we shall see in the paper, in order to achieve a concurrent and homogeneous regional collection of accounting information the criteria enforced in the Abruzzo Region were based upon the demarcation and severity-gradation of the spaces struck by the earthquake, dividing the criteria between the LHA of L’Aquila and the remaining five regional LHAs. Relatedly, in order to enhance the visibility of the earthquake related costs, and better distinguish them from the costs sustained for the regular healthcare activities, the accounting criteria required the modification of the vertical schemes of the LHAs profit and loss

accounts, and concurrently deployed time-space-residence disciplinary writing techniques, coupled with a specific codification and the compulsory paper/IT documentation, in absence of which punishments were applied, in the form of non reimbursement. By so doing accounting thus intervened in the dynamics of the case - mediating the tensions between the State and the Abruzzo Region – and providing *ad hoc* responses to a crisis situation.

If on the one hand Foucault has separately elucidated the governmentality framework and the disciplinary techniques, on the other hand he has not unveiled their links (Armstrong, 1994, p. 42). These latter are, instead, provided by Latour's (1987) concept of "action at a distance". Indeed, populations may be managed 'at a distance', as information about their activities can be "mobilized...bringing home distant knowledge to centres" (Miller & Rose, 1990, p. 9), labelled as "centres of calculation" (Latour, 1987), where a corpus of information, "accounting inscriptions" (Robson, 1991, 1992) included, can be accumulated and calculated (Miller & Rose, 1990). The enactment of legislation – in this case represented by national Laws and Ordinances as well as by the decrees issued by governmental experts – is a powerful resource for the creation of centres "...to the extent that law translates aspects of a governmental programme into mechanisms that establish, constrain, or empower certain agents" (Rose & Miller, 1992, p. 190). Thus, through a set of calculated, reasoned prescriptions, argues Foucault (1991), institutions can be reorganized, spaces arranged and behaviour regulated.

The preceding theoretical framing has proposed accounting knowledge to be viewed as a technology of government which helps to translate the governmental emergency programme into practice. The following section provides a brief overview of the organization and funding of healthcare in the Abruzzo Region thereby providing some contextualization features for this case.

3.The Abruzzo Healthcare Organization and Funding System as of 5 April 2009

3.1 The Italian National Health Service scenario

The Italian National Healthcare Service (INHS), founded in 1978, aims at providing uniform and comprehensive care, financed by general taxation (France, Taroni & Donatini, 2005). The INHS has undergone major reforms in the last 20 years, and despite what happened in the past, Regions are now responsible for the organization and the administration of publicly financed healthcare (Ianni, 2008). According to the Italian Constitution health is a guaranteed right and although Regions are expected to provide basic equal levels of “essential levels of care” (Torbica & Fattore, 2005) they are free to adopt different organizational and funding models, thereby giving rise to many relatively different regional healthcare systems (Jommi, Cantù & Anessi-Pessina, 2001).

Since 2000 (by Legislative Decree n. 56/2000) Italy has been attempting to introduce fiscal federalism, in order to ensure financial accountability of regional governments. Nevertheless, Italy to date clearly shows a multi-tier situation, with relevant interregional differences in the ability to contain health expenditure within the limits of available funding (Tediosi, Gabriele & Longo, 2009). But while many Regions are already accomplishing the fiscal federalism reform, a smaller, but nonetheless significant, bunch of Regions (*i.e.*, Abruzzo, Lazio, Campania, Molise, etc...), is still facing financial distress. Under the pressure of the federalist discourse, in the first half of 2007 these Regions were asked to sign an agreement on a governmental Budgetary Balance Plan to be negotiated with and controlled by the Ministry of Health and the Ministry of Economics and Finance (Lega, 2008).

In 2008, as those Regions were not satisfying the governmental requirements, the Italian government appointed governmental experts, named “Commissioners *ad acta*”, whose function was to provide quarterly reports (*i.e.*, a profit and loss account) about the *in itinere* implementation of the plans and the partial or total fulfilment of governmental objectives. Furthermore, a list of disciplinary measures has been applied to non virtuous Regions (*e.g.*, measures to limit pharmaceutical expenditure, temporary block of personnel turnover, etc...) besides preventing the access to a special transitory fund, which was previously created by the government to sustain the

Regions facing higher deficits (*i.e.*, over 7% of total funding) (Tediosi *et al.*, 2009). In order to co-fund their regional deficits, Regions under financial distress have also been allowed (by the 2007 Financial Law) to increase regional taxation through the regional tax on productive activities (*i.e.*, IRAP) and the surcharges on personal income tax (*i.e.*, IRPEF), which are some of the major sources of funding of the INHS, together with VAT, the excise duty on petrol and other transfers from the public sector (Manzoli, Villari & Boccia, 2008).

3.2 The Abruzzo Regional Health Service Model and Organization

On 5 April 2009 the INHS at the regional level in Abruzzo, was organized around six *Aziende Sanitarie Locali* (Local Health Authorities - LHAs). LHAs are integrated delivery systems providing all range of health and social services, whose public funding on a capitation quota was proportional to the population of the four Provinces⁵ (*i.e.*, Chieti, Pescara, Teramo and L'Aquila) and of neighbour smaller municipalities (*i.e.*, Avezzano-Sulmona, Lanciano-Vasto). Healthcare regional expenses accounted for 86% of the total assets of the Abruzzo Region, and LHAs were managed by public CEOs who had to respect compulsory tight budgeting targets for 2009 stipulated by the Deliberation of the aforementioned governmental Commissioner *ad acta* (DCaa) (n. 14/09, 12 March 2009). The CEOs were obliged to provide quarterly reports (*i.e.*, profit and loss account) (Ianni, 2008) in order to be controlled by the governmental Commissioner *ad acta* and demonstrate to strictly match the regional Budgetary Balance Plan imposed by the ongoing federalist discourse.

→ Figure 1: Funding Model of the Abruzzo Region Healthcare **ABOUT HERE**

As portrayed in Figure 1, the financial results of each LHA can be greatly affected by the mobility of its population to and from other LHAs, inside and outside the Abruzzo Region, but only the mobility of the Abruzzo population outside the Region can cause a worsening of the Abruzzo

⁵ Italy is organized in 20 regions and many Provinces, which are identified inside regional borders.

Budgetary Balance Plan, as a consequence of passive - or less active – inter-regional mobility compensations, working mainly on a DRG-tariff basis⁶. The financial results of the Region and the LHAs can be also negatively influenced by the flow of residents to accredited private subjects for the provision of hospital, diagnostic, rehabilitative and integrative care, whilst on the contrary they can be, to a certain extent, ameliorated by the LHAs own sources of income (*e.g.*, tickets for diagnostic investigations, or for medicines, etc...) (Sargiacomo, 2002).

From these premises, here follows a synoptic chronology of the national emergency programme related to the government of the Abruzzo population's healthcare after the disaster.

4. Synoptic chronology of the government emergency programme

As already said in the introduction, after the shock Mr. Berlusconi declared the “national state of emergency”, being immediately clear to everybody how dramatic was the impact of the major earthquake that struck L'Aquila and several other municipalities in the Abruzzo Region. By so doing he launched a government emergency programme, allocating funds and personnel through an Ordinance of the President of the Council of Ministers (OPCM, n. 3753, 6 April 2009), and appointing - as recalled in the introduction - the Head of the Civil Defense Department as Commissioner delegated to manage the post-disaster operations. The Foucauldian “art of distribution” has been applied to the territory struck by the earthquake, as confirmed by the subsequent Decree of the Commissioner delegated (DCD) to the post-disaster management, who in the following days clearly “partitioned” the territorial “space” struck by the earthquake (DCD, n.3, 16 April 2009), totalling 49 municipalities belonging not only to the Province of L'Aquila, but also to the Provinces of Pescara and Teramo (see Figure 2).

→ Figure 2: Territorial demarcation of the “space” hit by the earthquake **ABOUT HERE**

⁶ Although the migration of citizens to a LHA different from the one to which he belongs as resident in the Region affects the financial results of the single LHA, it does not change at all the financial results of the Region, as a consequence of the infra-regional compensations.

Further partitions were also deployed in order to classify - within the territorial space demarcated by the earthquake called “the crater” - municipalities and populations damaged by the seismic catastrophe according to a scale of severity. As it will be shown in the paper, the implementation of partition and classification techniques has been crucial for the population inhabiting those municipalities enabling them to benefit from ticket exemptions on medicines and specialist health assistance, as well as for LHAs as an instrument to prove and document extraordinary costs through disciplinary writing techniques, and later obtain their reimbursement from the government.

Despite the ongoing federalist discourse, which *a priori* has impeded any further appropriation of funds from the State to the Abruzzo Region, the Legislative Decree (LD) n. 39, 28 April 2009 (later converted into Law 77, 24 June 2009), allocated to the Abruzzo Region 40 million euro for the extraordinary costs and activities borne for the earthquake related healthcare emergency services, increased the previously established pharmaceutical expenditure cap and concurrently gave priority to later obtain funds for the reconstruction/reorganization of health facilities according to the seismic risk. As a consequence of the federalist discourse, and of the risk that the assigned resources might be confusingly - or even purposely – misused/massaged – in order to reduce the financial distress of the Region, a following presidential ordinance (OPCM, n. 3782, 17 June 2009) conditioned the access to those resources upon presentation of an “Operational Programme to further face the difficulties caused by the seismic events” (art.2) by the Commissioner *ad acta*. Meanwhile, on 7 April 2009, he had already suspended the effects of the Budgetary Recovery Plan to the LHA and the citizens of the Province of L’Aquila (DCaa, n. 23/09, 7 April 2009), and later extended it to the population resident in the said 49 municipalities (DCaa n. 28/09, 6 May 2009) - pertaining to the territory assisted by other two LHAs (*i.e.*, Pescara and Teramo) – once the classification and demarcation of the spaces and populations struck by the earthquake became clearer.

The “mundane practice” of accounting was thus required to immediately intervene in the Abruzzo Region in order to account and document the healthcare extraordinary costs and activities caused by the earthquake. For this purpose, accounting and non accounting inscriptions (Robson, 1991,1992) had to be quickly and homogeneously gathered by the Commissioner *ad acta* among the different regional LHAs. After collecting the information he had to elaborate an “Operational Programme” and send it to the State for approval, in order to unlock the funds already allotted. In the following section we shall see how accounting intervened in this scenario as a novel “technology of government”.

5. Accounting as a “technology of government” of the population’s healthcare after the disaster

5.1. The cost accounting problematization

On 24 June 2009, the governmental Commissioner *ad acta* preliminarily stipulated the cost accounting homogeneous criteria according to which all the LHAs had to uniformly and concurrently record the extraordinary costs and activities borne, due to the seismic disaster in order to be able to present the said “Operational Programme” to the Italian Ministries of Economics and Health for the necessary approval.

Here follows an excerpt of the opening part of the Commissioner’s deliberation:

“....Considering that...the seismic event renders actual both the need to track down the increasing costs of the INHS for the year 2009 and the following ones due to the earthquake, as well as the re-modulation of the cost containment manoeuvres already deployed by the Budget Recovery Plan...recognizing the opportunity to define criteria in order to uniformly record the costs and the activities of all the regional LHAs and to make them comparable...having consequently considered the fundamental need to distinguish the costs of regular health assistance from those deriving from the seismic event, according to the following macro-categories (*e.g.*, personnel costs; purchase of

sanitary and non-sanitary goods; purchase of sanitary and non-sanitary services, etc..)

(2) ... the deliberation is urgent, as for the need to allow in the shortest time possible the start of the recording and accounting of costs connected to the seismic event occurred on 6 April 2009” (p.3) (DCaa n. 45/09)

As it is clearly elucidated by the above excerpt, the Commissioner *ad acta* preliminarily emphasized the governmental concern for cost accounting techniques, and the need to concurrently combine the earthquake emergency with the budget tightening measures imposed by the federalist discourse. He also stressed the will to elaborate homogeneous cost accounting criteria which, acting as “technologies of government” (Rose & Miller, 1992), had to ease the recording of costs and the homogeneous comparison of them within the regional LHAs. The compulsory urgent cost “disciplinary writing” techniques (Foucault, 1979; Hoskin & Macve, 1986; 1988; Carmona, Ezzamel & Gutierrez, 1997) had to permit both the classification of costs within different macro-categories, and a clear demarcation of the territorial “spaces”, whose knowledge both the national and the regional governments wanted to quickly achieve. Indeed, the mentioned DCaa stipulated both the “Criteria for the recording of extraordinary costs and activities connected to the 6 April 2009 earthquake for the LHAs of Teramo, Pescara, Avezzano-Sulmona, Lanciano-Vasto, Chieti” and the “Criteria for the recording of extraordinary costs and activities connected to the earthquake of 6 April 2009 for the LHA of L’Aquila ” (p.3). As we shall see in the analysis that follows, the dramatic impact of the disaster on the LHA and the population of L’Aquila required additional accounting criteria, different from those enacted for the other five regional LHAs.

5.2 Criteria for the recording of extraordinary costs and activities connected to the 6 April 2009 earthquake for the LHAs of Teramo, Pescara, Avezzano-Sulmona, Lanciano-Vasto, Chieti

At the beginning of the document n.1 containing the criteria (attached to DCaa n. 45/09), what emerges is that government is not only made up of imposition but also of disposition (Foucault, 1991; Rose & Miller, 1992), as the opening of a new cost centre in the LHAs accounting system is

imposed: “Each LHA must open a cost centre specifically addressed to record the costs of the earthquake”(p.1). A disciplinary paper-based documentary accumulation is also mandatorily requested in case of a lack of IT records, as “existing papery documents in any case should be enclosed to justify the recorded cost” (p.1). The consequences of non conformity to the mentioned pre-established norms are clearly stated by the criteria, which establish that “In case of a lack of a documentary accumulation it will be impossible to attribute the sustained costs to the earthquake” (p.1). The criteria require also a modification of the vertical scheme of the (value-added) profit and loss account of the LHA, by adding a new “separate column referred to the earthquake, conventionally named CE T09” (p.1), and thereby enhancing the “visibility” of the earthquake related costs. A classification of the “typologies of costs” generated by the earthquake is further proposed, thereby including:

- “costs singled out specifically through an appropriate deliberation, directly referred to the earthquake, and thereby easily traceable...(e.g., increase of health guard; paediatric assistance, etc...)”,
- “additional costs that, apart from the enactment of an appropriate deliberation, have represented an answer to the emergency, and have resulted in an extension of already existing health services...these services require separate invoicing and separate orders indicating the earthquake cost centre...(e.g., cost of direct distribution of medicines, health transports, prosthesis distribution, etc...)”,
- “additional costs that cannot be deducted from regular activities, for which it has not been foreseen the invoicing, and whose estimate must be done on the basis of agreed criteria...” (p.2).

The training function of the disciplinary writing techniques went also further, since a precise coding of activities is enforced by the criteria, which introduced the compulsory “T09” identification code for the accounting of any earthquake-related health service, irrespective of the fact that the information have been IT or paper based recorded. With these premises it is not surprising that the

criteria also shaped the contours of future accounting examination processes. Indeed, the matching of a code with the residency of the population was initially required, whilst a series of time-space-residence coding was further introduced, thereby foreseeing clear limitations to the claims of earthquake-related costs that could be reimbursed by the State. Here follow the main prescriptions:

“aiming at testing the correctness of the costs and the activities recorded (also in order to later be able to proceed through potential/prospective recovery actions in case of errors) it is appropriate to matchthe T09 code with the code of the municipality of residency of the citizens assisted...” (p.2);

- “all costs justified by the presence of the code T09, regardless of the residence of the citizens assisted within the first 15 days after the earthquake, can be considered pertaining to the earthquake;

- all costs justified by the presence of the code T09, as well as by the residence of the citizens in the municipalities of the Province of L’Aquila and in all those considered earthquake victims, sustained from the sixteenth day after the earthquake till May 30, can be considered pertaining to the earthquake;

- all the costs justified by the presence of the code T09, as well as by the residency of the citizens in one of the forty-nine municipalities considered earthquake-victims, for the activities developed after May 30, can be considered pertaining to the earthquake” (p.2).

Therein, Figure 3 recapitulates the above said time-space-residence disciplinary writing techniques, coupled with the specific T09 codification in the 5 LHAs.

→ Figure 3: Time-space-residence disciplinary writing techniques coupled with the specific T09 codification in the 5 LHAs **ABOUT HERE**

The document thus proceeds further, by explaining 26 compulsory criteria that healthcare operators belonging to the five mentioned LHAs have to compulsory follow in order to record and prove the extraordinary costs and activities triggered by the earthquake (pp.3-6). Some criteria are portrayed in Table 1:

Table 1: Examples of the “Criteria for the recording of extraordinary costs and activities connected to the 6 April 2009 earthquake for the LHAs of Teramo, Pescara, Avezzano-Sulmona, Lanciano-Vasto, Chieti”

No.	CRITERION
1	Territorial pharmaceutical assistance: all that is passed through red referral, is traced via T09 code and residence of the citizen, and is computer recorded....
4	House oxygen distribution: ... a different behaviour must be followed in the following cases: <ul style="list-style-type: none"> - contracted-out house oxygen therapy: a separate invoice must be required from the provider, and hence a specific booking must be made; discharges from orders/invoices must be done at the earthquake cost centre; - house oxygen therapy carried out by local public pharmacies: it falls within the recording system at point 1; - house oxygen therapy carried out directly by the LHA: the oxygen consumption referred to earthquake victims must be reported and supported by paper-based documentation.
14	Admissions in Psycho-Rehabilitation Structures: private providers since 2009 have been invoicing directly to LHAs where they are located, despite the residence of the patient. Those private providers must be asked separate invoicing of everything attaining the T09 code. Also in this case a computer control on the residence of patients must be done
15	Admissions in hospitals made by private accredited providers: since 2009 structures have been invoicing directly to LHAs where they are located, despite the residence of the patient. Those private providers must be asked separate invoicing of everything attaining the T09 code. Also in this case a computer control on the residence of patients must be done
19	Personnel: since LHAs have hired people as a consequence of the earthquake through appropriate deliberation, only related costs must be reported. The cost of this personnel will have to be recorded in the Earthquake Cost Center. In the period spanning from the earthquake till the moment when specific hiring has been done, LHAs can report costs for longer overtime, additional performances, or for leave not taken but already authorized. <ul style="list-style-type: none"> - Overtime: monthly hours must be recorded according to qualification, subtracting the hours carried out on average in January, February and March 2009... - Additional performances: additional performances must be recorded according to qualification and must be justified by specific authorizations and by the clock out time. - Leave not taken: only those already authorized and revoked for the earthquake are thus considered, differentiated by job qualification. <p>Overtime, additional performances and leave not taken will have to be valued according to job qualification on the basis of what prescribed by collective labour agreements in force.</p>

The will to train, shape and normalize the accounting behaviour of the five regional LHAs and their operators is even stressed at the end of the description of the 26 criteria, where it is clearly stated that “in case further costs typologies – not considered here – will emerge, the recording and evaluation criteria must be shared by all LHAs before proceeding to their recording” (p.6).

5.3. *“Criteria for the recording of extraordinary costs and activities connected to the 6 April 2009 earthquake for the LHA of L’Aquila”*

In the introduction to the principles issued for the LHA of L’Aquila (document n. 2 attached to DCaa n. 45/09) it is immediately argued that:

“the criteria established for the other LHAs are reductive... Indeed, whilst for the other regional LHAs it’s a question of distinguishing which costs have been sustained for the earthquake, as far as L’Aquila LHA is concerned almost all costs sustained have to be considered related to the earthquake. From this perspective, it seems relevant, from the one hand, to track down the costs sustained for regular activities... and, from the other hand, it is instead necessary to measure the ceasing as well as growing costs caused by the earthquake...Hence it’s a question of seeing the various accounts of the general accounting system and, starting from the costs of the last year, and considering a stable management till March, for the period after the 6 of April 2009 it is necessary to evaluate the costs no longer sustained as well as those that have arisen due to the earthquake” (p.1).

The catastrophic situation endured by the LHA of L’Aquila and began one second after the disaster, has been even worsened - from an accounting point of view - by the development of a part of the health activities, as well as of the administrative tasks, under a field hospital, which temporarily replaced the activities previously carried out in the destroyed pavilions of the LHA. This is dramatically recalled in the introduction of the criteria, where it is stated that:

“the administrative office...is not accessible...and personnel is working in tent/containers...the internal medicine distribution is working under a tent...each activity has been papery documented although has not been completely loaded in the information system...the accounting system is not already completely operating...”

(p.1).

The government of the population’s healthcare in such a disastrous emergency scenario required firstly to ensure the continuous provision of health assistance, and later to account for the earthquake damages. For so doing the criteria stipulated the recording of ceasing as well as growing costs caused by the earthquake, directly referring to 36 ledgers of the LHA of L’Aquila. Here follows an illuminating reproduction of some of these criteria (pp.3-4):

Table 2: Examples of the “Criteria for the recording of extraordinary costs and activities connected to the 6 April 2009 earthquake for the LHA of L’Aquila”

Ledger	Productive factor	Ceasing costs caused by the earthquake	Growing costs caused by the earthquake
30	Purchase of sanitary goods	All the products present in the inventory made available to the other regional LHAs. Costs must be valued according to the weighted average cost [method], VAT included, as it results from inventory procedures.	Potential specific purchases made for the earthquake ... Products expired, or destroyed by, the earthquake
34	Pharmaceutical assistance	...the cost budget 2009, once subtracted the use made by the remaining [citizens], is a ceasing earthquake cost	Tickets which have not been collected represent rising costs
40	Services from regional LHAs		Larger passive mobility for health services provided by regional LHAs directly linked to the earthquake
41	Services from extra-regional LHAs		Larger passive mobility for the health services provided by extra-regional LHAs directly linked to the earthquake
43	Advices	Interrupted advices, for which no performances have been done, are here included	All activated advice services caused by the earthquake
45	Health Personnel	Overtime, availability, etc... costs must be deducted	Total costs of personnel, which has not an actual useful use with regards to the volume of the delivered services, have to be calculated

6. The “Operational Programme”

As mentioned earlier, the abovementioned governmental criteria were issued on 24 June 2009 and, accordingly, each LHA was asked to calculate the exceptional costs generated by the earthquake in order to permit the Commissioner *ad acta* to elaborate the Operational Programme, which must be sent to the government to unlock the allotted healthcare emergency funds. On August 2009 each LHA deliberated the calculi, and on 9 September 2009, on the basis of both accounting records gathered *in itinere* and on an estimation of the following months’ costs, the Operational Programme (DCaa, OP, 2009) was sent to the State examination, namely to the Ministry of Health and to the Ministry of Economics and Finance. The “Estimate of the costs attributable to the 6th April 2009 shock”, which is the bulk of the Operational Programme, referred to the April-December 2009 time span, is represented in the following table 3.

→ Table 3: Estimate of the costs attributable to the 6th April 2009 shock **ABOUT HERE**

In table 3 the additional rising operational costs, totalling 31.055 Million euro are portrayed by a synthetic scheme of the regional healthcare profit and loss account which uses aggregated cost items in order to simplify the comprehension and synthesize the financial results. By looking at the scheme it is easy to notice that more than 75% of the increasing operating costs are fostered by the mobility of regional patients towards different private providers. The remaining 25% is ascribable both to the increasing costs due to the over-use of personnel, goods and services belonging to the LHAs, and to an expensive amount of extraordinary costs.

The Abruzzo Region has also claimed the reimbursement of the so-called “unproductive fixed costs” (*i.e.*, 12.637 Million euro), mainly generated by the costs of a portion of tenured personnel of the LHA of L’Aquila which, though receiving a regular salary, did not have the possibility to work for a couple of months (*i.e.*, April, 6 –May, 31, 2009), due to the inaccessibility of Hospital

pavilions damaged by the earthquake. The negative impact of the seismic catastrophe on the operating result of the regional healthcare system got even worse also for the lower operating receipts (*i.e.*, 44.975 Million euro), generated both by the diminished collection of tickets for specialist and pharmaceutical assistance, and by smaller interregional active mobility to L'Aquila LHA (coming from outside the Abruzzo Region), as well as by lower regional tax receipts. The declared incidence of the shock on the 2009 operating costs of the Abruzzo healthcare services accounts for 88.667 Million Euro⁷. The additional costs caused by the earthquake to the Abruzzo Regional Health Service would have been even much higher - as underlined by the Commissioner – if the very first emergency expenses (*i.e.*, 16.656 Million euro for the provision of temporary lodging, disaster relief services, safety measures and clearing of devastated areas) had not been sustained by the Civil Defence, thereby determining further difficulties to meet the financial targets stipulated by the Budget Recovery Plan (p.6).

In such a scenario, in the conclusion of the Operational Programme the Commissioner *ad acta* thus emphasized the overlapping of the emergency on the federalist discourse, and the negative impact triggered by the earthquake on the already distressed financial status quo of the Abruzzo Region:

“the need to face the catastrophic effect caused by the earthquake...has relegated to a second priority level the targets foreseen by the Budget Recovery Plan. The effects of the emergency interventions have strongly conditioned the activities of the Regional Health Service, above all in April and May. Moreover, the emergency effects have surely conditioned, also during the following months, the activities of the Regional Health Service, given that the activities of L'Aquila hospital are partially carried out

⁷ The costs for the reconstruction of the hospital, restoration and infra-structure adjustments are obviously excluded by the calculi presented, but they will worsen in the following years the balance of the Abruzzo Region healthcare system. It suffices to think that the damages incurred by S.Salvatore Hospital at L'Aquila accounted for 74 million euro. Only 44 millions can be covered by the insurance that had a fixed maximum amount of reimbursement, and at the time of writing only 1/3 of the remaining extra-costs for re-building the hospital can be funded by public resources allocated by the State.

under tent, and that while a substantial number of residents in the territories struck by the earthquake are still living in temporary structures of the Region, in particular close to the coast, another portion is still living outside the Region” (DCaa, OP, 2009, p.9).

Having elucidated the effects of the disaster, the Commissioner *ad acta* finally asked for additional money (*i.e.*, Euro 50 Millions), anticipating that the earthquake would have had negative effects also on the following financial year 2010 (p.10).

7. The State control on the Abruzzo Region Operational Programme and its impact on the national emergency policy

7.1. The State control on the Abruzzo Region OP

As previously said, as a consequence of the intertwining effects of the emergency and the federalist discourse on the Abruzzo Region, the OP elaborated by the Commissioner *ad acta* had to be concurrently scrutinized by the experts of the Ministries of Economics and Health, who examined it on November and December 2009⁸. The hierarchical observation made by the ministerial experts’ gaze raised serious concern on the fact that “...some recorded costs that have been charged to the Regional Health Service by the Commissioner *ad acta* do not represent additional costs” (p.2). In particular, the experts objected to the reimbursement of the so-called “unproductive fixed costs” (*i.e.*, 12.637 Million euro) mainly related to the fixed salaries paid for two months by the LHA of L’Aquila to tenured personnel which did not work at all as their working places were damaged by the shock. Importantly, whilst the accounting criterion adopted by the Commissioner *ad acta* (see Table 2, n. 45) and the accounting mechanisms there included, legitimated their inclusion among the reimbursable extraordinary items, what has been objected is that “the costs of unproductive personnel as well as of goods and services have already been included in the CE [profit and loss account] and are not additional [costs]” (p.2). By so doing the

⁸ The “Operational Programme” has been firstly examined on 10 November 2009, but the decision to not approve it has been taken only in December by the Ministries of Health/Economics and Finance. In this and in the following subsection we’ll refer, *verbatim*, to this last report and its pages.

experts wanted to stress that those fixed costs had already been accounted and sustained by the INHS and, as such, couldn't be funded twice.

The ministerial experts not only objected to not-refundable costs, thereby annulling any possibility to be later reimbursed by the State, but also objected that some costs would have had a delayed financial repercussion on the Abruzzo Region balance. In particular they referred to the smaller interregional active patient mobility (*i.e.*, 7.875 Million euro) “that will be accounted only ...in future balances [*i.e.*, in 2010], and therefore they are not lower receipts to be balanced for the FY 2009” (p.2). They continued arguing that “of 88.667 Million euro of additional costs related to FY 2009, 20.512 Million euro do not represent earthquake additional costs. Therefore, the additional costs must be re-calculated in 68.155 Million euro, also including the lower tax receipts” (p.2). Indeed, also in this latter case, the lower regional tax receipts (*i.e.*, 32.800 Million euro) would have had a delayed financial repercussion on the Abruzzo Region balance, and their funding couldn't be inserted among the 2009 emergency funds; as such, their requests have to be more appropriately postponed to 2010. The ministerial experts also finally argued that there should be no risk that the Civil Defence will not pay their emergency expenses, thereby not increasing – contrary to what the Commissioner had questioned in the OP – the costs of the Regional Health Service.

7.2 The impact of the State control of the OP on the national emergency policy

Given that “...governmentality is eternally optimistic”, whilst “‘government’ is a congenitally failing operation” (Miller & Rose, 1990, p. 10; Rose & Miller, 1992, p. 190), it seems to be worthy of interest to briefly evaluate the impact of the State control of the “Operational Programme” on the national emergency policy. In a period of federalist reforms in a country, Italy, that is still bearing the weight of the economic crisis, the post-earthquake Operational Programme sent to the State was “not approved” (p.2). Accordingly, it was neither able to unlock the emergency funds previously allocated (*i.e.*, 40 Million euro), nor to persuade to grant the requested subsequent additional

funding (*i.e.*, 50 Million euro)⁹ “that do not result properly documented” (p.2). Indeed, the accounting information and the documentary accumulation sent by the Commissioner *ad acta* to the State triggered a series of contestations raised by the ministerial experts which culminated in a request of re-formulation of the Operational Programme by 31 January 2010.

Nevertheless the Commissioner *ad acta* declared, once again, in newspapers (*i.e.*, December 11, 2009) his will to ask for 50 million euro of additional funds to the State for the healthcare extraordinary costs (Piccinino, 2009)...but he quit on the same dayAs a consequence of his resignation, one day after, the Council of Ministries appointed the Governor of the Abruzzo Region as new Commissioner *ad acta* (De Frenza, 2009) and, later, two sub-Commissioners to support his work (*i.e.*, January 13, 2010), thereby reinforcing the State control on both the healthcare Budget Recovery Plan and on the allocation of the earthquake emergency funds. During the first meeting attended by the Governor of the Abruzzo Region - acting as Commissioner *ad acta* – he was asked by the ministerial experts to re-formulate and send both the Operational Programme, and “an adequate quantification of the costs connected to the earthquake” (Minutes of the meeting of December 18, 2009, Ministries of Economics/Health, p. 11). Importantly, a further disciplinary measure has also been introduced, since the State has subjected the allocation of a part of the healthcare funds for the FY 2008 to the approval of the earthquake Operational programme (p.12).

The re-formulated OP, sent to the State at the end of January 2010, has been re-examined by the experts at the end of the following April. This novel OP accounted for only 40.729 Million euro, less than a half of the previous request. Nevertheless, according to the ministerial experts, the portrayal of “the content of the action plans adopted” by the Region “to face the further difficulties caused by the seismic event” (Minutes of the meeting of April 28, 2010, Ministries of Economics/Health, p.1) was still missing. Accordingly, the State has emphasized that “it is necessary to obtain that content...in order to proceed to the approval and the consequent allocation of resources” (*ibidem*). Again, the State, although did not object to accounting inconsistencies

⁹ At June 2010 no healthcare emergency funds have been allocated at all to the Abruzzo Region.

and/or assumed massaged numbers, it has clearly put a *condicio sine qua non* by emphasizing that only after receiving the information requested, the resources will be definitely transferred to the Abruzzo Region.

8. Discussion and conclusions

This narrative has attempted to explore the accounting for the Abruzzo earthquake, with a particular focus on the roles it played within the government of the population's healthcare after the disaster, using the governmentality framework. Foucauldian governmental ideas (Foucault, 1991) provided an appropriate theoretical framing for analysing the ways in which governments seek to manage populations in order to reach governmental aspirations (Rose & Miller, 1992). Admittedly, the accounting for crisis triggered by natural disasters, such as earthquakes, tsunamis, flash floods etc... is an under-researched locus of examination, whose accounting/information, management, control and reporting practices still have to be investigated by accounting literature. Thus, an analysis of the accounting practices in a hitherto unexplored setting can enrich our understanding of the accounting craft.

Political rationalities of the Italian government were focused on the government at a distance of the population's healthcare in a situation of crisis triggered by a seismic catastrophe. The locus of observation has been the Abruzzo Region, where the previous working federalist discourse had imposed an healthcare Budget Recovery Plan strictly managed by a purposely appointed governmental Commissioner *ad acta*. Therein it is worthy of interest to add that the governmentality perspective simultaneously permits to balance the numerous, often incompatible and sometimes opposing governmental ends (Foucault, 1991, pp. 93-94), and this is exactly what happened after the disaster. Indeed, a novel emergency governmental discourse immediately appeared, provoking the temporarily suspension of the previous operating federalist programme, and allocating State extra-funds and resources to cover the extraordinary operating healthcare costs and activities caused by the earthquake.

In this paper the role of governmental experts in problematizing (Dean, 1999) new accounting issues and in proposing and elaborating accounting solutions emerges *prima facie*. Indeed, the most significant technologies of government (Miller, 1990; Miller & Rose, 1990) enforced by the State to put political rationalities into practice were embedded in the criteria stipulated by the said governmental expert in the “Definition of uniform criteria for the recording of costs and activities referred to the 6 April 2009 earthquake” (DCaa, 45/09), whose deliberation was further differentiated in two main documents. Whilst a document concerned the criteria to be used by the LHA of L’Aquila, the other referred to the remaining five LHAs operating in the Abruzzo Region.

Admittedly, laws translate aspects of a governmental programme into mechanisms that establish, constrain, or empower certain agents” (Rose & Miller, 1992, p. 190). Thus, the deliberation of the governmental expert initially stipulated the compulsory insertion of a cost centre in the plan of accounts, as well as the addition of a column dedicated to the earthquake-related costs to the vertical scheme of the profit and loss accounts of the regional LHAs, in order to increase their visibility and control. By so doing, accounting was able to track down and distinguish the costs of regular health assistance from those deriving from the seismic event, to ensure their comparability among the LHAs and to facilitate the State control on the “Operational Programme” and its subsequent funding.

Relatedly, the accounting for earthquake stipulated the procedures to be followed in recording entries and thus established novel procedures of time-space-residence control on the extraordinary costs sustained for the health assistance of the Abruzzo population, coupled with the “TO9” compulsory written codification. The hitherto unexplored “alternative forms of accounting” (Hopwood, 1978, p. 93) and disciplinary writing techniques here portrayed have been also supported by the compulsory request of paper/computer-based documentary accumulation and by an eventual punishment – lack of reimbursement – in case of non conformity to the enacted rules. By so doing, the accounting criteria disciplined the time, the quality and the quantity of governmental knowledge to be conveyed to the healthcare Commissioner and to be sent to the State

in order to justify and unlock the emergency funds. In order to ease the achievement of this governmental objective, the deliberation provided two lists of uniform accounting criteria to foster the homogenization of accounting vocabulary among the regional LHAs, thereby confirming, from the Foucauldian perspective, that the most important function of discipline is “to train” (Foucault, 1979). The enforcement of governmental technologies for “representing and intervening upon processes and activities” (Miller, 1990, p. 333), coupled with the adoption of a combination of disciplinary techniques, have guaranteed the Abruzzo Region the possibility to elaborate and deploy the post-disaster “Operational Programme”.

In absence of accounting and purposely defined *ad hoc* accounting criteria, which inculcated a novel homogenized accounting language, procedures and reports within the Abruzzo Region - thereby ensuring that the LHAs maintain comparable accounting records - this result would have been impossible to achieve. On the contrary, augmenting visibility, homogeneity and control of the recording procedures of the earthquake-related healthcare extraordinary costs and activities, and the referred flow of “accounting inscriptions” (Robson, 1991, 1992) embedded in the Operational Programme, accounting numbers and disciplinary practices have become powerful tools in translating the State’s *desiderata*—to face the Abruzzo healthcare emergency situation, and concurrently extra-fund only the costs caused by the earthquake and not those sustained for the provision of regular health assistance—into practice. Therefore, as already elucidated by previous seminal works in the public and healthcare sectors, accounting displayed *prima facie* both representational (Miller, 1990), distributive (Preston *et al.*, 1997) and translational (Neu, 2000) properties.

But the provided analysis has complemented and extended prior governmentality accounting research, since the case has offered a different healthcare scenario from that previously illuminated by the seminal literature. In fact the crisis triggered by a natural disaster has interrupted any “normal” rationing healthcare program and discourse, thereby highlighting the tensions that existed between the State and the Abruzzo Region, and the role that accounting in action (Burchell, Clubb,

Hopwood, Hughes & Nahapiet, 1980; Hopwood, 1987) played in mediating the different State/Region interests, as the governmentality analysis has helped to elucidate. Indeed, the State, from a political point of view, needed to be seen to immediately respond, but it did not want to undermine its previous programmes. On the contrary the actors at the Regional and local levels tried, in a moment of crisis, to better resolve their financial needs. Accordingly, in the dynamics of this case, accounting mechanisms were *de facto* differently used by the Region and the State to achieve different objectives and aims. Whilst the Abruzzo Region used accounting technologies, mechanisms and experts to portray the extraordinary activities and costs sustained to face the post-disaster, the State's disciplinary gaze (Foucault, 1979) used accounting mechanisms and experts to control, detect and object to the "massaged" numbers of the emergency healthcare accounts. As a result, whilst, in an emergency and disaster situation, perhaps the Abruzzo Region through its Commissioner seized the opportunity to better solve its overwhelming healthcare financial problems, the State showed no mercy, given the ongoing federalist discourse and the *ex ante* healthcare rationalization programme.

As mentioned earlier, the accounting for earthquakes, tsunamis, floods and natural disasters in general is a neglected topic in accounting research, and perhaps special issues and/or conferences of critical journals could be useful to enhance an understanding of the accounting craft in post-disaster scenarios, thereby enabling a comparative international analysis on different issues that otherwise would be impeded. With regards to the Abruzzo case in particular, the wide scope of accounting-related topics and issues has militated against a detailed overall analysis within the confines of a single study. Accordingly, we have purposely focused our attention "only" on the government of population's healthcare after the disaster, thereby allowing further research. For example, with regards to the Abruzzo earthquake, but also to the plethora of natural disasters recalled in the introduction, mystery surrounds the role played by accounting in questions concerning the non-health assistance administered to the population after the disasters, the reconstruction of public buildings, schools, infrastructures, historical buildings and private houses funded by national and

supranational institutions, banks, foundations as well as by the donations of private citizens around the globe. These hitherto unexplored contemporary issues concerning natural disasters – and the relative humanitarian national and supranational interventions - will surely deserve the attention of the accounting community in the near future.

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DPCM 7 April 2009 – Declaration of the national “state of emergency”

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[this DL allotted 40 Million euro for the extraordinary activities and costs sustained for the earthquake-related healthcare emergency services, increased the previously established pharmaceutical expenditure cap and concurrently gave priority to later obtain further national funds for the earthquake-proof reconstruction/reorganization of health facilities]

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DCaa, n.24/09: Deliberation n. 24/09, 22 April 2009: “Earthquake of the Province of L’Aquila – Modifications and integrations to the urgent measures referred to the pharmaceutical assistance to earthquake victims” [through this deliberation the Commissioner prescribed also payment exemption for all citizens resident in the L’Aquila LHA territory for particular medicines usually completely paid by patients]”.

DCaa, n.28/09: Deliberation n. 28/09, 6 May 2009: “Earthquake of the Province of L’Aquila – Modifications and integrations to previous deliberations” [through this deliberation the Commissioner confirmed the previous DCaa 23 & 24, broadening the exemption zone to all the 49 municipalities belonging to the “earthquake crater identified by the DCD n. 3, 16 April 2009. By so doing whilst the exemption zone was also applied to some towns belonging to the neighbour Provinces of Pescara and Teramo, some municipalities belonging to the Province of L’Aquila - that were not damaged by the earthquake - were excluded from it]”.

DCaa n. 45/09: Deliberation n. 45/09, 24 June 2009: “Definition of uniform criteria for the recording of costs and activities referred to the 6 April 2009 earthquake”

Document attached n.1 :“Criteria for the recording of extraordinary costs and activities connected to the 6 April 2009 earthquake for the LHAs of Teramo, Pescara, Avezzano-Sulmona, Lanciano-Vasto, Chieti

Document attached n.2 : “Criteria for the recording of extraordinary costs and activities connected to the earthquake of 6 April 2009 for the LHA of L’Aquila ”

DCaa, OP, September 2009: “Operational Programme for the difficulties caused by the seismic events”

DCaa, OP, January 2010: “Operational Programme for the difficulties caused by the seismic events” [this deliberation has been taken by the new Commissioner *ad acta*, that is the Governor of the Region]

Miscellaneous

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Minutes of the meeting of April 28, 2010, Ministries of Economics/Health [when the “Operational Programme” re-formulated by the new Commissioner *ad acta* - the Governor of the Abruzzo Region - has been re-examined by the experts]

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Fig. 1: Funding Model of the Abruzzo Region Healthcare

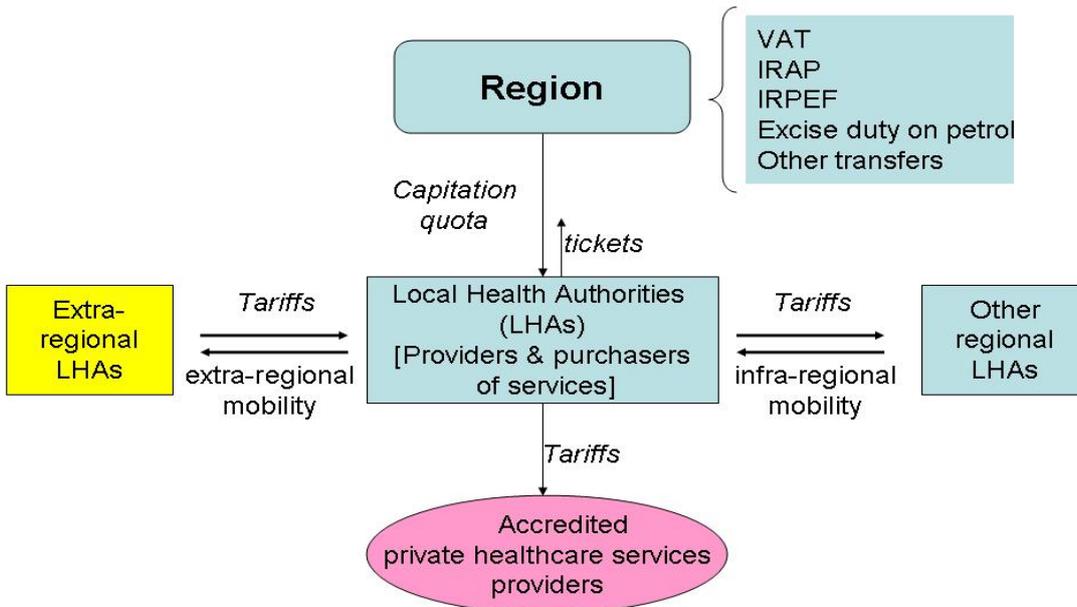


Fig.2:

Fig.2: Territorial demarcation of the “space” struck by the earthquake (DCD n.3 16/04/09)

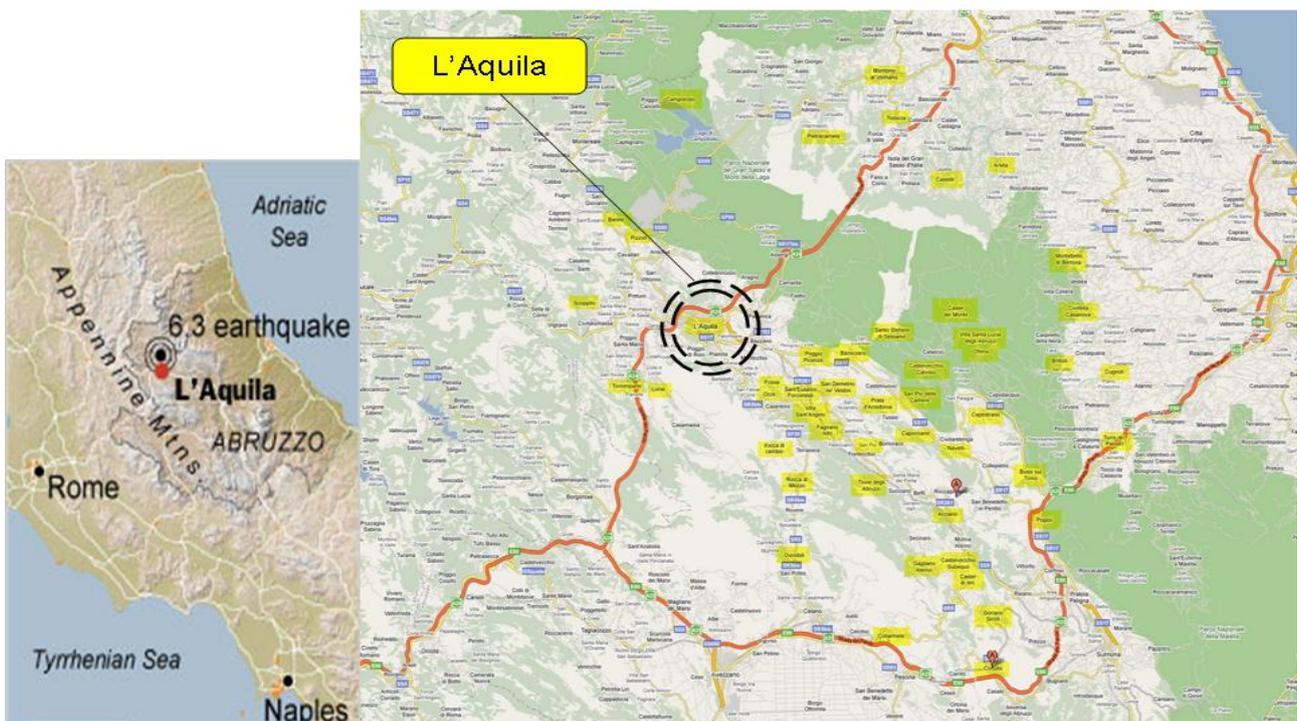


Fig.3

Fig. 3: Time-space-residence disciplinary writing techniques coupled with the specific T09 codification in the 5 LHAs

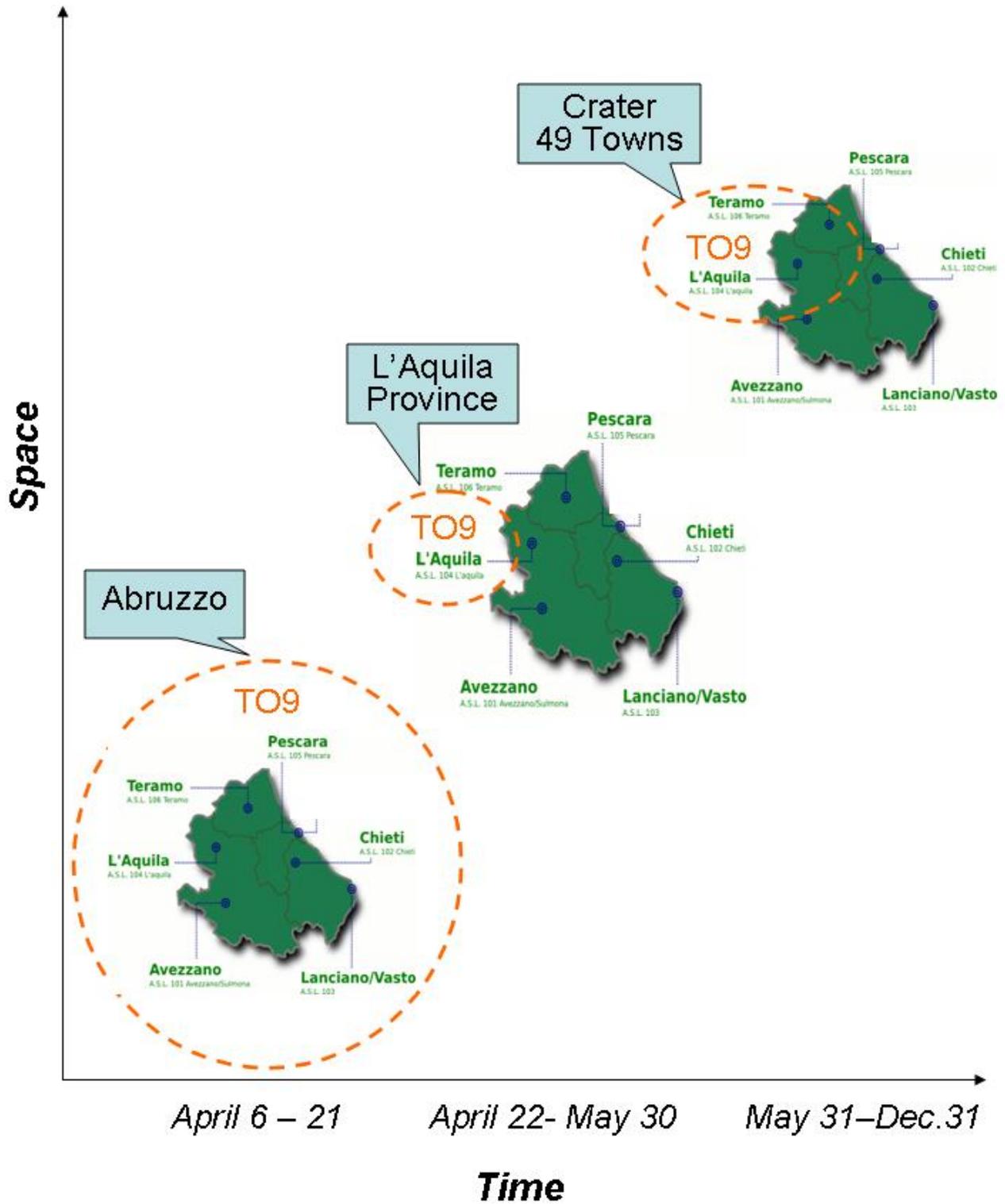


Table 3

Table 3: Estimate of the costs attributable to the 6 april 2009 shock

COMMISSIONER AD ACTA FOR THE FULFILLMENT OF THE RECOVERY PLAN OF THE ABRUZZO REGION

ESTIMATE OF THE COSTS ATTRIBUTABLE TO THE 6 APRIL 2009 SHOCK

THE SHOCK COSTS ARE REFERRED TO THE APRIL /DECEMBER 2009 TIME PERIOD

Items of the synthetic scheme of the CE [Profit and Loss Account]		
Aggregation Code	Item	Estimate of the Regional shock costs
	PRODUCTION COSTS	
A01	personnel costs + irap [regional tax on productive activities]	2.173
A02	pharmaceutical products	-
A03	other goods and services	932
A04	services of territorial health assistance	-
A05	pharmaceutical accredited care	-
A06	specialist health assistance made by private accredited providers	3.192
A07	rehabilitative services made by private accredited providers	-
A08	prosthetic assistance by accredited private providers	-
A09	admissions in hospitals made by private accredited providers	9.300
A10	other assistance made by private providers	11.113
A11	other assistance by public providers	-
A12	other expense components	-
A13	allowances	-
A14	interests and others	-
A15	balance of extraordinary items	- 4.345
A16	balance of intra-moenia activities	-
A17	infra-regional passive mobility	-
	TOTAL EXPENSE	31.055

Table 3 *continued*

UNPRODUCTIVE FIXED COSTS DETERMINED BY THE 6 APRIL 2009 SHOCK		
Personnel		10.000
Goods and services		2.637
TOTAL UNPRODUCTIVE FIXED COSTS		12.637
LOWER RECEIPTS DETERMINED BY THE 6 APRIL 2009 SHOCK		
Lower tickets for specialist assistance		2.500
Lower tickets for pharmaceutical assistance		1.800
Smaller extra-regional active mobility (San Salvatore hospital, year 2008)		7.875
Lower regional tax receipts		32.800
TOTAL LOWER RECEIPTS		44.975
TOTAL EARTHQUAKE COSTS SUSTAINED BY THE LHAs		88.667
FURTHER EXPENSES TO BE CHARGED TO THE CIVIL DEFENSE		
Expenses to be charged to the Civil Defense	Provision of temporary lodging [tents]	2.737
	Relief services	10.813
	Costs for the emergency management	2.000
	Safety measures	116
	Clearing of devastated areas	990
TOTAL EXPENSES TO BE CHARGED TO THE CIVIL DEFENSE		16.656