Universidade do Minho
Escola de Economia e Gestão

Luís Manuel Sousa Grajera Fernandes Costa

**Being accountable for the sake of truth:
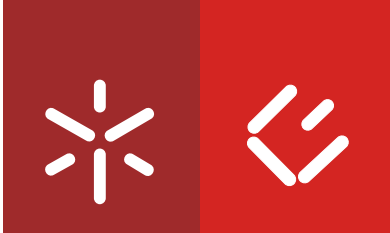the case of** *Águas de Portugal*

julho de 2014

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Dissertação de Mestrado
Mestrado em Contabilidade

Trabalho realizado sob a orientação da
Doutora Lídia Cristina Alves Morais Oliveira
e do
Mestre Carlos Alberto da Silva Menezes

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Abstract

Giving an account of ourselves to others is an essential part of our social nature. But contrary to what it may seem, when we tell something about ourselves, we are not just communicating with others, we enter a complex process of self-formation where what is told will eventually constitute who we are seen to be by society. Visibility depends on others believing that what we are telling them is true. However, what society considers to be truth limits what we can tell about ourselves, forcing us into leaving something unsaid. Being unable to fully account for ourselves is thus equivalent to failing to be entirely visible to others. The act of giving an account is thereby revealed as a game of exertion of forces played between the subject being held accountable and the other who demands an account so that agreement is reached about who we are truly seen to be. Therefore, giving an account of ourselves allows for the link between truth and subjectivity to be recognised. Considering accounting as a practice founded on the act of giving an account, the first purpose guiding this thesis consists in understanding the importance accounting has in establishing the above mentioned link. Yet, how we account for ourselves bears on the way we feel and are held accountable, which is tantamount to affirming that accountability reflects our subjectivity. Through this reflex, the meaning of the former becomes dependent on the way truth relates to subjects. The second objective of this essay is to study how accountability's meaning derives from the link between us as subjects and truth. Within extant literature, case studies have regularly been employed in the research concerning accountability. Following such trend, and supported by Foucault's studies about the technologies of the self, this essay investigates the role Portugal's leading actor in the water sector, *Águas de Portugal* (AdP), has been playing so far in the process of reshuffling the sector from 2007 to 2012. Because AdP was the main focus of that reorganisation, the company was subject to a whole game of forces exerted on its identity by means of its own accounts.

The conclusions reached here reveal accounting as a truth-extracting and truth-assimilating process subjects undertake in order to achieve meaningfulness. To account is to tell the truth. On the other hand, the interdependence between truth and the subject emerges when the latter gives an account. And because accountability is reflective of our subjectivity, its meaning will necessarily depend on the meaning given to truth.

Keywords: account; accountability; subjectivity; truth; belief

Resumo

Sermos capazes de prestar contas sobre nós próprios é essencial à nossa natureza social. Mas ao contrário do que nos possa parecer, quando dizemos algo de nós não nos limitamos somente a comunicar com os outros. Entramos sim num processo de autoformação, em que o que é dito acaba por constituir o modo como somos vistos pela sociedade. Tal visibilidade depende da crença dos outros em que o que nós dizemos é verdadeiro. Porém, o que a sociedade considera como verdade é limitativo do que podemos afirmar sobre nós próprios, pelo que algo fica forçosamente por dizer. Ao não sermos capazes de prestar contas integrais sobre nós, não nos é possível ser completamente visíveis ao olhar dos outros. O ato de prestar contas é revelado como um jogo de forças reciprocamente empregues entre quem é *accountable* e quem exige contas e cujo objetivo consiste num entendimento acerca de quem somos verdadeiramente. Então, o ato de prestar contas sobre nós permite o reconhecimento da existência da ligação entre a verdade e a subjetividade.

Considerando a contabilidade como uma prática baseada no ato de prestar contas, o primeiro objetivo deste estudo consiste em compreender a importância da contabilidade no estabelecimento da ligação acima mencionada. Todavia, a maneira como prestamos contas sobre nós está relacionada com o modo como nos consideramos *accountable*, o que equivale a afirmar que a *accountability* reflete a nossa subjetividade. Através deste reflexo, o seu significado torna-se dependente do modo como a verdade se relaciona com os sujeitos. O segundo objetivo desta investigação prende-se então com a determinação do significado de *accountability* através da ligação entre a verdade e nós, como sujeitos.

Os estudos de caso têm sido regularmente utilizados na pesquisa referente à *accountability*. Seguindo esta corrente, e com recurso aos estudos de Foucault sobre as tecnologias do ser, nesta dissertação investiga-se o papel que o interveniente principal no setor das águas em Portugal, a Águas de Portugal (AdP), tem desempenhado no processo de reestruturação do setor entre 2007 e 2012. Uma vez que a AdP foi o foco desta reorganização, a empresa foi sujeita a todo um jogo de forças exercido sobre a sua identidade através das suas contas.

As conclusões deste estudo revelam a contabilidade como um processo em que a verdade é simultaneamente extraída e assimilada pelos sujeitos de modo a poderem adquirir significância. Prestar contas é dizer a verdade. Por outro lado, a interdependência entre a verdade e o sujeito emerge quando este presta contas. E como a *accountability* reflete a nossa subjetividade, o seu significado necessariamente depende do da verdade.

Palavras-chave: conta; *accountability*; subjetividade; verdade; crença

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1. Introduction

> "When I tell the truth about myself, I consult not only my "self", but the way in which that self is produced or producible, the position from which the demand to tell the truth proceeds, the effects that telling the truth will have in consequence, as well as the price that must be paid. (...) To tell the truth about oneself involves us in quarrels about the formation of the self and the social status of truth" (Butler, 2005, p. 132).

Throughout our entire life, we spend most of our time engaging with others via the accounts we give of ourselves, even if we are not always conscious of this endowment. It bears on our social condition, with justifications about our conduct being demanded due to the fact that we willy-nilly maintain relationships with others. We are thus led into giving reasons for our conduct because others have previously asked for them to be given. This sense of "giving and demanding of reasons for conduct" (Roberts & Scapens, 1985, p. 447) is quoted in contemporary literature as being identical to accountability. This rather simplistic notion fails to capture, *inter alia*, the reason why we give something of ourselves to others in the shape of an account.

When someone, a subject, tells something about himself, about his conduct, the other will judge if what has been communicated is verisimilar (see Bruner, 1991). This judgement may, at first sight, seem straightforward; either he accepts what has been told or he does not. This reveals that the subject is not entirely free to express himself, as the other is capable of conditioning what he is able to tell about himself. What the other, as listener, seeks from the teller is a *proper* answer concerning what he is holding the teller accountable for. What is told must have the capability of being accepted by the other; were it otherwise, the other simply would ignore it. Thus, when we give an account of ourselves to others, those others, by accepting what we are telling about ourselves, are indeed rendering the content of our accounts true. Giving an account of ourselves is then synonym for telling the truth about ourselves. What exactly is the truth that is being told by ourselves about our own selves is the problem. Imperfect beings as we are, there is always something of ourselves unable to be told as it is unknown to ourselves: this is what Butler (2005) describes as the social subject's natural opaqueness. What we know about our true identity is conditioned from the very beginning we start accounting for ourselves. But what we account for is essential for making us visible to others.

The role of truth in establishing our subjectivity is essential for understanding why we must account for ourselves. Because what we say is attuned to what truth imposes upon

our ability to tell others something about ourselves, accounting can be considered a practice of attuning conducts to the regime of truth. This regime, as Foucault describes it, is "a system of ordered procedures for the production, regulation, distribution, circulation and operation of statements" (2001a, p.132). However, accounts are not merely passive conductors of the voice of truth. As Butler states, "the account is an act – situated within a larger practice of acts – that one performs for, to, even *on* an other, an allocutory deed, an acting for, and in the face of, the other" (2005, p. 130, emphasis in original). Focusing on the highlighted term, when the subject tells something of himself to others, what actions those others will undertake will have as their ground what was previously told to them.

Because we account considering what we are being held accountable for, accountability is expressive of towards what and whom we feel ourselves answerable to. That answer is to be given in the shape of an account. As an expression of that commitment, accountability has the capability of revealing something about ourselves through the answer it enables. Accountability can be seen as account-ability, the ability to account for ourselves. But because we are exteriorising what we are telling about ourselves, such activity is what exposes us to the judgement of the other mentioned above. The other being refractive of the social gaze (Roberts, 1996), we become exposed to the effect of social norms guiding who we can be seen to be. Considering these as synonyms of what is held to be socially true, truth as power is revealed through this normative setting. Being linked to the subject's existence (Schweiker, 1993), this exposure that accountability guides the subject into allows for a relationship between truth and subjectivity to be perceived. This bears on the subject being social, and it is because he is social that truth (as synonym of what is socially considered to be right) is seen as linked to the subject, to his subjectivity. But as it is sustained by the act of giving an account, exposing subjectivity to truth endows accountability with an inherent elusiveness, making it difficult to understand what exactly this concept is. This is due to the opaqueness of subjects already mentioned.

What motivates this dissertation consists then in studying the relationship that can exist between subjectivity and truth in order to understand the reasons motivating or compelling the subject into giving an account of himself. Alongside this purpose, it is expected that the role of accounts in reflecting the power of truth will become clearer so as to enhance the understanding of the way truth manages to be established as an effective regime conditioning conduct. But because giving an account results from the subject feeling and being held accountable towards something and someone, how accountability is

affected by such relationship between the subject and truth is something that necessarily needs to be explored. As already stated, accountability is linked to the subject's existence (Schweiker, 1993).

This dissertation searches to explore what is considered to be a new approach regarding the way both accounting and accountability can be reified, i.e., to investigate the role of accounting in processes of constitution of subjectivity by focusing on the power truth purports to have and exert upon them. This is sustained upon the principle that giving an account is an activity capable of linking subjects to truth. And because this activity is dependent on the subject being held accountable to something or someone, our perception of what accountability can be is seemingly affected by the way such relationship ensues. Therefore, and in order to pursue the proposed objectives, this study is based upon providing an answer to the following research questions:

a) What is the importance of accounts in enabling the link between the subject and truth?

b) In what way is accountability expressive of and defined by the connection between subjectivity and truth?

Because case studies consist in a recurrent approach in exploring the ways distinct forces are able to mould the specific framework within which accounts are rendered, the projected work is to be developed under the framework sustaining explanatory case studies, as they seek "to explain how and why some event(s) occurred" (Yin, 2003, p. 69). As this is essentially a hermeneutical study over published texts, it requires the analysis of a wide set of sources. But such is sustained upon the importance of written accounts in enabling processes of constitution of subjectivity to be studied. In particular, what is considered important by distinct parties tends to be different due to the interpretation activity reading accounts calls forth. Therefore, this work follows a participant's perspective typical of a qualitative and interpretative approach.

After a new strategic plan for the water sector set by the Portuguese government for the period comprising 2007 to 2013 was issued, this area has been subject to a continuous and turbulent process of change under the auspices of the concept of sustainability. With the sector being considered unsustainable, a whole series of moves were performed during 2007 to 2012, the period in analysis, in order to orientate it towards what is perceived as sustainability. With its leading role in coordinating water supply, *Águas de Portugal*

represents the central focus of such moves, making it liable to the full exposure of discourse's enabling and constraining powers. Though a corporation, it is indeed a moral agent acting within society (see Schweiker, 1993). Therefore, studying how AdP's subjectivity is affected through the accounts it renders is expected to provide the starting questions with adequate answers.

With the development of this thesis, a better understanding about the role of accounting in connecting subjectivity to truth is expected to be reached. This is intended to provide future research with a new perspective over the significance of the practice of accounting as essential for subjectivity to ensue. Accounting is then expected to be reified as the act of giving an account of oneself. As the activity of giving an account is essential for subjects to be accountable, observing this practice from another angle will contribute to clarify how the constitution of subjectivity is relevant regarding the social meaning of accountability, helping to retrieve it from the shallowness of many simplistic notions it is stuck to and thereby revealing the complexity of such concept.

The structure of this work comprises four other chapters as follows: The literature revision is organised into three sections, each inter-related to the others. In the first section, and after characterising the subject as an opaque and exposed being from whom an account is demanded, a discussion of the nature of the act of giving an account as essentially narrative ensues, with the implications it has in exposing the subject to the action of social norms. It is due to their opacity and exposure that subjects are able to experience a doubleness of their self: as an agent and as an accountant, with the two not being self-identical. The second section presents the leading arguments supporting this thesis, and centres round the analysis of the work of Foucault around the techniques of the self and how they relate to truth. This allows for the relationship between subjectivity and truth to be linked to the act of giving an account, defining accountability as dependent of truth's meaning. And in the third section the role of truth in constituting subjectivity is furthered by exploring the way narrative and computational accounting contribute to making the subject visible. This culminates in the disclosure of the power belief has upon accountability and regimes of truth, essential for the enactment of subjectivity.

The following chapter defines the kind of methodology sustaining this study. First, the inherent methodological and epistemological perspectives guiding it are presented. At this point, the objective is to explain the relevance of the methodological presuppositions

that were chosen in answering the starting questions being placed, especially when accountability and accounting are explored within a perspective that calls for a specific kind of approach in detriment of others. This is due to the position the investigator takes when conducting this research. Afterwards, there is an explanation about the research method used to conduct this case study. This concerns also the reasons leading to its choice. There is also a reference to how are the relevant data going to be collected. Finally, the theoretical framework supporting the development of the research is given its general outline by referring to the relevant ideas and authors that contribute to structuring it.

The fourth part of this research concerns the development of the case study over AdP and is also divided into three sections. The first of these describes all the process that conducted to the setting characterising the water sector before the enactment of its new strategy in 2007. As this is a hermeneutical study focused, *inter alia*, on the importance of the act of giving an account in linking the subject to truth, there is the need to make a survey over the period prior to the publishing of the strategy known as PEAASAR II. This will provide the necessary grounds to interpret the discursive stance taking place after PEAASAR II was issued. In the second section, the importance of PEAASAR II in structuring a new discursive regime of sustainability is brought to the fore, with this concept acquiring the status of truth and thereby capable of conditioning the meaning of subjects and the actions they perform. However, this power can only be exerted if accounts are rendered. This dependence of truth on accounts is the common thread sustaining the third section, where the process ensuing during the period comprising PEAASAR II (2007 – 2013) is focused in order to understand the game of forces this relationship between accounts and truth, and consequently with subjects, represents. Here, AdP is endowed with the leading role because of the importance it has in allowing the prevailing discourse of sustainability to be a regime of truth.

This dissertation culminates with the presentation of the main conclusions and of the limitations that restricted the scope of this study. And together with this, there is a reference to the contributions this research purports to give regarding our understanding of accountability and accounting, providing some clues for future research.

2. Literature Review

The present chapter is organised into three inter-related sections, as earlier mentioned. The first section comprises the literature review around the importance of the act of giving an account in the constitution of subjectivity, stressing the role of narrative in the entire process. In the second section, a review over Foucault's work around the techniques of the self and how they relate to truth is performed in order to disclose the relationship between subjectivity, truth and accountability. Finally, in the last section the reviews undertaken in the previous sections are furthered by emphasising the power belief possesses over the link subjects have to truth.

2.1. Narrative and the constitution of subjectivity

Among the paraphernalia of extant definitions in the literature that try to label accountability, one that has captured my attention the most is presented in Munro & Hatherly (1993, p. 369) as "the willingness and ability to explain and justify one's acts to self and others", a concept basilar to society itself. Specifically, there prevail two major ideas which are central, rather fundamental, to studying accountability as a social phenomenon in its essence: namely, accountability requires the existence of a self and other(s) as a basis for its foundation, both willing to (meaningfully) communicate. However, an inquiry into what sparks such willingness and sustains such ability reveals a subtleness so befitting accountability that it shows how foolish any attempt to render it a definitive, all-encompassing notion may seem. This recognition of its imperfect yet elusive nature enhances, oddly enough, our understanding of it (Sinclair, 1995; Messner, 2009). We must always bear in mind that due to it being inherent to us, imperfect selves, accountability is endowed with its imperfect nature. Even if it may not seem so, accountability is so much dependent on us to exist as we ourselves are dependent on it for our existence. This bears on the fact that it is sustained on the essential relationship self and the other must necessarily have, as it is through such bondage that the self emerges as one in society[1]. What motivates such an encounter and in what way(s) it can take place will justify accountability's basic motive as being that of existence itself (Schweiker, 1993),

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[1] And because we are intrinsically social, the other is confirmed as a subject due to the address self enables it to perform. As discussed later, the communicative nature of the act of giving an account reveals the interdependence between self and the other as far as meaningfulness goes.

bringing to the fore what is accounting's role in enabling the subject into personhood. The relationship between these two seemingly akin words is dependent on reifying accounting as a practice capable of enabling self in giving an account of itself.

Giving an account is something intrinsic to us as social beings. Willy-nilly, we continuously enrol in accounts of our living to others with whom a certain relationship is kept, whether being one of friendship, professional or other (Willmott, 1996). And since all of us can or must account to each other in some way, we are thereby subject to both giving and receiving accounts. It may sound somewhat contradictory to the accountability's notion presented above, as it draws on the willingness to account to others, but it is by coupling this feeling to the array of features grounding the act of giving an account that such activity, and concomitantly accountability, becomes primary to processes of self-constitution within the community. Referring only to one's eagerness to account somehow constrains accountability's meaning as it seemingly makes it dependent upon whether the subject is keen on giving an account of itself[2]. In consonance with what is to be later discussed, the sheer act of refusing to give an account is indeed tantamount to rendering an account (Messner, 2009). Still, this serves as a stepladder for claiming that by referring only to the willingness to account much is to be said concerning the activity of account-giving in itself, in turn concealing its fundamental role in *shaping* and *framing* self from whatever definition of accountability being construed. Prior to any willingness to account, there is a primary will, rather a thrust for self to unveil itself to the world by answering to a primordial injunction cast upon it. This call for self is bound to be its inaugural moment of recognition.

Search for recognition is intrinsic to our living, as it makes both us and our actions meaningful in the world (Willmott, 1996). Rendering meaning is, however, always a dyadic process between two parties, implying that what sense is endowed upon our own selves is performed by someone different from us in a first stance. For that to happen, one must reach out for that disparate other, its existence being our gateway to significance. Addressing the other in the form of an account enables for such connection to ensue. Giving an account of ourselves may thereby be seen as reflective of our social subjectivity in the community as it translates the (inter)dependency between us as selves and others

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[2] One cannot properly speak of self's *own* account or *its* account, as these are not of its sole authorship, something which is to be argued for later on. This is why one must talk here of an account of itself merely as identifying its teller, allowing it to be known.

regarding our meaningfulness, due to a binding feature accounts allow. As Schweiker (1993, p. 234) claims, "giving an account is providing reasons for character and conduct, ones held to be understandable to others and thereby rendering a life intelligible and meaningful".

Coupling willingness to the achievement of meaning by self shifts the focus on the activity of account-giving in itself (namely, an act by which we justify our conduct before others) to why the account is given, what is behind the giving of such justifications and what motivates and motivated them. But self's willingness alone does not enable its intelligibility to ensue because the link to the other is not yet established. For meaningfulness to occur, the other must also be keen on addressing self. Self is to be endowed with selfhood if it sparks in the other a disposition, rather a desire to know, to discover who is the one provoking such feelings of curiosity or uneasiness that lead into a will for knowledge. Communication is then essential for binding this duality of desire, enabling the other's address to be directed to the self by means of a query, in turn initiating the process of self-constitution. This draws on Butler's arguments (2005) that asking self "who are you" is central to processes of self-formation, as it assumes the prior existence of and dependence on the other as a *sine qua non* condition for the emergence of self. The inquiry is not necessarily judicial, as she argues when referring to Nietzsche's championed ideas of accounts being rendered out of fear of punishment, for the other's eagerness for knowledge does not arise due to a prior aggression by self but as a result of an intentional but harmless move capable of retrieving self from anonymity into society. Communication still seems somewhat unilateral here, mainly performed by self through answering the other's call for identifying itself. Yet, it leads us into asserting the importance of the ability to communicate as essential to the act of giving an account due to the binding feature it allows. One can then refer to the account-ability, the ability to account for, inherent to the act of giving an account as something natural to the activity itself, being accounts a means of communication; which is not unexpected, considering the etymology of the family of words to which accountability belongs.

Deriving from the Latin *computare*, it implies both the ability for narrating and computing (Kamuf, 2007). Whilst communication does not seem obvious or rather seemingly inexistent regarding the latter, the former calls for its existence because narrating, an essentially communicative act, necessarily needs two parties to ensue. On the other hand, considering computation as an exercise of power upon subjects and their

conduct in order to render them visible to others (see Miller, 1992), the communicative side of "computational" accountability is revealed, for such calculation and reckoning are to be given to the other in the shape of an account if self is to be endowed with meaning. Like narrative, it concerns the ability of addressing the other in order to reply to its call, which in turn renders us as account-able beings by answering it. We are not accountable, or account-able (i.e., beings with the ability to account deriving from and befitting to a communicative dyadic), just because we account, since the meaning of such an act in isolation could mislead us into merely communicating loose information about ourselves. To account is less to *talk* than to *tell*, since the former, whilst included in the latter, can be simply an expression resulting from haphazardly communicating something; *telling*, on the other hand, implies both the figure of the other and the sense of reporting something intended to be meaningful (Boland & Schultze, 1996), i.e., which bears on our wish of being intelligible to others within a community. Whilst being interdependent, narrative precedes computation (Boland & Schultze, 1996) because it concerns the emergence of the self as a social subject and what meaning computation is awarded is established within the possibilities narrative has allowed the subject's selfhood into. Thus the focus of this chapter is on narrative qualities of accountability, leaving aside for the moment its computational face we are so keen on (See Kamuf, 2007).

Being addressed by the other leads self into a feeling of commitment regarding its inquirer whose call it must answer. What was primarily a desire for intelligibility turns into a duty self is imposed, that of having to give an account, as it is now an answerable subject before the other on whom expectations were created regarding what self tells about itself (Shearer, 2002). By calling for outer attention, self places itself and is simultaneously placed in a position of exposure, first to the individual other's demand to account, which, and second, is reflective of a general obligation, bestowed upon self as a social being, to account for itself. The individual other is then reflexive of what may be understood as a "generalized other" (Roberts, 1991), with its expectations for an account refractive of the prevailing ethos within society. However, it is by replying to the other's call that self, through its accounts, is given the possibility for meaningfulness, i.e., can be considered a subject. This is so as the act of giving an account presupposes at least two subjects: a teller and a listener. The former only addresses the latter because it has been required and therefore allowed to do so. The other is regarded as prior to what sense self can have of itself, as it is through the former's call that the latter's intelligibility can be endowed;

otherwise it will remain in anonymity. Therefore, the other is placed in a higher position than self regarding the act of giving an account considering that it is posited as an existence prior to that of self and to whom accounts *have to* be given. Self can account for itself only when being first addressed through a query. For self to stand *before* the other, the other must exist *before* self. Interdependence arises not merely due to the other's demand for account, but because that other is lead to an eagerness to know self, with such 'materialising' in its demand for account. What motivates its willingness into querying is however unknown and unknowable to both the other and self, even if being unconsciously a move performed by the latter, who cannot be conceived as intelligible since it has not been addressed. As such force cannot emerge within the communicative dyadic the act of giving an account calls forth, the other is granted a position of seeming superiority by holding the power of inquiry, to which self must unwillingly answer through its account. This obligation of the answering self to give an account of itself to the demanding other is constitutive of the moral responsibility of self to give an expected account. More than account-able, self is now able to feel accountable, even if in a compulsory tone, towards the question directed by the other. Accountability can then be conceived as essentially a moral responsibility felt by self to answer the other's demand for an expected account. And it is the exposure to the other that founds such sense[3]. Yet it is through being exposed that self is hold accountable and thereby rendered intelligible. This justifies why accountability as moral responsibility to account is a fundamental duty. Self is hold as an accountable being even if decides not to account at all, as the demand to account is always prior to such refusal, and denying to account is identical to an account being rendered, as it tells something about self (Messner, 2009).

It is this precedence of the other over self that allows morality into accountability, both preventing self from giving an account out of egotistical, self-centred motives and denying it an apparent total independence from the other, whether individual or generalised, it could aspire for (see Roberts, 1996). Shearer (2002) has argued that the egocentric self arises due to a temporal and causal structure that postulates desire prior to

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[3] Albeit the boundary between accountability and responsibility remains tenuous, given their frequent interminglement (see Cummings & Anton, 1990; Lindkvist & Llewellyn, 2003; Kamuf, 2007a), these can be treated as distinguished notions when considering the moment they arise and the temporal structure they are enmeshed in. As Schweiker (1993, p. 246) claims: "[w]e do not assume anything about the being of the actor prior to giving an account in order to ascribe responsibility". In fact, accountability can be so harmful to responsibility so as to deny it (see McKernan, 2012). Such claims do not intend to break their interdependence, though. But queries about responsibility and its distinction from accountability cannot be further explored here.

value. Since it is the desire of self that attributes what value the other may have, self will only move to the encounter of the other if it is beneficial to itself. The other is then commodified as it is conceived as a means to attain self-interested goals, resulting in a denial of the others' subjectivity. One can argue that the other is here posterior to self as it arises only as a consequence of self's desire. However, and in line with what was previously stated, self's desire is to spark in the other a will to knowledge, a curiosity leading to the query inaugurating self's recognition. This desire only arises because self already accepts the other as existent, with a value of its own and independent of any desire casted upon it. The other is a subject prior to self and the cause of self's craving for attention, unable to be reduced to an act of appropriation for self's own satisfaction. For

> "desire, following as it does as a *consequence of* value rather than its garantor, cannot possibly succeed completely in appropriating the other to its own ends, because it is the object/other *in itself*, in its autonomy from the desiring subject, that gives rise to the desire in the first place. In other words, if one desires something (the "other") *merely because* the other has value in itself, then the other cannot be reduced to a mere object to be appropriated in the service of the desiring subject's wishes, because such an objectification and appropriation would undermine the very foundation on which the desire is based." (Shearer, 2002, p. 553 – 554, emphasis in original)

For the act of giving an account to be a moral one, the other must be treated as the end in itself, an equal respect between subjects must be shown (Schweiker, 1993). However, it is this equality of respect that reaffirms self's unequal nature regarding the other, to whom it must account out of the moral responsibility self is made to feel. Denying such difference would "negate [the] other's uniqueness, the very thing that self needs in order to be self" (Macintosh, Shearer & Riccaboni, 2009, p. 754).

The dichotomy value/desire does not explain by itself the full scope of morality in accountability, as their link is established when there is contact, i.e., communication, between self and the other. Moral responsibility, embedding a quest for meaningfulness, shapes such communication into an act of telling constitutive of the account self renders about itself. By the fact of being the addressee, the other is unveiled its social origin and nature, refractive of the norms that limit what intelligible constitution subjects are allowed (Butler, 2005). Roberts (1996, p. 43) has compiled such assemblage of norms in the phrase "normative *order* of the wider society" (emphasis added). Playing a game of semantics reveals the ambiguous character of the highlighted term, as it can be conceived, e.g., as a command, a rule to be followed or a state of neatness, of normality, the opposite of *disorder*. When judges repeatedly call for order in court, they are making simultaneous

usage of this double meaning. The other's sociality, because it is founded on moral precepts, reflects upon self the imposition such norms have on the accounts it must give. For no account can happen outside a structure of language defining how communication is to follow if it is to reach ashore. Subjects are therefore being *ordered* to account in an *order*ly fashion befitting the relevant social *order*, with the account losing its meaning otherwise. The address of the other not only imposes a moral responsibility to answer, but it also lays the normative ground upon which the account can be given. Self is accountable not merely regarding the other or others addressing it, but its accountability is dependent on what morality allows self into account. And the other as addressee is what imposes morality upon self as a structure of address, being self's exclusive gateway to meaningfulness.

> "If I am held accountable through a framework of morality, that framework is first addressed to me, first starts to act upon me, through the address and query of the other. Indeed, I come to know that framework through no other way. If I give an account of myself in response to such a query, I am implicated in a relation to the other before whom and to whom I speak. Thus, I come into being as a reflexive subject in the context of establishing a narrative account of myself when I am spoken to by someone and prompted to address myself to the one who addresses me." (Butler, 2005, p. 15)

Returning to the intrinsic value of the other, one may argue that the other's value is grounded less on its individuality as other than on its refractive qualities of the normative social gaze, the ruler of recognition (Butler, 2005). Meaning, to hold itself as intelligible, needs to be founded on a social *order*, translatable into what is generally taken to be right and/or not, i.e., on morality. The other, through its face and gaze, is for self the embodiment of such moral, the "generalized other" Roberts (1991) alludes to or the other qua Other Shearer (2002) draws on. Considering the latter, with its Levinasian vein, one can argue that if the desire of self is oriented towards the value of the social other, such desire must also be felt about the moral behind the other's subjectivity, as it founds and structures its (the other's) earlier existence. Therefore, morality is also prior to self, with desire arising as a consequence of its natural value embedded on the subjectivity of the other. Moral value is not due to an affection self may feel for the other, but derives from the value the other encompasses concerning the origin of self's desire, since it is the end motivating self to account. And it is because self values the other that it is compelled into answering its injunction, the act of giving an account being the recognition of the legitimacy of that demand. But in turn, by giving an account self is also legitimated as it is

capable of addressing the other's call; self is an account-able subject being held accountable.

If the address of the other inaugurates morality into self, it exposes it to the exertion of moral power (see Schweiker, 1993), with such being translatable into a set of norms of conduct. Yet, norms alone do not warrant for power to be exerted. It is through the other's demand to account that they can operate upon self. How they are to be perceived is due to their postulation as discourse[4]. This moral discourse is of a normative nature, as it shapes and conditions the way we act, in turn affecting the way we hold ourselves accountable. Because the reply to the other is to be given according to the moral framework casted upon us, for it consists of what is considered to be understandable, what is allowed into tellability must be becoming to such structure; expressing in other terms, not befitting that framework, breaks communication between both subjects, hampering the attainment of intelligibility. What self is capable of telling about itself is limited from the very beginning of the activity of giving an account, for morality via discourse has already constrained the shape of the channels conveying self's message to the other. Merely asking self "who are you" is in its essence restrictive, since it originates always from a framework prior to self and acts upon its account-ability, in turn structuring self's sense of accountability as moral responsibility to account, for this is linked to the legitimacy of self within a community of others; it then expresses how ethical the claim for self to account for itself can be, since the accounts are not and cannot be merely out of self's authorship, if the one being held accountable is to be endowed with legitimacy as a social subject (see, e.g., Messner, 2009). Considering that self's meaningfulness is dependent upon a dyadic communicative relationship to the other through the accounts given, giving an account can then be said to be a constitutive act of selfhood, with morality shaping self's acknowledgement of itself through the other's initial question. Self depends on the moral structure sustaining the scene of address to emerge, but this does not mean that self is a whole product of the norms; these only establish a limited but enabling field of action, otherwise self would become an automaton with whatever subjectivity possible being denied. Whilst constrained, self's tell-ability has not been reduced to a single dictatorial way of expression. Indeed, by limiting what can be told, morality prompts for self's inventiveness in shaping itself within the framework it calls forth. This inventive genius of self that

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[4] "How they are to be perceived" reveals moral norms' blurred nature due to every subject's natural opacity, whether this is self or the other, which subjects them to interpretation.

Butler (2005) refers to is a consequence of internalisation of morality, being reified as "a challenge" self accepts from the moment it gives an account. Asking "who are you" opens self to such challenge, impelling a questioning about what it can tell about itself. While restrictive, morality paradoxically potentiates the subject's self-crafting powers by inaugurating its reflexivity, with the act of giving an account being performed only after an act of self-constitution has ensued. But because such act must arise within a specific framework, thereby impeding something about self to be told, it also inaugurates self's opacity and its inability for fully knowing itself. Inventiveness bears directly on this obscurity, unable to be told.

Opacity arises as a natural consequence of the moral exposure self is subject to. Being exposed to the operation of norms renders the subject visible through the specific lens of what morality, as discourse, prevails in society. Indeed, as Butler emphasises (2005), it is by being addressed that self is supplied with the language capable of replying to the other. Exposure is therefore enabling of communication, but only to a certain degree, the one allowed by the scene of address. What one considers to be its own language was undeniably imposed by the other, by the language structuring its inquiry by which one must answer if it is to be understood; it is therefore not ours at all. This implies that what a subject can tell about itself is founded upon what was not his own from the very beginning, for only by being asked to account can one become a subject. Being a subject is inevitably bound to being subject to something, a form of power that translates subjectivity as being necessarily out of subjection (Foucault, 2001b). The subject must then be given the means to narrate himself if it is to aspire to meaningfulness. But this also subjects self into answering within the structure previously cast upon it, meaning that self's tellability is not exclusively its own. This need of structure, this quality of being subject to normativeness, is essential for narrative to happen, since it is "centrally concerned with cultural legitimacy" (Bruner, 1991, p. 15). Giving an account of ourselves, by the fact of being an act intended to grant us meaning, therefore "demarcates membership in a linguistic and moral community" (Schweiker, 1993, p. 244) by rendering us subjects to their canonical discourse. Opacity is here founded upon what self cannot allow itself into speakability if it is to maintain membership. Being a member means that what I consider to be my accounts are never mine in the first place; they are not out of my sole perspective (if that exists) but must follow what direction the appeal posed by the other compels, the social other recognised as refractive of social gaze. How self is visible depends on what perspective the

norms allow, with both self and the other being their (dependent) subjects. And perspective rules what accounts can be given, setting its scene. Following Butler (2005), the sociality of norms makes them indifferent and impersonal regarding the subject, interrupting self's sole authorship of its accounts. That justifies self's dispossession of its perspective due to the operation of norms "that condition what will and will not be a recognisable account, exemplified in the fact that I [the subject] am used by the norm precisely to the degree that I use it"(Butler, 2005, p. 36).

Being the condition of self's emergence as a reflective being, norms must necessarily precede self. As Butler (2005) asserts, through their internalisation they constitute part of self, but are unable to be narrated by what accounts self gives. Their temporality is different from that of the individual subject. What self tells of itself bears on its living experience, arising always belatedly regarding the norms that found its meaningfulness. Being so, they are unable to be captured by self's narrative. Even if they are part of self, they cannot be recollected due to their impersonality and the inevitability of self not being capable of witnessing its own constitutive moment (Butler, 2005). Because they constitute selfhood, they dispose self of its perspective not due to outside exposure, but from the very moment self reflectively constitutes itself. Yet, one must stress that whilst constituting self, they are not self, for reducing selfhood to them would deny whatever singularity self could aspire to by means of its inventiveness[5]. They are unknown and un-know-able to self, but still essential for its individuality to be enacted. Self must be exposed to the operation of norms in order to be rendered meaning, but what is exposed to the other is its uniqueness as a subject, not its normative sameness, unable to be narrated. The indifferent and impersonal norms which render us our commonness and social nature, which deprive us of the ownership of our accounts, paradoxically are what sustain the singularity of subjects to emerge within exposure, therefore enabling recognition. For self to bind to the other, and *vice-versa*, a unity out of diversity must ensue (Butler, 2005). Giving an account is an act founded upon such difference, justifying existence (Schweiker, 1993). Otherwise subjectivity would not hold sway. Narrative, whilst not being crafted exclusively by self, nevertheless sustains its individual subjectivity. And again narrative itself stresses this inability of self fully narrating itself for it is too a cause of self's opacity.

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[5] Drawing on Foucault (1997c), such reduction of self to the normative discourse is impossible even if considering that discourse, as truth, can be superimposed with the subject's will. If self were to be an impersonal embodiment of norms, how could, for example, meditation over those same norms ensue?

Bruner (1991) asserts that both our experience and memory are structured mainly in narrative form. Narrative, originating from subjects, is subject to convention and constraint imposed by the cultural background where it takes place. This is similar to what has been discussed so far, but Bruner refers to a "narrative necessity" sustaining narrative itself and also governing its acceptability. This necessity to narrate may be out of the need to communicate associated to meaningfulness, sustaining the claim that communication adopts narrative form not only due to the act of telling it consists in, but because what it purports to tell (namely, the tale of self) is already in the form of narrative. By organising ourselves with recourse to narrative, we expose our living experience to what constructions it enables. Because narrative presupposes what canonical discourse there prevails for it to be understandable, self-constitution will be in its essence selective, with self unable to recollect what was not told by itself in the past. This means that when self narrates itself, it must always forego something of its experience not allowed by the prevailing discourse into tellability, which eventually will become unable to be recollected by narrative, therefore opaque even to the narrating subject. It therefore becomes unknowable, even if intrinsically being part of it. This mediatisation of self's narrative reflects self's own inability to fully know itself, for self constitutes itself through narrative. In a sense, self is continuously reconstituting itself in every account it gives, preventing a return to the scene of address where it was inaugurated, such setting in turn unable to be narrated (Butler, 2005). We must bear in mind that "narratives are about people acting in a setting" (Bruner, 1991, p. 7), not about the setting itself.

Self's knowledge of itself is incomplete as it is grounded upon conditioned narrative, bearing on regimental canons that precede self's accounts and yet are what endow its legitimacy. It is by being operated within such canons that self's narrative is able to reach the audience to which the account is given, or rather must be given, for the sake of self's meaningfulness. This offering the teller must perform reinforces its inability from reclaiming the account as its own, but still does not cease to be a narrative account of himself. It is by dispossessing self of unique authorship through an act of giving (an account) that the account is completed, confirming the interrelationship self and the other have for the sake of intelligibility. Thence, "it is only in dispossession that I can and do give any account of myself" (Butler, 2005, p. 37).

Because self performs its reconstruction every moment it accounts for itself, giving an account of oneself is a "performative and non-narrative act, yet functioning as the

fulcrum for narrative itself" (Butler, 2005, p. 66). The query the other launches sets the challenge, in the form of a demand, for self to account for itself in order to emerge as a meaningful subject. This occurs within a scene of address cast by the inquiry, which frames the answer self must give. Self is exposed by the query to the effects of the query itself, to the order that brings self into social order, denying self its sole authorship by limitation of what it can tell about itself. What remains untold will constitute its opacity, the inability to narrate something that is and remains unknown and unable to be known, un-know-able, to the subject and yet undeniably constitutes it. It is because self is subject to the effects of exposure and opacity morality prompts that giving an account of oneself represents a challenge, one of self-inventiveness deriving from the reflexivity the duty to answer leads the subject into. Constituting itself in dispossession is tantamount to an estrangement that self is lead to feel regarding its own self, whom it wants to account for. Schweiker (1993) refers to this estrangement as an otherness self feels regarding itself, resulting in a "doubleness" of identity between the one acting and the one giving an account of the actor, enacting it. When giving an account of itself, self is constituting its singularity regarding others within the same setting, each being a different member in community. But singularity derives from the narrative constituting self as a subject and narrative is about subjects acting within a same setting. It therefore concerns their activity, their capability of being able to act, i.e., of agents. So accounts purport to constitute self into meaningfulness by narrating its social experience reflected in its activity in society. And because they are a reply to a prior query, inquiring into what one does reveals who one is (seen to be), there being "a linking between what one does and who one is" (Schweiker, 1993, p. 241, ft. 9). Subjectivity derives from the singularity of self and its inter-relation with others. And for singularity to prevail, it must be out of action, of self as agent in society; otherwise it would be an automaton of social norms. Subjectivity can be said to be active, as it is linked to self's activity, but also ethical, as those actions are bound to affect others because they are performed within the moral gaze of a community.

Due to self's constitution out of conditioned narrative, the agent is not fully known and knowable to the subject accounting, resulting in them not being self-identical. What moral responsibility there is to account is always regarding self as agent; yet it is performed by itself as accountant. This asymmetry of self is what inaugurates the figure of the accountant, one diverse from that of the agent. The accountant is then the one being entrusted the duty to render the account, the one telling a tale which is neither its own nor

about itself. There are then at least three parties necessary for the account to ensue: the accountant (who gives the account), the agent (about whom the account is given) and the other (to whom the account is given). Self, as accountant, is what allows the inter-relation of itself as agent with a community of others, of those whose understanding over the grounds that found self's actions is to be based upon what accounts are given to them. As previously argued, it is the capability of answering the other's call through an account that legitimates self by granting its meaningfulness. Whilst performed by the accountant, accounts relate to what actions self as agent carried out. Thus, whilst "the process of legitimisation concerns the moral evaluation of action" (Richardson, 1987, p. 343) through the moral gaze of community, it also means that being a legitimate subject within a community is inherent to our self-*identification* as accountable. As Llewellyn (1999, p. 224) argues, "agents understand their experience through narratives", reinforcing the claim that our living experience, whilst expressed in actions, is constituted within and internalised by means of narrative. Agency, expressive of the agent, bears on the practice of accounting, expressive of the accountant.

Both exposure and opacity will act into shaping what account is given, meaning that the tale the accountant tells is a reconstruction of the agent within what can and cannot be told, i.e., can and cannot be narrated. Narrative does not enable self with its complete tale, but then again it never purported to render it (Bruner, 1991). Its purpose is to allow for the subject to continuously emerge as one narrated within a relevant but framed setting. Self's identity can be said to be a discursive one for it results from discourse-conditioned telling. Being narrative borne out of narrative, accounts must thereby be forcefully and naturally incomplete. Because the ultimate end of the accountant is to endow the agent with intelligibility, what meaning is granted to self is subject to what hindsight the accountant has on the agent's conduct, the agent being constituted by and within an exposure and opacity unable to be accounted for. Therefore, being constituted by narrative means that the primordial act of knowledge of self endured by itself as accountant is grounded upon self's interpretation of itself as agent. In a way, self as accountant is what consolidates the link between what we do and who we are (seen to be), yet maintaining self agent and the other apart from direct contact. The accountant both enables and hinders the knowledge of self agent by a community of others. Or rather, it will shape self agent into visibility, into being rendered knowledgeable, therefore meaningful regarding the setting and the audience demanding for subjects to account. By interpreting self and communicating such

interpretation to the other, the accountant is in fact constructing self and beginning a circular process of self-(re)construction. Giving an account, because it is communicative, is also (and must be) a constructive act of self's reality as a subject (Hines, 1988). This means that active subjectivity is not only a result of the agent's activity within the social reality where it belongs, but and especially bears on the agent's capability of acting into that social reality by acting upon his own singular reality. But for this subjective reality to hold sway, it must endure and be subject to the rules that sustain what Foucault considers to be the games of truth, where self and the other are both pawns and kings.

2.2. Truth games

Referring to the scene of address where accounts are rendered enables us with the understanding that both "self and the other are, ultimately speaking, members of one created order" (Schweiker, 1993, p. 245), such order translated into the effects social gaze has upon the constitution of subjectivity. In turn, this normative gaze is perceived through its manifestation into structuring discourses establishing the framework, the setting where emergence of selfhood can take place through the accounts given[6]. This stresses the constitutive role of norms. However, the last part of the above quotation alludes to the passive nature of the order sustaining meaningful subjectivity, implying that such order is not constant and everlasting, but itself dependent on the giving of accounts for its influence to emerge. This is somehow related to what Cohen (1968, in Roberts & Scapens, 1985) describes as the social paradox: even if conditioning communication, normative order holds sway only if communication occurs. Being manifested through prevailing discourses, norms depend on discursive practices for manifesting themselves. This paradoxical interdependence so fundamental to the act of giving an account will constitute the stepladder for furthering our understanding of the constitutive qualities of accounts and their fundamental relation to truth.

Hitherto we have stressed the power effects normative discourse prompts upon our self-constitutive endeavour through reflexivity. What accounts emerge from such effort are

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[6] Whilst not implying that accounts are the sole means for rendering the subject knowable, ultimately they tend to acquire such unique quality due to temporality and their expression as written works, i.e., as texts. While holding "agents responsible for what they are and what they do in ways that texts escape evaluation" (Schweiker, 1993, p. 235, fn. 2), what interpretations arise are always regarding what texts were previously composed, the latter being the starting point for and of the former.

in turn revealing of our singularity towards others, befitting to our social subjectivity. Foucault (2001b, p. 331), when referring to the struggle inherent to power relations in enabling knowledge, refers that

> "...the main objective of these struggles is to attack (...) a technique, a form of power (...) that applies itself to immediate everyday life [which] constitutes the individual, marks him by his own individuality, attaches him to his own identity, *imposes a law of truth on him that he must recognize and others have to recognize in him.* It is a form of power that makes the individuals *subjects.*" (emphasis added; also quoted in Butler, 2005, p. 123)

This "law of truth" Foucault alludes to bears on the previously mentioned discursive regimes besetting what accounts can be given, constituting the framework of the accountant's tellability. Considering truth as "a system of ordered procedures for the production, regulation, distribution, circulation and operation of statements" (Foucault, 2001a, p.132), one can conclude that what was hitherto referred to as normative discourse is indeed the embodiment of what is (rather became) socially accepted as being true. But what is considered to be true is open to interpretation, as it is presented to the subject through the addressing of the other, always already opaque in its nature. Moreover, if norms are part of the subject, their action as a regimental discourse has already limited the individual's inquiry into himself by obscuring what he had to foreclose into narration. This reflexive endeavour marks truth's power effects inherent to the production of the subject, whose essence was earlier described as arising out of subjection to (a form of) power. Thus, it is by conceiving truth not merely as an isolated, static system but as power linked to power in a circular relation that Foucault refers to truth as a dynamic "regime" conditioning the meaningfulness of subjects so as to grant them membership within a community where it prevails. When self is exposed to the constraining effects of discourse, self is indeed exposed to what the "regime of truth" induces it into or prevents it from telling about itself. This constraining effect is itself an expression of power which warrants truth to be produced and sustained. Because truth qua truth is what warrants its state of power, regimens of truth can be claimed as "legitimated forms of contemporary discourse" (Miller & O'Leary, 1987, p. 238). Whilst ruling legitimisation of subjects, the allusion to contemporariness in the previous quotation foresees the provisional nature of truth itself due to the blurriness of norms and the interpretation they prompt. But paradoxically enough, truth, being power, needs for such openness to exist as "power is exercised only over free subjects, and only insofar as they are "free"" (Foucault, 2001b, p. 342). This freedom of the subject is something we shall return to later on.

Returning to the struggles inherent to power relations, Foucault (2001b) defines, among others, two basic features common to every struggle linked to power: a) they consist in the questioning of the relations between knowledge and power ("the regime of knowledge"), and b) they concern the primordial inquiry into selfhood by "revolving around the question: Who are we?" (Foucault, 2001b, p. 331), who is every individual in its singularity. These features are intrinsically bound to, almost fusing with, each other, as they verse around the knowledge of the individuality of the subject, contrary to the "verifiable" knowledge logical-scientific regimes purport to render by determining the nature of the subject (see also Bruner, 1991). How such regimes structure the subject is not the point here, rather what matters is that determining who the subject is to be disregards the inventiveness the subject is prompted into by the regime of truth where it must account for itself. And such inventiveness is essential for its singularity to ensue, one regarded as true since it is founded within truth. As stated earlier, norms alone cannot be considered power. They are vested into power only when the other addresses its demanding appeal towards self to account for itself so as to identify itself; identifying itself in order to be known. But the subject can only be known within the limits cast by the regime of truth. The circular relationship between power and knowledge turns our moral responsibility for giving an account of ourselves into the exercise, the duty of telling the truth about ourselves so as to constitute ourselves, our self, "as an object of knowledge both for other people and for oneself" (Foucault, 2007a, p. 151). The same power that grants self its subjectivity is the one endowing self with its objective nature. But it also means that the other is not necessarily an individual other physically different from self, but that self and the other can eventually be the same, implying that when self tells the truth, it can do so also to itself. Nevertheless, for self to account for itself, to tell the truth about itself, it must necessarily know itself. The purpose of acquiring and rendering such knowledge and the relationship it has towards truth will disclose the intimate dependency existing between truth and the act of giving an account, with such an act eventually not performed merely towards the enactment of the subject's meaningfulness; ultimately, it deals with the meaningfulness of truth itself, disclosing the political side of the accountant. Drawing primordially on Foucault's studies about the genealogy of the subject will provide the necessary ground for such claims.

Foucault (2007a) argues that what unites truth to the subject is sustained upon a complex web of techniques regarding the exertion of power. Centring round the formation

of the subject, stressing the exercise of power upon self by others may induce what understanding one may arrive to regarding the constitution of the self into being focused on what is named techniques of domination, ones characterised by coercing the subject into interiorizing norms defining of his behaviour, such techniques founding upon imposition and submission to external force. The exercise of power is to Foucault much more complicated than one monolithic structure acting from outside upon the subject. Whilst one has argued that the other's address enables self with its framework for reply, self does not automatically answer according to the prescriptions the other has conveyed, otherwise it would be submissive. Being opaque, the figure of the other prevents the power effect of norms from fully capturing the subject. Moreover, focusing on coercive power alone obscures another type of techniques essential to the understanding of the relation of truth with the subject as they are themselves expressive of (a form of) power: techniques of the self. For "power consists in complex relations: these relations involve a set of rational techniques, and the efficiency of those techniques is due to a subtle integration of coercion-techniques and self-techniques" (Foucault, 2007a, p. 155). Techniques or technologies of the self are what enable self into addressing itself through reflexivity in order to know itself, such array of techniques being performed by individuals on their own selves so as to continuously constitute themselves towards a "certain state of perfection, of happiness, of purity, of supernatural power, and so on" (Foucault, 2007a, p. 154). These practices are subject to transformation as they depend upon what relationship the subject has to truth, what the objective of the subject is regarding truth.

Considering regimens of truth as regimens of knowledge may induce us into believing that the main obligation of the social subject is to know himself for the sake of exposing oneself to the other's judgement so as to be granted membership within a community. One knows oneself in order to be able to justify himself before others or convince them of the righteousness of his acts. This is enabled through the act of giving an account of oneself, as hitherto discussed. Either way, this knowledge the subject is made into rendering has as a purpose gaining acceptability from the other, with the individual thereby being attributed its character of member. Accountability has more or less been viewed through such lens. Yet, as Foucault argues (1997c), "knowing oneself" by publishing ourselves to the outer world is not necessarily an abstract principle guiding life, but can be reified as a constant practice of "taking care of oneself", with the former appearing as a consequence of the latter. Such care is not necessarily driven by necessity of

membership, but can consist in an inward move made by the subject, who eventually aspires for aloofness, being such action a denial of the mentioned need. This move cannot be merely out of external domination, but discloses the type of actions self exerts upon himself: techniques of the self. However, such link is itself subject to the passage of time and its transformative effects, which eventually gave prominence to the act of "knowing oneself" within Western societies by conceiving the care of self as mainly immoral. Nevertheless, "taking care of the self" cannot be disregarded for both practices depend upon each other to ensue, regardless of how they are conceived or prioritised. And what immorality there may loom behind the care nurtured for self is only in the face of what is contemporarily reified as morality. As we will see, how one "knows oneself" and the purpose sustaining such endeavour reveals the perspective-game contemporariness endows truth with.

Foucault argues that because taking care of self consists in knowing oneself, such care is related not to the acquisition of wealth and reputation, as he stresses when alluding to what Socrates vehemently forwards when acclaiming himself as "the teacher of self-concern" (1997a, p. 93), but to the inner yet virtuous endeavour one must perform within oneself in order to care for oneself. Such endeavour implies an act of knowing both oneself and his identity within society in order to be able to care for oneself, such care being a pedagogical act, one enlightening the subject with the precepts of life. More than self-awareness, knowledge here is basically an act of self-constitution. Foucault considers this constitutive act in the following quote regarding Plato's Alcibiades:

> "Socrates asks Alcibiades about his personal capacities and the nature of his ambition. Does he know the meaning of the rule of law, of justice or concord? Alcibiades clearly knows nothing. Socrates calls upon him to compare his education with that of the Persian and Spartan kings, his rivals. Spartan and Persian princes have teachers in wisdom, justice, temperance, and courage. By comparison, Alcibiades' education is like that of an old, ignorant slave: he does not know these things, so he can't apply himself to knowledge. But, says Socrates, it is not too late. To help him gain the upper hand – to acquire *tekhne* – Alcibiades must apply himself, he must take care of himself. But Alcibiades does not know to what he must apply himself. What is this knowledge he seeks?" (1997c, p. 230)

The last two sentences introduce the role of truth in constituting the subject when considering truth as the embodiment of precepts governing life, i.e., norms. This draws on the analogy to mirrors Foucault (1997c) makes use of and the contemplation of oneself in them. Contemplation and what knowledge it conveys are not however in order to discover and disclose self, but for self to "discover rules to serve as a basis for just behaviour and

political action" (1997c, p. 231). Taking care of oneself involves a practice of examination of oneself regarding what is considered wise, right, that is, true. Mirroring oneself in truth is not here performed with the purpose of discovering oneself, but of transforming the individual by his own means towards what is seen as good; truth as transformative rather than expositive. Self-examination is here carried out for pedagogical reasons, deriving from a pursuit for knowledge capable of enabling the subject into taking care of himself. In short, knowledge is from self to itself.

Self-knowledge as the means for taking care of self eventually gives place to self-concern. Concern with oneself differs from knowing oneself in several issues, particularly regarding the motives and the temporal hiatus comprising the practice of taking care of self: knowing oneself is reified as a practice performed in youth in order to prepare oneself for political life. In contrast, concerning with oneself is conceived as a way of life independent of politics. Referring to the practice of knowing oneself implies that the act of attending to others happens only belatedly regarding the effort of self into knowing itself. Foucault (1997a, p. 96) alludes to such belatedness when he argues that "Alcibiades realised that he must take care of himself if he meant to attend to others". One must be aware of his own (deficit of) knowledge if he is to enable himself into attending to others. This bears on the motive grounding here the care for self being that of preparation for political life, a consequence of its pedagogical accent. That is why Socrates refers to Alcibiades' rivals in knowledge, as by knowing themselves better they can better attend to others. With the concern with oneself the focus is not on pedagogical knowledge in order to take care of self, but on a healing function the care one nurtures for oneself should have. The examination one is prompted into is likened to a medical or therapeutic act the subject performs on himself, with the pedagogical role behind self-knowledge in order to take care of oneself fading. This implies that different techniques were performed on the self. Knowing oneself involves an inner dialogue with the self, so as to cultivate self; in turn, concern with oneself takes on a different array of technologies which can even deny such dialogue in favour of listening. Whilst different in structure, they reveal similar traces regarding their attitude towards truth. Even if taking care of oneself is out of concern for oneself, one still needs to know oneself in order for that care to be performed. With the concern for oneself tantamount to taking care of self, the act of self-knowledge is moved to a consequential state, as it involves the practice of the examination, whilst not effacing the need of the subject for knowing himself. Foucault somewhat refers to this when saying that

"(...) one must bear in mind that the rule of having to know oneself was regularly associated with the theme of care of the self. Through all the culture of antiquity it is easy to find evidence of the importance given to "concern with oneself" and its connection with the theme of self-knowledge." (1997a, p. 93)

What is important to stress here is the purpose behind the will to knowledge which moves self-knowledge into a consequential state. In order to understand how the subject conceives the role of truth in such a setting, one must therefore focus on the similarities between these two kinds of technologies of the self. There are two major points to be considered, with the second arising as a result of the first.

Within both perspectives one needs the guidance of a master in order to take care of self. This may not seem so obvious regarding the act of knowing oneself, but because there subsists a dialectical relationship between the self and the divine mirror it must contemplate, one can see the mirror as the preceptor of the subject in his quest for knowledge. Contemplating himself in the mirror leads the subject into transforming himself according to the guidance provided by the reflex, as this is taken to be divine. One is not doing an inquest on oneself to discover the truth within oneself in order to present it to an outside arbiter, one is teaching oneself to be righteous, superimposing upon himself the teachings that can be drawn from contemplation. He is therefore not merely discovering the truth about himself, but learning how to reach for the divine truth. The mirror allows self to be its own teacher in the knowledge of truth.

The superimposition of truth is to Foucault more evident when moving to the Hellenistic and imperial Roman periods, where "concern with oneself" as a permanent duty throughout one's entire life draws "knowing oneself" back into a consequential state, one complementary of the practice of concerning with oneself in order to take care of self. Foucault refers to several Stoic techniques relating to the concern with the self in exploring the effects technologies of the self have upon the subject formation. These techniques have a marked medical nature, with self-cultivation having a permanent healing function. "One must become the doctor of oneself." (Foucault, 1997c, p. 235) Concern with oneself was a practice undertaken with the objective of training and equipping the subject with the "necessary tools" for facing the effort of living, to enable him to confront life. These are conceived as "discourses: *logoi*, understood as true discourses and rational discourses" (Foucault, 1997a, p. 99). One of the techniques developed concerns the art of listening, where dialogue was denied in favour of listening to the master in order to acquire (rhetorical) truth. This would enable the disciple to distinguish what is truth and what is

falsehood. Verbalisation is unilateral, only on the side of the master and never of the student (Foucault, 2007a). Meditation over the master's teaching would ensue only afterwards, with self listening to itself in a self-examination act. Truth is thereby not something hidden and able to be discovered in oneself but lies in the teachings of the master. Its assimilation by the subject brings forth the practice of memorisation as inherent to self-examination. The practice of examination for the sake of memorisation is stressed by Foucault when referring to Seneca's examinations of conscience. These are not performed in order to judge himself, but to administer himself regarding what he knows to be the rules of good conduct. His purpose is not one out of punishment, but of recalling the rules previously memorised which have been forgotten within daily conduct, of reactivating its fundamental rules. Self-reflexion or examination also serves to measure "the distance which separates what has been done from what should have been done" (Foucault, 2007a, p. 160), but such measurement is different from what nowadays motivates the practice of examination (see Hoskins, 1996). The vigilant self in Seneca is different from the supervising self modern examination may induce the subject into.

What Foucault argues one can observe in these practices of examination is that self discloses itself to itself in order to approach what is taken to be true, being the true discourses sustaining virtue. With Seneca and other Stoics, the subject maintains its medical occupation not only by addressing to himself, but by addressing to others to whom relationships are maintained through letters or talks. The disclosure is carried out of a search for advice and guidance leading to the (re)learning of rhetorical truth. The subject tells the truth about himself, but what he tells is not the truth about his inner characteristics as if deciphering himself; he tells the truth about his conduct, the living he leads, being which he is really subjecting to examination. For Foucault (1997b) conduct should not be understood merely as related to action, but to the true precepts, translated into moral precepts as true discourses, founding it as they bear on his life through the memorisation they prompt. What conduct is being subject to examination is thus moral conduct[7], expressive of the care self devotes to itself. By giving an account of his conduct he is explaining "how far he is in his way of living from the true principles that he knows" (Foucault, 2007a, p. 165), thereby searching for counsel in order to recall that truth he

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[7] Moral conduct cannot be confused with moral character, the latter suggesting that self acts as its own judge through a process of inquiry into itself, purporting to decipher its true identity. Moral conduct bears here on the process of successfully activating the true rules of conduct, with the subject reproaching himself not for faults, but for mistakes tantamount to his lack of success. Errors are then "of strategy, not of moral character" (Foucault, 1997c, p. 237).

already knows but has forgotten. Speaking of oneself, whether to oneself or to others, has the same objective: acquire and assimilate the truth in order to be prepared for life. Truth appears then as a force vested in discourse and manifesting by reactivation of what has been taught and memorised. The force of rhetoric in establishing truth is revealed by the will of the subject in acquiring it by embedding it within itself.

Returning to self-knowledge, even if different conceptions of truth and memory bring forward different methods of self-examination (Foucault, 1997c), truth is nevertheless something regarded as perfection willing the subject into acquiring it. Its force is revealed by the success of the appeal it addresses to the subject into considering it as Truth[8]. That appeal is embodied in the discourse of the master. The acquisition of truth is identical to the superimposition of truth upon the subject, to the subjectivation of truth. Following Foucault (2007a), when the subject performs an examination into himself and calls upon memorisation and counsel to reactivate truth, he reveals the victorious force of truth upon his surface for it has emerged embodied into a subject constituted through such force, such power. That is why one can speak not of personification, but of subjectivation, as this word reflects the full meaning of subjection to a power called truth. But one must remember that such subjection is not coercive; on the contrary, concern with oneself was indeed a way of living in order to take care of self, with subjection here referring not to coercion, but to persuasion and rhetoric enabling truth qua Truth. This links truth to will. It may seem odd, but because the acquisition of truth was seen as equipping the subject with a truth it did not know, the ultimate objective of learning truth was to render the subject with autonomy over guiding himself throughout his life. Subjection strives to make the subject independent. This implies that the relationship with the master is always provisional, even if aiming for a complete achievement of life, something Seneca and other Stoics championed. Truth is something to be memorised and recalled when necessary given the circumstances, implying its continuous practice. This reaffirms the force of truth and moves us into considering the second point.

Because the subject walks the path of truth in order to attain autonomy, assimilating truth by memorisation of true discourses which are meant to be converted into rules of conduct enables the subject with the necessary equipment to face life. Truth, being

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[8] When the word "truth" is capitalised, it refers to the moment when truth, as discourse, becomes one with the subject, has effectively made him *subject* to its ruling. Speaking of truth without capitalising the word is tantamount to address to its specificity, separated from the subject, whereas Truth is the paramount and unquestionable principle embedded in the subject and guiding his way of life.

assimilated, transforms the subject into a constant practitioner of truth; it is then "subjectified". We must not forget that, whether by a turning back on oneself for pedagogical motives or by listening to others and to oneself in order to concern with oneself, the purpose of these techniques of the self is to unite truth and the subject. But truth here "is not reached by an analytical exploration of what is supposed to be real in the individual but by rhetorical explanation of what is good for anyone who wants to reach the life of a sage" (Foucault, 2007a, p. 163). It may sound farfetched, but the divine mirror Foucault alludes to when commenting on Alcibiades can be likened to a metamorphosis of what is rhetorically true and can thereby be considered self's preceptor. This is so because the process of self-knowledge, contrary to self-concern, is limited to youth and preparation to (adult) political life. Otherwise Socrates would have referred to the education of Spartan or Persian sovereigns when addressing Alcibiades, but he mentioned the upbringing of "princes", the would-be kings. The objective then is to make Alcibiades a sage, one capable of attending to others because he took care of himself. Kings are the true rivals of Alcibiades because they have taken care of themselves and therefore are able to attend to others, which make them sages. This sage quality is also the purpose of the concern with oneself because the purpose of the teachings of the master is to grant the subject with autonomy, with mastery over oneself. Thence, whether in different forms, taking care of self relates to the social superiority of those taking care of themselves as they can be considered sages who have mastered truth into themselves by elaborating or having elaborated their relationship to truth (see Butler, 2005). It is because there are sages that the examination is a practice where "self (...) is not considered as a field of subjective data which have to be interpreted" (Foucault, 2007a, p. 160), but is one identical to an exercise the subject performs on himself for the correction of what is conceived as his pedagogical gap regarding the Platonic reification of self-care and what is considered for those such as Seneca not as a flaw, but as a mistake, a momentary detour of the subject from the righteous path of truth he already knows and is willing to practice (see Foucault, 2007a). Being a sage therefore implies not only acquiring and assimilating truth, but ultimately transforming it into permanent precepts guiding life. The latter warrants truth's power, as above mentioned, but also reinforces the sage's status towards others, those others who are willing to practice truth: the disciples. The master is himself a sage as he is regarded as a "master of truth and justice, (...) the spokesman of the universal" (Foucault, 2001a, p. 126). To become a sage is tantamount to be able to attend to others, inaugurating truth in them for themselves to become sages. But because the subject attends others in order to take care

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of himself, he is eventually attending to himself, which makes the process of taking care of oneself a reciprocal one, "for men learn while they teach" (Foucault, 1997b, p. 215). Thence, reaching the life of the sage as the ultimate objective of taking care of self reinforces the continuous power of truth over oneself and others as a game where the form of the will is meant to become one with truth (see Foucault, 2007a). In this truth-game, a strategic one played upon the will of free subjects through persuasion and rhetoric, truth is warranted its power status as a process of constitution and intensification of subjectivity, prolonging and renewing itself as Truth through the practice it prompts.

I want to return here to the earlier quote of Foucault concerning Plato's Alcibiades so as to complement it with a final sentence. When confronted with Socrates' arguments Alcibiades realises that he "does not know to what he must apply himself. What is this knowledge he seeks? *He is embarrassed and confused.*" (1997c, p. 230, emphasis added). What is the importance of this embarrassment within the techniques we have seen so far? For the ancient world, Alcibiades embarrassment is not clearly something remaining hidden and needing to be revealed or exposed. Embarrassment here is merely a volatile status meant to rouse the subject and motivate him into his quest for truth. It is thus the starting point for the process of taking care of oneself as it bears on the recognition by the subject of his lack of pedagogy or strength since the force of truth is not yet one with him, with his self. The aim of knowing one's ignorance is to allow someone to take care of himself, such knowledge being private. But while ignorance was for Plato's followers the findings deriving from a process of self-discovery, one intended to prompt the self into taking care of itself, it was regarded in the later Hellenistic and imperial Roman period as a natural feature of the subject since initially he is necessarily a disciple. This bears on the fact that disciples, being neophytes, are reified as ignorant, with incomplete knowledge (see Bruner, 1991). One does not need to discover himself as ignorant and be embarrassed by that because it is natural for the subject to be ignorant, as the knowledge of truth is not an inborn feature of his; he must acquire and assimilate it. Being naturally ignorant is what prompts the subject into concerning with himself, but it does not disregard the fact that the subject knows himself as ignorant. It is because subjects know that they are initially ignorant that "knowing oneself becomes the object of the quest of concern for oneself" (Foucault, 1997c, p. 231). One can see that in Alcibiades. But because the subject knows himself to be ignorant does not imply he is to be criticised for that. Whether by reflex or words, one (the master) does not reproach the other (the disciple) for being ignorant. It is

because the master knows that the disciple is essentially ignorant of the Truth that he bestows him with the true discourses, the ones which will constitute him through the force of truth, intending to make him autonomous. Truth is then to be subjectivised as one with the subject's will.

Considered in the Classical Antiquity as the beginning of self-concern, this embarrassment, rather its recognition, became the end sustaining the process of self-knowledge inherent to the new techniques of the self connected with the rise of Christianity. Embarrassment is in Christianity considered not as a momentary status linked to ignorance and allowing for its continuous suppression through acquisition and assimilation of truth, but as a status revealing the truth about the subject as he really is: faulty. The tone is set not on what ensues after being embarrassed, but on the embarrassment itself and what lies beneath. The reification of embarrassment here lets perceive a change in what orientates the relationship of the subject to truth. There are several differences to be considered, particularly on the nature of self-examination. Foucault (1997c; 2007a) draws on Seneca's *De Ira* and a passage therein to clarify that the examination self undertook of itself for reasons of self-concern was less a of juridical rather than of an administrative one. The aim of this examination technique was not to apply punishment due to past errors being deciphered, but to look back on them so as to adjust his future conduct by reactivating its precepts. The purpose of the examination is then to move (again) a step closer to truth, one that was assimilated and is to be practiced as it constitutes self. The focus is not only on the past, but on the future that lies ahead and is to be faced (even if the past is what provides the tools for walking ahead); and that is the role of truth, vested as true discourses: to render autonomy to the subject by enabling him with the right equipment in order to confront life. Memorising and recalling such discourses empowers the subject with mastery over himself. With the rise of Christianity, the relationship between truth and subjectivity changes from a rhetorical exercise of persuasion and memorisation into an interpretative art of decipherment and discovery. Similar to what was considered to be the care of the self in the ancient philosophy, Christianity can also be considered as both "a basic obligation and a set of carefully worked-out procedures" (Foucault, 1997a, p. 95). The kind of duty it imposes is however radically different from the Classical techniques of the self, in turn changing the notion of truth.

Foucault (1997c; 2007b) refers to the confessional nature of Christianity as something deriving out of its ultimate purpose of leading the subject into salvation. Granting, rather assuring, salvation is what founds Christianity as a religion. But for the subject to be saved, he is imposed with what Foucault terms "the obligation of truth". This obligation reveals itself in two ways: the first is related to faith and belief in certain writings and dogmas hold as "permanent truth" and to the showings of himself as a believer the subject was compelled to. Being a believer did not suffice; the subject had to show himself as one. The second form of truth obligation Foucault alludes to, whilst different from the former, is linked to self-knowledge but also depends on the disclosure of the subject. This bears on the kind of visibility that Christianity forces the subject into, one tantamount to his outward publicity. Each believer is obliged to explore himself in order to know who he is by deciphering his innermost secrets in the form of faults, temptations or desires and revealing them to others in the community, the community of believers (Foucault, 1997c; 2007b). These compelling revelations to the community expose the importance of membership in Christianity and the self-publicity Christian technologies of the self force the subject into. But contrary to what could already be envisaged as self-examination and confession in Classical Antiquity, these techniques consist in a different truth-game, one obliging the subject "to bear witness *against* himself" (Foucault, 2007b, p. 171, emphasis added), for it focused on his salvation. And salvation requires self-purification by self-knowledge in a circular process. This justifies its character of power, of "pastoral power". The subject no longer willingly knows himself regarding truth, he must know himself for his truth to be produced, his individual truth. And this is impossible without self-knowledge. The faith and belief obligations are bound to the duty of self-knowledge and inherent publicity of his subjectivity. And it is this forceful publicity that marks the difference not only between Classical Antiquity's techniques of the self and the ones arising with Christianity, but, which is relevant for this study, opens truth up to what was previously described as the social paradox: being constitutive of the subject, it is constituted due to the emergence of that same subject.

When referring to the obligation of every Christian to disclose himself through decipherment of his inner truth, Foucault refers to two major forms of achieving it. These are sustained and drawn upon the institutions that allow them their qualities of technique: the first being grounded on penitential rites and the second on monastic life. Contrary to Classical Antiquity's techniques of the self, which were centred on the autonomy of the

subject, being more intense in the concern for oneself as it was a way of living away from politics, they stress the role of the community and the characteristic of belonging to one, with the consequent visibility they force the subject into as such belongingness brings to the fore the importance of membership for subjectivity. This visibility is also a constant regarding the notion of confession within the ancient world tradition, but its aim is not a compelling one, one forcing the subject to speak against himself; rather, it was one meant to bring the subject closer to truth by assimilating it. The subject willing showed himself as an opening to the other's counsel for being closer to truth, to be examined so as to recall what could have been forgotten regarding the assimilated true discourses (Foucault, 1997b). In short, the subject was not publicising himself, for the knowledge intended was meant to be private. But "what was private for the Stoics was public for the Christians" (Foucault, 1997c, p. 244). Visibility regarding Christianity bears directly on the purity given by the exposure to the divine light, that of faith, capable of revealing the true self as a consequence of the self-knowledge it endows (Foucault, 1997c; 2007b). For Foucault, this can be observed whether in penance or in monastic life. Regarding the first, he refers to the inherent obligations of truth as consisting of what was known as *exomologesis*, such word generally referring to the recognition of fact. Such techniques were related with penitential rites the believer had to fulfil so as to avoid expulsion from the community of believers. Penance was not an act, but a status for it revealed the believer's identity of penitent by forcing him to show himself, to publish himself as such (Foucault, 2007b). But he needs to endure the status of penitent in order to reveal his truthful nature of sinner, for only by recognising himself as a sinner and becoming a penitent can the believer achieve salvation. Penance can be compared to a way of life in the same way self-concern was (see Foucault, 2007b). But its foundations are completely diverse. Being salvation-oriented, Christianity is a form of power dealing "with a production of truth – the truth of the individual himself" (Foucault, 2001b, p. 333) for this is how salvation can be achieved. Thereby, "the acts by which he [the believer] punishes himself are indistinguishable from the acts by which he reveals himself: self-punishment and the voluntary expression of self are bound together" (Foucault, 1997c, p. 244).

Returning to the subject's publicity, Foucault (1997c) argues one may find here similarities to the Classical Antiquity's medical or pedagogical model, where showing oneself was meant bring oneself closer to the truth the subject had assimilated and was willing to practice. With *exomologesis*, however, the purpose was rather to erase that sinful

past, with the knowledge the subject gained upon himself implying the refusal of that same self. But for sin to be rubbed out, the sinner had to be revealed. This meant that what was intended was a revelation of the truth about oneself for the consequent renunciation of that same truth, which renders the expression "bearing witness against himself" its full meaning; "self-revelation is at the same time self-destruction" (Foucault, 1997c, p. 245). The concern here is therefore not with telling the truth about your sins, but with presenting "the true sinful being of the sinner" (Foucault, 1997c, p. 244) to the community of believers due to the importance of compulsory visibility and membership these techniques call forth. By renouncing himself, the believer can be reintegrated within the community.

Whilst disclosing oneself as a sinner through the technique of *exomologesis* can be considered a form of confession of one's true (sinful) nature, when turning to monastic communities Foucault refers to another type of confession consisting in a completely different technique, addressed to as *exagoreusis*. Like the former Stoic techniques of the self, it is founded upon a master-disciple relationship and bears on self-examination. The principles behind *exagoreusis* are however quite distinct, somewhat opposite, from those of earlier Classical techniques; they are sustained upon the importance of complete and permanent obedience and contemplation (Foucault, 2007b), both being dependent upon one another. This bears again on the salvation-purposes of Christianity as a religion or rather as a "pastoral power" (Foucault, 2001b). Obedience was absolute in *exagoreusis*, with the subject constituting himself not due to a posterior autonomy it could aspire to, but by submitting all aspects of his life to the gaze of the master; the subject is then forever and utterly dependent upon the master, in comparison to the Stoic ideal of autonomy pursued by disciples. The meaning of being a master itself is here completely different from that of the Classical reification, for even masters must here endure the permanent denial and sacrifice of their own will (Foucault, 2007b). This notion of sacrifice, already found in *exomologesis* through rituals of penitence and the consequent privations it imposed, is pervasive within Christianity due to being a specific form of power: pastoral. Whilst being a power that commands, it represents a kind of power ready to sacrifice itself in order for its community [of believers] to be saved, salvation being its utmost purpose (Foucault, 2001b).

Together with obedience, there was the permanent obligation of contemplation of what was considered the supreme, divine good. This may sound tantamount to the analogy of the divine mirror found in Alcibiades, but with *exagoreusis* it is not actions, qualities or

deeds being subject to scrutiny, but thoughts, representing an inward turning of the subject by exploring his inner depths in order to locate the evil dwelling therein. Foucault (2007b), by reference to John Cassian's works, argues that the purpose is here not to discover if the thought or rather the idea sustaining it is true or right regarding external canons of truth, such as rules, but to discover the origin of the thought, what remains hidden therein as its inner impurity. He gives there the example of fasting, considered as a good thing regarding monastic behavioural canons. But if that fasting prompts feelings of competition between those who fast in order to see who can longer subject himself to fasting, the thought of fasting is itself impure in its origin, embedding evil. Knowing the substance of his thought is essential for the believer to gain access to the divine good and is constitutive of a process of constant self-examination for the subject to subject himself to continuous contemplation. In short, it is an act of self-interpretation regarding discrimination, and because it concerns a practice of self-discovery by turning inwards, it consists in a hermeneutical endeavour of interpreting oneself. Returning to Alcibiades' pedagogical mirror, such technique represented a finite process intended to guide him until political adulthood. Contrariwise, and by being coupled to continuous obedience, contemplation represents here a permanent exercise of constitution through self-decipherment of thoughts and consequent discrimination of those that lead towards the supreme good from those that divert the believer from its contemplation.

Foucault (1997c; 2007b) argues that such interpretation and its discriminative intent can only be achieved when verbalisation of thoughts to the master ensue, for he possesses greater wisdom and experience due to his seniority, enabling the rendering of better advice. One could find here a parallel to the Stoic master earlier alluded to, but there are two major differences which dramatically change the meaning of the master-disciple relationship in monastic context. The first relates to the previously mentioned permanent duty of obedience of the latter regarding the former, the master being less a preceptor than a controller, a *seigneur*[9] of the disciple among all aspects of his life; the relationship is one of permanent dependency. The second, whilst being a consequence of the first, is nevertheless much more important as it reveals how truth and the subject are linked regarding this technique. Contrary to the Classical practice, verbalisation did not need to occur on the side of the master. For truth to manifest itself, it was essential that such

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[9] This is the term employed in the English original (2007b), which reinforces the status of ownership the master retains regarding the disciple due to the latter's duty of permanent obedience.

verbalisation came from the disciple, the one undertaking a self-seeking process of hidden evils diverting him from divine good. Here, self-examination was not to correct oneself, but to denounce oneself. To denounce the impurity, the evil lying hidden within the subject is tantamount to an act of confession, and "the fact that the thought has been expressed will have an effect of discrimination" (Foucault, 1997c, p. 248). Again following Cassian, Foucault (1997c; 2007b) stresses that verbalising what is felt to be shameful thoughts is tantamount to forcing out those same thoughts in order to expose them to the divine light, represented by the master, where their impurity is revealed and allowing for discrimination to ensue. It is with confession as a verbal act that truth emerges and unites itself to the subject, being "confession a mark of truth" (Foucault, 1997c, p. 248). There is not then an inward assimilation of truth, but an outward manifestation of truth.

Different techniques as they are, the focus here is on the similarities between *exomologesis* and *exagoreusis*: they both force the subject into revealing the truth about himself and that same act implies renouncing to that same self disclosed by the subject. This is what Foucault (1997c; 2007b) argues regarding these techniques. But more importantly, by the fact of their consisting in the exteriorisation of the inner truth of the self, these techniques change the notion of self-knowledge by discovering the individual as a new object of knowledge. One can say that the vector guiding the effects of the power truth is changed from an inward direction focused on assimilation of external truth, where truth could be considered an input regarding subjectivity, to an outward one stressing the discovery and denouncing of inner truth, stressing truth feature of output. And such transformation is due to the fact that "knowledge follows the advances of power, discovering new objects of knowledge over all the surfaces on which power is exercised" (Foucault, 1977, p. 204). Those advances of power, their effects, are induced by what is considered to be truth, what each community holds as regime of truth, as "the type of discourse it accepts and makes function as true" (Foucault, 2001a, p. 131).

What was then the purpose of addressing these techniques of the self regarding Classical Antiquity and Christianity and what can their relationship be to the act of giving an account, and thereby to accountability? Namely, by narrating himself the subject is ultimately giving truth its power nature by publishing it in his accounts. And the act of account-giving being basilar to accountability, being held accountable expresses the unity and reciprocal dependency of the subject and truth through the regime of knowledge truth

imposes upon him. Accountability and truth thus share a close relationship given by the narrative act of giving an account.

Regarding the techniques of the self hitherto referred to and their relationship to truth, we can see that both truth and narrative are dependent upon a moment of crisis for manifesting themselves. This draws on Bruner's conclusions about the problem of legitimacy surrounding narrative. As hitherto discussed, narrative needs a structure as its necessary background, a body of normativeness sustaining it. However, what makes narrative worth telling is a breach of those same norms that determine what is culturally expected from the subject, the main actor within his self-story, for "when conventional expectation is breached, Trouble ensues. And it is Trouble that provides the engine of drama" (Bruner, 1991, p. 16). Returning to technologies of the self, both examination and confession occur because something caused the subject's suspicion about himself, something that diverted him from what he perceived to be the "right path". Truth arises in those moments of doubt and unrest that the subject feels, rather makes himself feel like by acting upon himself. It is then in trouble, in a moment of crisis endured both by the subject and by the norm, that truth can appear and manifest itself, whether by being assimilated and remembered or discovered and denounced. And through its manifestation it (re)gains its status of power. And being power, it must be productive, it must produce something. For "power produces; it produces reality; it produces domains of knowledge and rituals of truth. The individual and the knowledge that may be gained of him belong to this production" (Foucault, 1977, p. 194). By producing the subject and the knowledge associated, truth is eventually producing itself by continuously reaffirming itself by recourse to and within the narrative that originates such subjectivity. Regimens of truth, being power, are regimens of knowledge. And because the subject is always linked to a specific regimen of truth, the technologies he makes work upon himself also give rise to a specific kind of knowledge, and thereby a specific kind of (true) self (see Foucault, 1997c). For "all the practices by which the subject is defined and transformed are accompanied by the formation of certain types of knowledge" (Foucault, 2007a, p. 151).

We need to return here to the previously alluded quotation of Schweiker (1993, p. 245) when he states that "self and the other are, ultimately speaking, members of one created order". However, and in line with what has hitherto been argued, that same order is being created by the exertion of forces inherent to the act of giving an account, with such forces flowing and acting within the regime of truth. Giving an account is a synonym of

telling the truth. And because truth is told to someone, moral power is not unilaterally, but indeed mutually, exerted (Schweiker, 1993), even if from self to itself, for power needs this duality of exercise to be itself power and constitute itself as a regime.

> "If power relations weigh upon me as I tell the truth and if, in telling the truth, I am bringing the weight of power to bear upon others, I am not simply communicating the truth when I am telling the truth. I am also putting power to work in discourse, using it, distributing it, becoming the site for its relay and replication. I am speaking, and my speech conveys what I take to be true. But my speaking is also a kind of doing, an action that takes place within the field of power and that also constitutes an act of power." (Butler, 2005, p. 125)

Giving an account, being an act where truth is told, is then an act of power, one where meaning is created: the meaning of the subject and consequently the meaning of truth. Because meaning is never given, but created or produced (Boland, 1993), it is valid only within the boundaries of the regime giving it substance, where it is taken to be true. Meaning is thereby a result of a perspective game moulding it, arising from the exercise of (a specific) power vested as truth; the knowledge it conveys is subjected to that same prevailing perspective, which means that "all knowledge is a matter of perspective" (Morgan, 1988, p. 477). Games of truth are thus games of perspective played upon and by subjects, where meaning is at stake. This is why subjects are both pawns and kings in truth games. Returning to the previous comments over Alcibiades' embarrassment, this allows us to state that truth, being knowledge, is always perspective-grounded. And because truth acquires its status of power among subjects and their subjectivity through their narrative act of giving an account, it is natural that narrative shares this capability of constituting meaning (see Bruner, 1991). In addition, meaning expresses itself through the visibility the subject exposes himself to when giving an account, it is what turns him into a subject called and able to account, i.e., an accountable subject. This is similar to the manifestation of sins within Christian's technologies of the self, where the meaning of the truth arises in the moment it is verbalised. But because the subject is seen, known to be, a sinner, the knowledge flowing from his accounts impedes the rise of other meanings, as they do not befit truth as perspective. Truth is also a way of seeing, of rendering the subject visible within its powerful lens, but "a way of seeing is also "way of not seeing"" (Hines, 1988, p. 258), which reinforces the partial nature of knowledge itself and the constraining role of truth regarding meaningfulness. Accounts, by rendering truth in the shape of knowledge, are transforming truth by reinforcing it, since being true to truth is a precondition for self's existence in society. Discourse is thereby sustained and renewed by prompting the subject

into pursuing and manifesting truth. What is meaningful is bound to allow (new) meaning to the symbols represented by words in discourse, as meaningfulness is equivalent to being true. What is true is meaningful, the contrary being also right. For self to be bestowed meaning, it needs to acknowledge what truth allows into speakability, into account-ability, that being the condition ruling its subjectivity in society (see Butler, 2005). As its motive is that of rendering intelligibility to the subject's existence, accountability is expressive of the assimilation and confession of the truth the subject is lead into performing when giving an account of himself. For truth governs subjectivity, and thereby is creative of meaning. Accounting, consisting in the practice of giving an account, can then be addressed as basilar to both truth-assimilating and truth-extracting practices where not only the meaningfulness of the subject as agent, but ultimately of truth itself, is at stake. Because they fuel truth with their accounts, accountants can be addressed as "agents in their own right" (Roberts & Jones, 2009, p. 865). They are both practitioners and publishers of truth. This "agency" renders their accountability, rather than their accounting, central to questions of power. For meaning is dependent on how the subject perceives himself as accountable, which will shape his accounts. In turn, this also reveals what relationship the subject has to (what is taken to be) truth. This expresses subjectivity's dependence on the perspective of truth.

Being related to the creation of meaning for its meaning to emerge, how could accountability not continue to be forever elusive when it is dependent on a circular process behind the power of truth? Regarding the pursuit of meaningfulness, this circularity explains why "visibility is a trap" (Foucault, 1977, p. 200) where accountability is 'caught'. For visibility is about constructing meaning (Munro, 1993), one around the singularity of the individual being visible through the particular lens of an encompassing regime of truth. Assimilating sameness, the subject speaks out his uniqueness, but one that needs to be, rather forcefully is, true; it must be so in order to be meaningful. Going backwards, the individual is seen for what he tells[10], and what he tells is what makes him accountable because he is eventually answering back to the call of truth. Being accountable is tantamount to telling the truth. By making the subject talk in its terms, truth captures and entraps the meaning of accountability within its circular regime for (re)emerging and renewing itself as power, as being visible is equivalent to being accountable. Truth makes

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[10] This notion draws also upon Munro's comments (1993, p. 266) about what he labels as Foucault's joke, that ""seeing" is saying. Something is shown by saying".

accountability "the endlessly repeated moment of subjection" (Roberts, 2009, p. 959), even if truth needs accountability in as much as accountability needs truth.

2.3. The power of belief

Being all extant accounting text (Cooper & Puxty, 1994), giving an account as constitutive of the practice of accounting is thereby generally associated to the activity of writing. The relationship of writing with the act of giving an account of oneself goes back far in history indeed. Already in the Hellenistic period "taking care of the self became linked to constant writing activity, [with] the self [being] something to write about, a theme or object (subject) of writing activity" (Foucault, 1997c, p. 232). This does not mean that the act of giving an account, being narrative, must be conceived as essentially writing, for narrative is related to both oral and written transmission of our living experience (Bruner, 1991). Writing, however, is markedly associated with authorship, whereas with oral transmission such quality is usually diluted due to the intervention of several subjects throughout time. And it is because we have become so attached to the illusion that one should focus on correctly interpreting the author's intentions, on correctly interpreting what is written (Cooper & Puxty, 1994) that talking about writing as an activity linked to interpretation helps to disclose the importance of written accounts in giving truth its power nature. Giving an account is concerned with creating meaning, not finding it. But in order to understand writing, it is useful to turn briefly to some of Foucault's (1997b) considerations about the role of self-writing.

Whilst focused upon the early roman imperial period, Foucault's arguments over the role of writing in manifesting the subject are very much befitting to the activity of self-writing throughout different periods in history, something we can infer from the reading of several of his works (e.g., Foucault, 1977; 2001b). For Foucault, writing deals with visibility of the self by and to the other, as it consists (not only, but also) in correspondence. When the subject writes about himself, he intends to present himself before others to whom he addresses. What information he gives about himself reveals who the writer his, allowing the gaze of the other to reach him even if not physically. It is the purpose of exposing oneself to the gaze of the other that reveals the meaning of truth and the relationship it has with subjectivity; exposure and the consequent visibility are

generator of (specific) knowledge, a process where the subject is both objectivised and subjectivised.

Whilst not being new to what has been hitherto discussed, focusing on writing allows us to explore the traditional bias within Western thinking that the purpose of writing, rather self-writing, is to clearly communicate who the author is by communicating what is or goes inside him, what are (or were) his intentions, the goodness or badness of writing being judged accordingly (Cooper & Puxty, 1994). The importance of written texts for accountability is nowadays prominent especially when concerning corporate agents, for how they are hold accountable is very much dependent on what is written about them; and thus the importance of the accountant. However, focusing on what the correct interpretation should be gives prominence to the author in detriment of the reader by reducing the latter's possibilities for interpretation. This may arise because *we are taught to read in a way that prompts us into truly interpreting the author* (Cooper & Puxty, 1994). This fixation on the truth of the self-written self constricts the formation of meaning, both of the subject himself and of truth[11]. We must not forget that regimes of truth, whilst limitative, are flexible for they allow the inventiveness of subjects. And such as the accountant in his quality of writer reinvents the agent, so does the reader, which allows him with his single perspective about who the self-writer is. However, single perspectives are not sole perspectives, as accounts reveal the subject's singularity by preventing him from feeling an aloofness regarding others, for they are interdependent; they are united in diversity. Writing, dealing with visibility, is essentially social, expressive of social conduct, and thereby socially determined (see Munro, 1993), which means that invention and reinvention are limited by the structure of tellability ruled by truth, for whilst "there is no truth as such, (...) there is such a thing as stretching it too far" (Hines, 1988, p. 256).

Because our knowledge is determined by the regime of truth founding it, the obsession about truly knowing the subject may arise out of the way knowledge of the subject has been conceived in Western society, as essentially scientific and rational (see Bruner, 1991; Foucault, 2007a, regarding Heidegger). We tend therefore to conceive truth as verifiable, which implies being able to be fully disclosed to the one verifying it. But, as earlier argued, the subject is essentially constituted by his self-narrative, from which self-writing is an integral part. When the subject writes about himself he is being his self

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[11] Paradoxically enough, this gives truth strength to impose itself as power through diminishing the scope of what can be legitimated as true.

narrator. And narrative's feature of hermeneutic composability presented by Bruner (1991) can partly explain why this bias regarding the full knowledge of the subject may take place, as this is linked to interpretation.

The reader, whilst being naturally an interpreter, tends to consider narrative as originating from an omniscient narrator, such feature making the former judge the latter's accounts accordingly (Bruner, 1991). If the narrator is omniscient, he must also be so regarding himself when telling his self-story. This mesmerises the reader with the need for correctly interpreting the knowledge conveyed by the tale being narrated, for whatever he tells us is considered as topic-relevant and the reader "most often assign(s) an interpretation to it in order to make it so" (Bruner, 1991, p. 10). Indeed, self's story can be so persuasive as to elude the other in neediness of interpretation: what is told is necessarily hold as true, bereft of all suspicion. Bruner (1991) characterises this needlessness of interpretation as due to 'narrative seduction' proper of great storytellers or 'narrative banalization' befitting of conventional stories, both of which render a story so self-evident that the effort of interpreting it is set aside. Either way, this seemingly eases the need for interpretation, even if truth manifests itself in moments of distress.

Another feature sustaining the pervasiveness of verifiable truth bears on the distance self and the other are subject to. Because the subject is known through being visible, the more distant self is from the other the harder it becomes for the other to know self[12], causing feelings of anxiety on whether the information is being correctly interpreted (Roberts & Scapens, 1985), i.e., if our reading is being true to what is written. This is not just because of the bias around the omniscience of the narrator, but due to the freedom subjects possess while subjects; it is something inherent to their subjectivity (Bruner, 1991; Schweiker, 1993; Foucault, 2001b). And it is because subjects are 'relatively' free that the possibility of choice is endowed to them as agents (Bruner, 1991). Indeed, it is due to freedom that actions within social context need to have a political or legitimate meaning expressing the intentions *apparently* embodied in them so as to hold sway (Burchell, Club, Hopwood, Hughes & Nahapiet, 1980); it is part of the strategic game of power linked to truth (Foucault, 2001b).

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[12] The contrary is also true. Whilst distance makes harder for both self and the other to know each other, as they are both exposed and opaque subjects, it is important here to stress the knowledge of self the other is able of "obtaining" in order to understand why truth is regarded as being less verisimilar than verifiable.

Giving an account thus bears on the choices the free agent makes regarding its actions and on the ones the accountant performs concerning its interpretations, even if sustained upon a forcefully incomplete knowledge of the agent. Whilst constrained, the interpretations the accountant performs are a result of choices he makes through discernment. Why should I tell something in this way and not otherwise, when I can or I am allowed to? Those choices, being a synonym of power, reflect a political choice capable of affecting our lived experience, as Francis argues (1992), since they shape that same experience. "It is precisely because value choices underlie accounting practices (though often invisibly so) that accounting is a political as well as a moral practice" (Francis, 1992, p. 7). But it is due to this capability of choice deriving from his freedom that the activity of interpreting the subject may be even more difficult to the interpreter, as he searches to know 'someone' already opaque. Choice, whilst entailing intention, verses around action, around the free subject as agent. And Bruner (1991) argues that, when referring to the apparent intention entailed in actions such can only be inferred by the hindsight of the interpreter, thereby existing a "loose link between intentional states and subsequent action" (Bruner, 1991, p. 7). One must not forget that agency, being founded upon action, is visible through what is told, or been accounted for, regarding those actions. Visibility is founded less on acts of doing than on acts of telling. Going backwards, choice, whilst confirming the subject's opaqueness, reveals the self-inventiveness of the subject and renders the accountant's moral agency within social contexts, the accountant being a "practitioner of politics and communication" (Nelson, 1993, p. 220). Still, this too serves the purposes of truth as it warrants its force through the active word of the accountant. Drawing on Foucault, being a practitioner of politics necessarily means being a practitioner of the politics of truth because "the accountant is called upon to produce a quite specific discourse in some quite particular context" (Francis, 1992, p. 9). Whilst purposeful, actions' mere search for legitimacy within social contexts necessarily bears on enabling (the prevailing) truth to emerge and reinforce itself as power.

Being part of the subject's opaqueness, choice impedes narrative from providing causal, thereby verifiable, explanations. What is considered as narrative truth "is judged by its verisimilitude rather than its verifiability" (Bruner, 1991, p.13). Whilst grounded upon dispossession in order to become the subject's self-story, narrative is also about compromise between the teller/writer and the listener/reader, for when he is dispossessed of his 'own' narrative he is delivering something unable to be reduced to sameness; the

contrary would make dispossession commensurate to anonymity, thereby denying meaning. Even if sharing a similar social background, the social subjects' mutual uniqueness and inherent freedom makes the interpretative act of giving an account one requiring this compromise for communication, and therefore meaning, to ensue. This once again bears on what Bruner (1991) classifies as hermeneutic composability, for it concerns the negotiation of how a story shall be told and taken. Compromise within verisimilitude is however harder to achieve than within verifiability, something bearing on Western traditional conception of knowledge, which finds its grounds upon the importance given to the authorship of texts (Cooper & Puxty, 1994) or on the omniscient knowledge the narrator is believed to have (Bruner, 1991). Paradoxically enough, this may fool us into rendering the subject as "the object of information, never a subject in communication" (Foucault, 1977, p. 200).

Such reification of knowledge has conceived truth into being verifiable rather than verisimilar. Being a regime of truth, a regime of knowledge deals with the way we learn how to learn (see Hoskins, 1996). And if actual regimes of knowledge are prone to practices grounding upon such verifiability, truth is bound to be considered objective. And writing, as already argued, contributes to such status.

> "We still learn under the regime of writing, examining and grading, and we still continue to be known in our truth via these practices. Accordingly, there is a 'regime of truth' at work here, to which we *have to be* committed. We are calculable, and yet also calculating selves, even while we recognize the systematic weaknesses, not to say *untruths*, that the regime produces." (Hoskin, 1996, p. 277, emphasis added)

Because narrative has been associated with subjectivity (not in the sense of rendering self its quality of subject, but regarding the quality of being subjective, a 'product' of individual hindsight and testimony, reflective of a certain perspective), computational accountability – together with computational accounting – has been moved into a higher status within public discourse, for it is generally coupled with objectiveness or proof, i.e., with what seemingly allows for verification to ensue (Kamuf, 2007). Even if dependent upon narrative and thereby it is always belated regarding the enactment of meaning, this is a reason sustaining why calculation has been acquiring an independence regarding narrative. For

> "'Numbers do not lie', 'read the numbers', the numbers tell the story', which is to say, the story of no story to tell; numbers, we *believe*, do not narrate, interpret, invent, or make up the figures – unless they do sometimes, which is why one is well-advised to run the numbers again, check and double-check them. Verification is always possible,

at least in theory. Another more patently ironic dictum advises: 'Put your faith in numbers', in other words, in that which presumably makes no claim on faith or *belief*, except, of course, the *belief* that numbers, counting, or quantification triumphs over *belief*" (Kamuf, 2007, p. 252, emphasis added).

This quote summarises what is to follow, allowing for the role of belief within the relationship between subjectivity and regimes of truth to be disclosed. Drawing upon verifiability, calculability and subjectivity have been bounded due to the appeal of accountancy's promise of easing the effort of knowing the subject. Like narrative, computation makes possible to render the subject visible, even if physically distant (Miller, 1992). But because computation purports to make the self visible "against a pre-determined set of categories" (Roberts, 2009, p. 966), it also introduces something new to the process of knowledge of the individual: measurement, taken to be objective. In turn, measures, being transformed into targets, not only purport to describe the subject but also and especially to prescribe courses of action. It then reduces the capability of choice deriving from the natural freedom of subject. When considered as a computational practice, accounting "seeks to bring the actions of "free" individuals into accord with specific objectives by enclosing them within a calculative fence" (Miller, 1992, p. 66, emphasis in original). Measures as targets purport to report what truly is, in a dispassionate and objective fashion (Hoskins, 1996), with the inherent knowledge they allow being more precise and certain, therefore more rational, than subjective reasoning (see Miller, 1992). Because calculation based on measures as targets structures the visibility of the subject upon 'routines' of comparability and examination, what legitimacy the subject may aspire to is framed into calculative practices, rendering the subject as a "calculating self" (Miller, 1992). The very word "calculating" suggests the objectiveness the subject is endowed with, his meaningfulness being dependent upon objects such as costs or cash flows, which are taken to be real, therefore true. By being calculating, self is transformed into a knowledge-object inside a calculable space.

Accuracy and comparability, being sustained upon targets, transform the practice of examination into a surveillance exercise enforced upon self for the sake of knowledge. As hitherto discussed, examination within technologies of the self was an exercise expressive of the relationship the subject had to truth. Whether by assimilation of outer discourses or denouncement of inner faults, truth governing subjectivity emerged as power through the accounts provided by examination. Surveillance, sustained on numerical objectives previously set, restricts the practice of examination to the observance of the conduct of the

individual against pre-defined objectives. Because measures are what allow the truth of the subject to emerge, who the subject is seen to be is then reduced to one of two possibilities: that of laudable success from achieving targets or that of failure through non-compliance; and failure can be complete because it carries the danger of non-identity (Hoskins, 1996).

Going back to the other's calling for an account, the answer the subject (eventually) gives is translated into calculative data ready to be accumulated and compared, which restricts accountability to its computational side, the subject being translated into a single figure, the utmost objective of calculative techniques (Miller, 1992). Single figures, contrary to narrative, purport to be universally understandable, as they are "apart from disputes and political interests, and endowed with a legitimacy that seems difficult to contest or dispute" (Miller, 1992, p. 68). Being numbers, they are *believed* to "speak for themselves" (Kamuf, 2007, p. 252) which eases the communicational tensions prone to arise when the negotiation of meaning through narrative occurs. Connecting their neutrality to the objectiveness of targets, computation 'enables' accountability to be tantamount to transparency, for measures as targets reflect, "either directly or through the comparisons [they make] possible, an ideal of what the self should be" (Roberts, 2009, p. 965). With transparency comes the ultimate promise regarding visibility, that of enabling a full knowledge of self, for transparency as accountability purports "to cast light upon what would otherwise remain obscure or invisible, (...) in order to provide the basis for confidence for distant others" (Roberts, 2009, p. 957). And due to the belief we put in computation and this inherent transparency, every failure is to be remedied with new calculative regimes (Miller, 1992) or more transparency (Roberts, 2009).

Our obsession with verifiability shifts the meaning of Foucault's expression, "visibility is a trap" (1977, p. 200). Indeed, insisting on the opposition between narrative and computation and giving prevalence to the latter has the opposite effect of obscuring the link between the subject and truth due to the accounts given. Yet, numbers do play their role in constituting the subject by becoming part of the vocabulary used in the story being told, or rather, accounted for (see, e.g., Craig & Amernic, 2006; 2008; Odgen, 1995; 1997; Puxty, 1997). But this is due to the refractive qualities of the prevailing discourse, which allow the meaning of truth to flow through them. Being sustained upon context, numbers, accounting numbers rather, reveal a far greater complexity than that of mere expressions of reckoning (Vollmer, 2007). Themselves a form of writing constitutive of the practice of accounting, they are essentially social, and thereby have limited transparency over that

same social context shaping them. That is why they are imprecise. Were they accurate, they would hardly be reified as communication, because too much precision harms communication (Hayes, 1983). By the fact of being social, numbers are subject to all the constraints imposed upon self when constituting itself. This also implies that narrative, being the basis of self-formation, must precede computation, making the latter dependent on the former in order to be meaningful. Numbers are thus born out of narrative (Boland & Schultze, 1996) and, like narrative, must be coupled to the setting encircling them. When stripped of context, "numbers may then in fact, as in theatrical comedy, just be ridiculous" (Vollmer, 2007, p. 594), with their meaninglessness emerging and rendering it impossible to grant the subject with intelligibility. Carnegie & West (2005) address this senselessness of numbers when questioning the application of profit-seeking oriented monetary valuation to non-financial public sector resources.

Like narrative, numbers are themselves subject to the negotiation of meaning, which prevent them from being truer than narrative. And when negotiation fails, what was intended to be told simply is not; it just remains meaningless. We can talk about accountability being lost (see Hänninen, 1995). And this brings forth an even more important feature, one from which negotiation derives. By the fact of being essentially narrative (even when supported by computation), in order to hold sway, accounts must resonate with audiences so as to allow for knowledge (Arrington & Schweiker, 1992; Llewellyn, 1999), even if taken by every single other in a peculiar fashion. Audiences reflect the activity of hearing, which is the natural reaction to the subject showing himself by the act of saying. This reflects the essential character of communication within visibility. Even if the subject accounts for himself due to a previous call the other casted upon him, it is by what he tells about himself (even if mainly in written form) that such 'data' are activated (see Munro, 1993).

It is the blurriness of normative discourse that prompts the activity of interpretation. And because it is self who seeks the enactment of its intelligibility, it must be self the one performing a persuasive act of convincing others that it is indeed telling the truth about itself. An account is an act of persuasion, one intending to make self befitting to the regime of truth through it telling being accepted as legitimate by the audience. This is tantamount to say that the audience *believes* self, for self is speaking the truth. Belief is thus the motion force behind truth, what truly gives truth its force. For it sustains the dyadic relationship between self and the other through the inherent trust it embodies. Believing arises out of a

primordial necessity to believe, rather make others believe, in the confession self is giving of itself. Being then essential to the act of giving an account to ensue, it is itself performative, something paradoxical to the rationality sustaining our common *belief* in the objectiveness of verifiable truth (see Kamuf, 2007). Our mesmerising belief in the neutrality of accounting numbers is a clear evidence of its ironic power. Belief, being essential to truth to ensure its legacy of power, becomes "the conditioning limit on every possible encounter with another, every act of testimony given or received" (Kamuf, 2007, p. 260). Going backwards, accountability, deriving from account, can be endowed one further meaning, essential for the narrative and computational ones to ensue: bearing on belief, giving an account is a synonym of trust and confidence on what is being accounted for. As Schweiker (1993) claims, giving an account expresses a fiduciary duty the agent has entrusted the accountant of faithfully representing him with. Such trust, far from being a formalised contract, is affective and sustained by a moral fidelity of self to itself deriving from a higher moral responsibility of accounting to the other. What the subject confesses about himself discloses such trust relationship, as accounts are always bound to be incomplete.

This need for belief and confession is very similar to what was disclosed as Christian's technologies of the self, since the confession made by self is towards a public audience, such exposure revealing who the self is regarding what the regime of truth allows it to be. The uniqueness of self must be commensurate to truth. But contrary to the manifestations of truth being followed by negation of that truth through renunciation, what is nowadays confessed is regarding how the subject desires to be acknowledged according to what is perceived to be true, with himself then bearing witness in his own favour. This brings confession to the persuasive field of truth as rhetoric. But it also reveals that the subject must assimilate truth in order to positively speak out the truth about himself, in order to be *believed*. The publicity of the subject is then preceded by an assimilation of (what is taken to be) the truth composing the regimental discourse, as this governs what subjectivity can aspire to be. And due to this assimilation, the subject, when telling the truth about himself, is allowing the regime to flow and renew itself through acceptance of the accounts given, for this means that truth has been extracted. The dyadic relationship the subject must have to the audience reveals the double-effect of the regime of truth: resonation expresses the limitations truth imposes on tellability; but interpretation makes the regime's flexibility to emerge, as it allows for the (re)invention of meaning. It is

because of belief that truth must necessarily be conceived to be verisimilar, as it bears on incomplete accounts. What is regarded as truthful among society affects the meaning of its composing elements, with concepts being redefined according to what meanings are allowed within its regimental authority. This affects how subjects see themselves and others to be, thereby changing their sense regarding what and to whom they see themselves being held accountable. The expression of such sense materialises in the accounts provided, which in turn attunes the subjects' tellability to what is taken to be truth. Accountability, as a concept sustained upon belief, reveals the power of truth.

In this chapter, a literature review over the importance of the act of giving an account in the process of constitution of subjectivity was undertaken. Rendering an account about oneself is claimed here to be essential to understand the link subjects have to truth and the way their subjectivity can emerge. With subjects characterised as inherently social, such bond is possible due to the relationship subjects must have with each other in order to acquire meaningfulness. They are meaningful only if being visible, and how they are seen to be depends on the accounts they are allowed to render about themselves. But only through subjects being visible can truth emerge as truth. Therefore, truth needs the subject in as much the subject needs truth for the enactment of meaning. The importance of account-giving is then considered to be fundamental for the establishment of the link between subjects and truth, which sets the departure point for the following chapter, where the research methodology is presented so as to draw the frame guiding the empirical study.

3. Research Methodology

In this chapter, the methodology adopted is laid out and the corresponding research perspective and method are defined together with the presentation of the theoretical framework sustaining the attempt to provide answers to the departure questions.

3.1. Methodological and epistemological perspectives

Whilst recent studies have focused upon the (un)ethical side of accountability and the pressure put upon the subject to account (Shearer, 2002; Roberts, 2009; Messner, 2009; Joannides, 2012), the role of truth within the act of giving an account of oneself in order to enact the subject's meaningfulness has generally been disregarded, and only brought to the fore in a (very) indirect way, mainly through the studies about the constitutive role of narrative. This dissertation represents an attempt to deepen our understanding about the relationship accounts allow truth and subjectivity with, as well as how the perception subjects have about accountability is affected by the way such bond ensues. In order to pursue the proposed objectives, this study purports to provide an answer to the following research questions:

a) What is the importance of accounts in enabling the link between the subject and truth?

b) In what way is accountability expressive of and defined by the connection between subjectivity and truth?

These questions encompass processes of self-constitution, which are considered to bear on the role narrative has in the organisation of living experience (Bruner, 1991, p. 4). As an essentially communicative process, narrative needs a structure of language to ensue. For no account can happen outside a structure of language defining how communication is to follow. Such structure is shaped upon what both the teller and listener hold as true, refractive of what society as a whole holds as true (Roberts, 1996). This exposes narrative to a regime capable of shaping its form, and in turn shaping that of the subject's. Foucault (2001a) has addressed these regimes as regimes of truth.

Because of the limitations of these regimes to tellability and the nature of narrative, giving an account of the subject's conduct has been studied as essentially a political act

where persuasion and confession are part of the process of achieving the meaningfulness, or rather, the true meaning of the subject. Meaning is thus constructed (Boland, 1993) and subject to the activity of interpretation of both tellers and listeners.

When studying the portrayal of actions by narrative, researchers must then undertake an interpretative effort in order to know what is being analysed. Schweiker (1993), quoting Habermas (1990), argues that when trying to understand a phenomenon the researcher cannot ignore that *he* is the one intending to comprehend what he is investigating. Because he can only recognise the phenomenon through his interpretation, the researcher unavoidably puts himself inside the process aiming for the understanding of the reality being scrutinised. Thence, what Schweiker (1993, p. 233) considers to be a "true interpretation" is rather a befitting one, reflective of the researcher's identity and interests (Llewellyn, 1999). What is intended is *an* interpretation that has the potential of giving *an* explanation over the meaning of the reality being analysed, which justifies that "the truth of an interpretation entails the interpreter" (Schweiker, 1993, p. 233).

These prerogatives are essential and characteristic of qualitative investigation, according to which social systems are phenomena socially constructed, thereby dependent upon the actions of social subjects (Major & Vieira, 2009). The methods concerning such investigation have been developed by social sciences' investigators when seeking to explain how (social) phenomena are "interpreted, understood, produced and constituted" (Major & Vieira, 2009, p. 132, own translation). Contrary to quantitative research, which purports to adopt an objective perspective over a reality taken to be natural and therefore observable in a neutral fashion, qualitative studies consider the complexity and context inherent to the reality being focused, for they are dealing with social reality.

Major & Vieira (2009, p. 132, own translation) argue that the "choice between the different methods employed within investigation (...) should be subject to the objective of the study being performed". They define research methods as "the techniques of research that allow specific analysis according to the methodology being followed in the study" (Major & Vieira, 2009, p. 134, own translation), with methodology being an expression of the epistemology[13] (i.e., how the knowledge over the phenomenon being researched is

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[13] The term epistemology derives from episteme (which means knowledge), epistemology being conceived as the theorization or the art of knowledge.

obtained) employed upon the reality being studied. Thus, epistemology concerns the presuppositions behind the research.

Major & Vieira (2009) stress that interpretative studies do not necessarily concern qualitative ones, as they are dependent on the inherent philosophical assumptions. Qualitative investigation can thereby be either positivistic, interpretative or critic.

3.2. Research method and data collection

Within the field of accountability research and its link to the practice of accounting, case studies consist of a recurrent approach in exploring the ways in which distinct forces are able to mould the specific framework within which accounts are rendered. According to Yin (2003, p. 4), "the case study is the method of choice when the phenomenon under study is not readily distinguishable from its context", with the shape of the research being followed dependent upon the richness of that context.

Among the array of case studies, the one that seems to better accomplish the objectives of this research is the explanatory case study. Being subject to interpretation, explanatory case studies cannot purport to supply proof over the reality being scrutinised. They can, however, provide "important clues to possible cause-and-effect relationships" (Yin, 2003, p. 69). One must bear in mind that explanatory case studies seek "to explain how and why some event(s) occurred" (Yin, 2003, p. 69), which justifies the importance of verisimilitude, rather than verifiability, in this kind of research. Yin argues that, regarding the complexity of explanatory case studies, "the more complex and multivariate the explanatory theory, the better" (2003, p. 20). Also according to Major & Vieira (2009), these studies, within the field of accounting, have as their purpose the study and explanation of the existence of certain practices, being that the theory formulated is dependent on the researcher in order to explain his results. "Emphasis is on the particular, not on the general." (Major & Vieira, 2009, p. 145)

Portugal's water sector has been experiencing a wide reorganisation ever since it was divided in 1993 into two areas concerning different management competences. Whilst being performed in successive steps, the current environment around the sector's problems has favoured the rise of new discursive stance of sustainability. As this essay searches to understand how truth, in this case conceived as sustainability, and subjects are linked

through the accounts given by the latter, it focuses on the array of forces exerted over the leading actor in this process, *Águas de Portugal* (AdP). This corporation represents the central focus of this case study, as it is liable to the full exposure to normative discourse's enabling and constraining powers concerning its accounts and the consequent visibility they allow. Exploring the way these forces are capable of disclosing the way AdP links to the concept of sustainability, with both their meaning arising. The shifts that have been experienced by *Águas de Portugal* in the discourse conveyed through its accounts show themselves to be of particular importance in understanding this process.

To support the ensuing claims, research will occur mainly through consultation of written documents such as company's annual reports, regulators publications, bills, reports from public offices and private sector organisations and social media reports. The recourse to audio records is also relevant due to the wide use made by those concerned with the corporate subject's activity, as well as the sector's. The adoption of a new strategic plan for the water sector set by the Portuguese government for the period comprising 2007 to 2013 serves both as stepladder and background for developing this research. Albeit narrowed to a sample of one, as it expresses the inevitability of conducting an analysis within a regulated, practically monopolised public sector, this case study has the potential of enabling a better understanding of how the discourse conveyed through accounts reflects/affects the deploy of forces acting upon a corporate subject's accountability within processes intending for major social change.

3.3. Theoretical framework

As a hermeneutical study over published texts, this work follows the participant's perspective of a qualitative and interpretative approach, as the investigator considers both the complexity and context of the reality being studied. Thereby the notion of the investigator as a neutral bystander is denied. What is intended is not a verifiability of facts, but an understanding of how and why the social phenomenon being researched takes place. But contrary to what was above referred to regarding Yin, the focus here is not on the causes behind the phenomenon, but rather on the reasons concerning how and why the social reality being studied holds sway. As this is a study over the narrative stance of the accounts given by the subject, such caveat draws on Bruner's arguments (1991) about the

loose link between intentional states and actions, which prevent causal explanations. And because it adopts a critical approach to what discursive stance is both articulated and adopted by the practice of accounting *for* the corporate subject throughout time, it is by investigating the way discourse in accounting information acts and reacts to the exertion of forces comprised within a set framework that this research attempts to grasp a better understanding of how accounts, far from being the result of a neutral bystander, express a wide range of forces acting upon what subjectivity is allowed to the corporate subject. Whilst not equal to persons as moral agents, the accountant's agency rendered by the accounts it gives of the agent endow corporate subjects with moral agency, and thereby provides them with accountability (see Schweiker, 1993).

Whilst the question of how accounts are reflective of the power of truth has not been directly focused within contemporary research, there are yet several cases where the question of the impact of accounting as a practice of attuning conducts to emerging normative discourses has been studied. Espeland & Hirsch (1990) focus on the persuasive effects accounts have upon the redefinition of the concept of corporation to justify the power of prevailing discourse. Ahrens' (1996) clearly shows how the perception of what is taken to be valid regarding what subjects are being held accountable for changes among cultures as the expression of different normative discourses. This shows that the meaning of accountability changes according to which regime of truth accounts are given. Odgen & Clarke's paper (2005) depicts how truth is dependent on the persuasion accounts can exert upon others so as to endow the subject with legitimacy. Regarding negotiation of meaning, Hänninen (1995) has explored how failing to account within the unclear limits normative discourses impose is tantamount to the loss of legitimacy. Ezzamel, Willmott & Worthington (2004) explore the role accounting has in re-conceptualising and reorganising manufacturing processes and how what is taken to be truth is subject to processes of acceptability. But the force of accounting as a practice capable of (re)constructing meaning has been most present among studies concerning privatisations (Andrew, 2010; Craig & Amernic, 2006; 2008; Odgen, 1995a; 1995b; 1997; Puxty, 1997; Shaoul, 1997).

Because the following case study bears a direct link to privatisation concerns and their emergence within particular context boosted by the way accounting shapes meaning raises the curtain on the next chapter, where the development of the empirical research sustaining this dissertation ensues.

4. Case Study

This chapter is organised into four sections. The first section comprises a survey over the period prior to the enactment of the strategy known as PEAASAR II in order to interpret the discursive stance that followed its publication. The role of such strategy within the structuring of a new discursive regime of sustainability is the focus of the second section. In the following section, the process of reshuffling Portugal's water sector from 2007 until 2012 is analysed, as well as the role performed by *Águas de Portugal* (AdP) therein through the accounts it rendered of itself. This will enable the discussion taking place in the fourth section to ensue in order to understand how AdP's accounts allowed the discourse of sustainability to become a regime of truth and, in turn, caused this corporate subject to necessarily emerge as unsustainable.

4.1 Setting up the scene

"The need for promoting a *true* water and solid waste disposal *industry* presupposes the definition of a rigorous strategy that cautions national interests, enables the increase of the degree of corporatisation in the sector, including private capital, and *allows the acceleration of investment rhythm.* This strategy is, overall, a fundamental piece in order to warrant temporal stability to the abstraction, treatment and distribution of water directed for public consumption, to the collection, treatment and disposal of resulting wastewater and the collection and treatment of solid waste. *It makes therefore sense to allow for private firms intervening within these sectors to participate therein*, albeit under concession agreements." (Law-Decree (*Decreto-Lei*) nº 372/93, foreword, emphasis added, own translation)

The above quote reflects the trend prevailing during what is described in extant literature as a landmark within the history of Portuguese water sector, with the constitution of *Águas de Portugal* (AdP) dating back to that period. Indeed, 1993 is considered by many to be a turning point regarding the sector's hitherto adopted strategy, one sustained upon the principle of exclusive management by local power, with every municipality being owner of and responsible for the whole infrastructure and services within its venue. Such push towards the adoption of business-oriented management discloses the rise of a new discourse within the water sector, in contrast with the framework sustaining public sector's provision of what were deemed to be fundamental goods and services. The introduction of new expressions and denominations became the mark of an intended shift in the strategy being followed, moving towards one capable of conciliating new European challenges with

limitations arising from a still rigid context for change. Still, the aforementioned "need" for promoting a true water industry[14] arises not only due to the government's belief on the benefits business-style management could bring; it was rather a (first) political answer against some legal and ideological obstacles existing among the sector's framework in order to somehow circumvent them. And whilst the discourse was seemingly new, the options being followed can be traced back to the ones envisaged during the Portuguese dictatorship's final years in the early seventies, when the first attempts to restructure the sector from top to bottom were carried out. What differs from them bears on the historical context and the consequent discursive stance surrounding both strategies, with a resulting framework not at all similar. This makes imperative a brief survey over the situation of the water sector in the pre-democratic period in order to somehow try to clarify the sense of the discourse enacted in the 1993's sector's restructuring, with its impacts prevailing even today.

Whilst water supply and treatment were responsibilities attributed by law to local governments even before the dictatorial regime rose to power, in practice the State directed the strategy being envisaged for the sector, not only by promoting regional studies or enacting ordinances, but and especially by orienting the structure of the investment being performed. Because mayors were not elected but appointed by the single-party administration, this withdrew autonomy from municipalities by subjecting the materialisation of a vast number of decisions to the previous authorisation of central government, in line with the political and administrative control that was in force (Pato, 2011). This subjected both investment planning and capability regarding water supply and sewerage facilities to the strategic vision prevailing among the cabinet, which was essentially based upon an infrastructural view of which public health and environmental concerns were not part. This implied that what was seen as important was the amount of water being supplied, which directed the State's financial effort into merely tackling water supply problems (Pato, 2013). Also, what political options were taken focused on solving the issues arising within great urban centres, disregarding the majority of the population

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[14] Albeit the then government's strategy focused not only on one, but on two sectors, the restructuring of the one dealing with solid waste management is referred to in this paper only when complementing the common thread guiding this thesis, which is sustained upon the water sector. This bears not only on the purposes grounding the research here developed but also on the importance given to water issues among the general discourses sustaining the thrust for restructuring both sectors. The very name of the corporate subject being focused (which literally means "Waters of Portugal") reflects the importance of water in establishing it as a going concern, even if also dealing with solid waste.

living in rural areas (Pato, 2011). Therefore, and until 1970, the State's water-related infrastructure policy was essentially a project lacking a strategic framework as it gave priority to solving technical issues, resulting in the design of isolated solutions without any degree of system integration, neither regarding territorial association nor coordination with sanitary concerns.

The problems related to countryside water supply systems started to be addressed only around 1960 and within a very restricted framework of access to financing by local governments. This was again in line with the lack of political will in providing such **funds**, together with the priorities given to other kinds of investments in detriment of water supply infrastructure (Pato, 2011). However, this was not an isolated view of the ruling elite, but one also shared by many county administrations owing to the greater priority they awarded to other investments plans, more in line with the Regime's propaganda of progress, than those consisting of water supply infrastructures. And financing here had a conditioning role. Whilst the action of central government relating investment policies was seemingly indirect via credit concession to local governments' proposals, the context where such support was endowed was directly dependent on the image the State purported to internally diffuse about what was believed to reveal the nation's development. Therefore, the options of both local governments asking for financial assistance and central government granting it were to a great extent turned to projects covering, i.e., educational facilities or road and transport infrastructure, these last absorbing the lion's share of the State's financial support (Pato, 2011). Thus, whilst the State seemingly provided financial assistance to the investment being undertaken by municipalities regarding water facilities, not only such assistance proved to be insufficient, but the conditions required were unbearable to many local governments, especially those in the countryside lacking the financial capability to reimburse the loans being made available. In order to apply for credit concession, local governments had to assume all the planning stage, for which they normally did not have the necessary skills or knowledge, and assure that the tariffs being charged were capable of providing the reimbursement of those loans (Pato, 2011); this was to be asked from a population where water was hardly to be considered as having any economical value, since it was and had always been consumed free of any charge whatsoever.

Due to the infrastructural paradigm being followed, which treated public health and sanitary issues as minor ones, the primacy given to water supply infrastructures was not accompanied by proper processes and facilities of water treatment and sewage drainage.

Consequently, the deficiencies regarding water infrastructure planning and management resulted merely from political options (Pato, 2013), thereby contradicting the putative lack of financial means the State alluded to have concerning water supply and sewerage investment (Pato, 2011). This lack of integration among water distribution and sanitary concerns started to emerge as a pressing issue during 1970, to which greatly contributed the migrations from the countryside to major urban centres where a wave of industrialisation was taking place. This provoked an uncoordinated urban growth not accompanied by proper water supply or sewage drainage systems, which culminated in severe public health problems, with outbreaks of cholera around Lisbon and other coastal areas around that same year (Schmidt, 2008).

Investments on sewerage systems were only then given considerable attention, which resulted in them being included within the central government's water resources management policy. This would allow financial assistance to local governments regarding the sewerage and wastewater treatment investments eventually being proposed. Together, there was an intention of articulating this investment with that directed to water supply networks (ERSAR, 2010a). To this shift of attitude contributed government officials' self-awareness of their hitherto lack of concern regarding sewerage issues, something that became clear when the first studies aiming for the sector's restructuring on an integrated basis were published in 1972, disclosing just 17% of the population with access to proper sewerage facilities, in comparison to the 40% being served by water supply systems (Pato, 2013). And among these, the water monitoring and treatment levels were very low, resulting from the technical and infrastructural paradigm presiding over their design, focused merely on supplying water to populations and not on improving the quality of the water being distributed.

The first attempts to restructure the sector involved a new concept of basic sanitation, an expression referring to the integration of water supply systems with those concerning wastewater drainage and treatment as well as urban waste (Pato, 2011). According to the proposal grounding the inquiries and studies that were to follow, the sector would be organised around the implementation of what was termed as basic sanitation regions, ones that would comprise enough territory so as to enable a rational management of inherent technical, economical and financial issues. For that purpose, each would be supervised by a State-owned-enterprise in charge of running both water and sewerage services (Pato, 2011). Within such strategy, sustained upon a seemingly interaction between the State and

local governments, the former would assume the conduction of the investment in water treatment and sewerage by retaining responsibility for structuring and administrating water supply and sewerage networks, allowing the latter to circumvent their difficulties in tackling technical and financial issues regarding this kind of investment (ERSAR, 2010a). These problems that municipalities faced were mainly related to low levels of technical skills and lack of financial capability, together with a huge scattering of the population around small towns and villages in the countryside, with low income. Such project of integrating not only water supply and sewerage, but also solid waste management, was deemed to promote scale economies and the formation and share of technology, and even a compensation system between better off and poorer regions was envisaged (Pato, 2011). This disclosed an integrated technical and economical logic prevailing over political decision, contrary to mere infrastructural concerns that had presided hitherto.

With the democratic revolution in 1974, such trend was however reversed, with the role performed by the State considerably diminished for more than a decade and a half. Commensurate to the ostensible democratic discourse being institutionalised among society, local governments were again attributed the full scope of responsibilities over the infrastructure and administration of water- and sewerage-related services, this time without any compulsory guidance being "provided" by the Sate; this meant that municipalities were now able to decide for themselves. Such concentration of decision powers upon local governments bore on the aforementioned democratic rhetoric behind the political reorganisation the country was being subjected to, which proclaimed that political power should be exerted on a local basis so as to enhance democracy, empowering citizens with a greater degree of self-management of their own local interests (ERSAR, 2010a). Indeed, such principles were reflected in the newly enacted Constitution (Mozzicafreddo, Guerra, Quintela & Fernandes, 1988) and were (and still are) thoroughly claimed to be the revolution's greatest conquest (Campos, 1988). Regarding the water sector, this implied that the basic sanitation regions project was no longer commensurate to the exclusive management of the sector by local governments because such project was seen to force municipalities to relinquish their rights of operating in the sector in favour of the State. This was believed to be tantamount to depriving them of the income provided by water consumption tariffs, something that was claimed to be theirs by right. This motivated a whole assemblage of arguments against the proposal (Pato, 2011; 2013), culminating in the project's rejection by the parliament, which clearly shared among decentralisation

arguments. Paradoxically enough, these same politicians defended that structuring the nation around basic sanitation regions was technically necessary for tackling public health concerns (Pato, 2011), which could have motivated an alternative plan (Pato, 2011). But due to the belief that local governments would better serve their citizens' interests than central government would, such was not brought to the fore. For what was seen as right was enabling municipalities with technical skills and financial capability in order for them to carry out their responsibilities. Such decision stripped the newly formed General Office of Basic Sanitation (DGSB[15]) of its coordinating role regarding the sector's investment strategy, emptying it of the purpose that inspired its establishment. Together with the restrictions imposed upon the financial intervention central government could perform regarding investment in water supply and sewerage facilities, the State's role within the sector was, rather than being reduced, subject to a lack of definition due to the lack of a general strategy for the sector. Thus, whilst the need to tackle some pressing issues concerning public health maintained sewerage and wastewater treatment within local governments' priorities (due to the outbreaks of cholera still at large when democracy was proclaimed), the approach being adopted commonly suffered from a lack of coordination due to political reasons, with individualised solutions for almost each county. This was also in a great extension due to the legacy left by the policies followed during the dictatorship, which promoted solutions very much focused on local issues, with water systems being designed in order to solve local needs, without any significant level of integration between municipalities.

Altogether, this originated a strategic void among the water sector, reflected by its high degree of fragmentation, which was unable to cope with the implementation of "a unique and effective model capable of responding to the sector's multidisciplinary nature" (ERSAR, 2010a, p. 18, own translation). This culminated in the constitution of many operators, typically one for each county, multiplying the effort of investment in building and renewing water facilities. In some cases, some of those responsibilities were even awarded to town councils, which increased the number of operators within the sector. Apart from the State-owned-enterprise responsible for providing both water supply and wastewater drainage and disposal to the region of Lisbon (EPAL[16]), water related services became a disintegrated monopoly within the hands of local governments from top to

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[15] This refers to the abbreviation of *Direcção Geral do Saneamento Básico*.

[16] These are the initials for *Empresa Portuguesa de Águas Livres*.

bottom, where private participation in whatever form was forbidden. Indeed, private management of water-related infrastructures was never truly considered as an option, even if allowed by law during the authoritarian regime. This is exemplified by the fact that only once was a private enterprise allowed into managing water and sewerage related assets, in this case those comprising EPAL. However, this enterprise returned to the public management model even before the overthrown of the dictatorship.

Within such a context, the sector experienced nevertheless a substantial increase regarding water supply and sewerage networks, with these rising from levels of respectively 40% and 17% in 1975 to those of 80% and 62% in 1990 and 84% and 63% in 1993 (MAOTDR, 2007), which discloses the effort developed by municipalities in providing their citizens with access in quantity to drinking water and sewerage facilities. Yet, such growth was neither consistent nor organised throughout municipalities, with the infrastructural view that prevailed during the dictatorship still holding sway, mainly due to the lack of association and will to do so among county governments. This resulted in individualised solutions being implemented, to which contributed an assemblage of problems ranging from dissimilar local policies regarding several kinds of investment and sharp differences relating the number of their inhabitants to poor quality of the systems being implemented or planned and lack of internal organisation (Pato, 2011). Indeed, whilst mayors of small towns showed a greater concern for economical issues, local governments of large cities praised infrastructure development and social and cultural aspects, which can be linked to their financial capability (Mozzicafreddo et al, 1988). Together with the unclear role of central government, especially over the investment being performed, what information was provided about the sector and its operators proved to be scarce and somewhat unreliable (Pato, 2011). Finally, local governments also experienced difficulties in assuring financing for their investment programmes in order to accomplish their responsibilities regarding proper water supply and sewerage. As the main concern of local governments was to supply citizens with water and sewerage facilities in quantity, issues around the treatment of wastewater and related environmental concerns, less visible to the public gaze, were somehow pushed into a second plan, with only 32% of wastewater being subjected to treatment before being returned to the environment.

Whilst the efforts of many municipalities resulted in a considerable increase in the quantity of population being attended by water supply and sewerage systems, the high level of disintegration prevailing over the sector called for a different approach in order to

improve both the levels of coverage and quality of water and sewerage services being provided to the citizens. It was with her entry in the EEC in 1986 that the nation was provided with the necessary financial means in order to carry on with what was to be the first major restructuring of the sector. The availability of fresh European funding for investing in the sector and pursuing the intended objectives brought with it the subjection to European legislation over water quality and environmental requirements, which were by far more demanding than those existing in Portuguese law. This would entail a great deal of effort by Portuguese authorities, for the still prevailing infrastructural concerns resulted in the expansion of water and wastewater networks not being followed by proper quality or monitoring of those same systems, with wastewater being frequently disposed of without any kind of treatment. This owes much to the concern given to short term political agenda guiding local governments' decisions and the inability of several municipalities to assure proper technical skills and financing for carrying out their responsibilities around basic sanitation, which reinforced the prevalence political power gave to the activity of delivering water in quantity; dealing with quality concerns required a long term effort, something municipalities could not or found themselves unable to cope with. Most of them were very much dependent on monetary transfers provided by the central administration through a newly set fund that intended to correct the financial imbalance existing between municipalities, but whose rules of funding distribution were considered to be unfair to many small counties (Campos, 1988). Local governments also lacked the means to apply to EEC's funding schemes which privileged investment programmes only above a certain dimension (Campos, 1988). And together with these financial obstacles, the lack of definition of the State's role and concomitant weak will in addressing them contributed to a loose law enforcement concerning environmental and water quality issues (Pato, 2011). Even if the successive governments had continuously claimed that basic sanitation (as it was above defined) was within their priorities (Schmidt, 2008), such was then barely the case.

The process of elaborating a new and nationwide strategy for the sector was therefore slow, with the reformulation only ensuing in 1993. However, the legislative move translated in the enactment of two fundamental Law-Decrees (nº 372/93 above-quoted and nº 379/93) that would mould the sector into its present framework, with the introduction of a new format of systems arising from what is seen as a fresh model of organisation and management, in contrast to the established model of public stewardship. The sector would

be structured into two kinds of systems: those labelled as *multimunicipal*, of which the State was now directly responsible, and those termed as *municipal*[17], remaining under exclusive management of local governments. Regarding the former, they represent an innovation introduced in the sector and became the hub of the entire strategy being adopted. Every system not fulfilling the requisites for being *multimunicipal* was to be then classified as *municipal*. *Multimunicipal* systems comprise at least the territory of two municipalities and are related to what would be denominated as "bulk" activities, namely those comprising all the processes of water abstraction, treatment and conveying to reservoirs where it is kept for later distribution to consumers, as well as all the sewerage not dealing with direct, individual drainage of wastewater from consumers. Those activities concerning direct contact with end-users (direct distribution of water and domestic drainage of wastewater) were included within the scope of "retail" activities, these associated to the systems known as *municipal*. This distinction allows *multimunicipal* systems to be generally known as "bulk" systems, whilst *municipal* systems are usually labelled as "retail" systems[18], corresponding to the strategic alignment networks were to experience within the sector, which resulted in the sector being partitioned in two: the State being responsible for "bulk" activities and local governments for "retail" ones. Following a market perspective, "bulk" would refer to the wholesale commerce of water whilst "retail", like the noun suggests, comprises the retail activity of the business. Returning to the Law-Decree nº 372/93's quotation in the beginning of the chapter, the sector was intended to become an industry, with water being turned into an economic good.

Focusing on *multimunicipal* systems, what grounded their establishment were mainly reasons of strategic importance linked to the pursuit of national interest, so it was claimed. This justified, rather called for, the direct intervention of the State by taking charge of the respective investment, something local governments found themselves unable to warrant as this exceeded their capabilities not only of assuring badly needed investment in order to cope with European legislation, but also of handling the demanding requirements vesting European funding programmes (see ERSAR, 2010a; Pato, 2011; Canotilho, 2013).

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[17] Whilst he term *municipal* exists both in Portuguese and in English, whenever it is here highlighted it refers to the Portuguese use of the word, i.e., it is used in order to distinguish *municipal* systems from *multimunicipal*. When not emphasised, it bears on its English meaning, that is, it concerns county governments' issues.
[18] Regarding the management of the systems' assets, reservoirs can either be considered as part of *multimunicipal* or *municipal* systems, depending on what would be agreed between the parties concerned. They thus consist of the link between "bulk" and "retail" systems.

Sustained upon the same reasons, to the responsibility of investment was adjoined the management of these systems, which allowed the State to perform once again an active role within the sector.

Because "bulk" systems were considered as complementary to *municipal* ones, the State is allowed to assume control under the extant legal frame, for such control is maintained in a subsidiary way, i.e., there subsisted a general belief about local governments' inability to invest into and manage "bulk" activities. Due to the high levels of investment water abstraction and conveying activities required and the surpassing of territorial boundaries that the *multimunicipal* formula necessarily implied, the State was believed to be capable of better accomplishing the responsibilities being demanded. However, the constitution of a *multimunicipal* system was of an exclusive decision of the central government, shielded by the promotion of national interest. This could put municipalities into a position of forced cooperation with the State, even if these systems could only be structured within the principle of complementing "retail" activities (Canotilho, 2013). And it goes without saying that by assuming entirely the investment responsibilities regarding *multimunicipal* systems, the corresponding asset ownership was to be transferred to the State (which indeed was the case), with local governments maintaining their exclusive rights regarding *municipal* ones.

Altogether still, the proposed strategy enabled the parties concerned – e.g., the State and municipalities, both in the name of public interest – into circumventing the constitutional requirements that enforced local governments' exclusive management of the sector, resulting in its division according to management responsibilities: the State being in charge of "bulk" activities through the figure of *multimunicipal* systems, and "retail" activities remaining under the exclusive control of local governments. Why "bulk" activities were in general handed down to the State bears also upon two additional reasons to the ones previously argued. First, the inobservance of whatever degree of association between county governments into running these activities, in part due to what were classified as poor habits of politically working together (Faria, 1990, in Pato, 2011), prompted their rendering to the State, even if the possibility for municipalities to associate themselves into running "bulk" activities was stipulated by the same set of laws that introduced *multimunicipal* systems. But such safeguard allowed the State to assume the investment and management of "bulk" activities, for it did not subtract from municipalities these competences; were they willing to and capable of warranting their fulfilment, there

were no legal obstacles preventing such option. But second and more important, moving "bulk" activities to the State's sphere of responsibility was tantamount to releasing local governments from performing the investments therein, putting them in a better position to manage "retail" systems; this seemingly motivates their constitution (Canotilho, 2013).

The main objective behind the institution of *multimunicipal* systems was the implementation of integrated solutions requiring complex and costly investment and comprising several municipalities, which justified the focus on "bulk" activities. This would promote scale economies both concerning investment and management, benefiting water fares (ERSAR, 2010a). Sustaining such purpose was the increasing belief in the advantages enterprise-style management would bring to the sector, which was reflected by the discursive stance employed in the two mentioned Law-Decrees, as well as others dealing with water issues. This was part of a set of three assumptions sustaining the proposed strategy, where the corporatisation of the sector, system integration and institution of the principle of user-payer would provide a new economic and financial framework to the sector, under which "tax payers" were now "consumers-users" and "public works" were referred to as "investments". This implied a rupture with what was described as the simplistic logic of merely concentrating on quantity issues such as water supply so as to focus on managing a resource under the principle that every consumption/usage has an associated cost, therefore requiring that its usage should be regulated and valued in economic terms (Law-Decree nº 47/94, foreword; see also Pato, 2011). Water consumption had to be given a value, a price, in order to "*restore the dignity and morality of the public concept of water*" (Law-Decree nº 47/94, foreword, emphasis added, own translation).

This kind of management model was not restricted to *multimunicipal* systems, for such possibility was extended by law to every operator within the sector. In order to boost government's belief upon the values of business-style management, systems should now be administered by what were termed "managing entities"[19], being those responsible for

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[19] This is the direct translation of *entidades gestoras*, in practice having the same meaning as "operators", i.e., the entities operating water and sewerage systems, as well as those dealing with solid waste. However, such assemblage of words can be seen as resulting from the intention of making the sector more business focused. The very word "operator" is also available within Portuguese lexicon as *operador*, with operators within other sectors where local governments were not involved being labelled *operador* instead of *entidade gestora*. This reinforces what is here being claimed about the motives sustaining the strategic shift towards a more business-style management. During this dissertation, "managing entities" will nevertheless be referred to as operators, being this the word generally used in literature, even in the reports issued in English by the Portuguese regulator for water and waste sectors.

planning, constructing and running their systems. This included warranting proper drinking water. Focusing on the way systems are/should be managed helped reducing the scope of the sector's problems to this only issue (Pato, 2011), which provided the arguments for making management in the sector more business oriented a solid stepladder, necessary for the implementation of *multimunicipal* systems. In fact, such goal was inscribed into the Law-Decree nº 379/93 as a principle guiding systems' management, together with the pursuit of efficiency, public interest and that systems should be integrated regarding their structure. According to Zenha (2007), this attraction to the features of business-style management by authorities is something virtuous, as associating public interest with the logic of business success generated a sane conflict of interests benefiting the sector. This implied that operators, under the guise of "managing entities", necessarily had to be similar to enterprises, had to be corporate entities, whether public or private, reflecting the efforts of developing a market-inspired solution to the sector. Indeed, corporatising the sector is considered to be fundamental in order to warrant the efficiency and quality of management regarding the services being provided (Pato, 2011); management's efficiency as a principle therefore depends upon operators constituting themselves as corporate subjects.

Because asset ownership remained within the hands of the State and local governments concerning *multimunicipal* and *municipal* systems respectively, directly managing water and sewerage networks was perceived by the government as contrary to the principles of business oriented management and efficiency being forwarded. In order to break apart with the administrative logic behind traditional models of politically motivated management and buttress the mentioned principles, the possibility of entering into service concession arrangements was introduced within the legal framework. This was favoured by the abolishment of the interdiction endowed upon private corporations from entering the sector. Indeed, opening the sector to private participation would boost levels of corporatisation and reinforce investment pace due to the entrepreneurship they were likely to bring into the sector (see Pato, 2011), thereby motivating the need to promote the sector as a true water industry (Canotilho, 2013).

With the constitution in 1993 of AdP, government's corporate holding responsible for the development and management of *multimunicipal* systems, corporatisation becomes subjacent to the rationale behind the State's action within the sector. This reflects the kind of approach being envisaged by the government, for AdP would represent a public-to-public service concession agreement where the State entrusted upon one (public) enterprise

the responsibilities of investing in and managing the systems under its control, with each system being directed by an operator necessarily constituted as a corporate subject. Whilst *multimunicipal* systems' constitution was an exclusive government decision, municipalities had however to be persuaded into connecting their "retail" systems to the "bulk" systems being structured. By increasing the availability of financing mechanisms and enabling reductions of operation costs through scale economies, constituting AdP was presented as a strong political argument into persuading local governments to back the strategy put forward (Pato, 2011), for legally they were entitled in exclusive to the management of water and sewerage systems. In order to circumvent this issue and maintain intact local governments' competences, these would be treated as shareholders of the new *multimunicipal* systems they were served by, into which they had transferred the responsibilities of managing "bulk" activities. But because they were not only shareholders but sole clients of the respective *multimunicipal* systems, allowing municipalities' control over them would undermine the very notion of enterprise. The majority of the capital of each "bulk" operator had then to be subscribed by the State in order to ensure their direction by AdP. Additionally, having the State in control of *multimunicipal* systems would warrant proper European financing to the strategy being championed. Thus, it is by persuading municipalities to signing up to these agreements that the State is endowed its legitimacy to manage "bulk" activities. In turn, this model permits *multimunicipal* management to be (legally) recognised as a partnership between the State and municipalities.

Regarding private participation within the sector, the model being proposed with the constitution of AdP reflected the State's decision of in practice restricting their access to "bulk" activities, even if AdP symbolised the clear adoption of a business-style approach via indirect management, intending a rupture with the old model focused on local governments directly running operators. This may explain why, contrary to the "bulk" sector, municipalities were provided with the option of transferring the management of their "retail" systems to private companies via service concession agreements, which assured that infrastructure ownership remained within public hands and that corporatisation objectives were accomplished. In fact, municipalities were left with a wide set of options regarding how the "retail" operators they control could become, which included corporatising them. Thus, whilst legally opening systems' management to private

guidance, such openness was channelled to the "retail" sector, wherein the State was not allowed for it remained an exclusive prerogative of local governments.

Concomitant to the foundation of AdP arises what is generally referred to as the first generation of *multimunicipal* systems, consisting initially of five networks set up mainly on coastal, densely populated areas or subject to high seasonal pressure from tourism. Created by the same Law-Decree (nº 379/93) that prescribes the features of *multimunicipal* systems, they were integrated in AdP as subsidiaries. Together with them, the already existent EPAL, whilst structured under a different legal framework, was incorporated into AdP so as to provide the holding with both financial and technical skills (MAOTDR, 2007), thus confirming the corporate nature of AdP. But because EPAL was already a fully operating going concern involved in both "bulk" and "retail" activities (the latter deriving from the fact that this company was endowed with the management of Lisbon's domestic water and sewerage network long before the dictatorship rose to power), its legal framework was maintained[20]. Such option turns this company into an exception regarding the way operations are conducted and constrained in the other *multimunicipal* systems, not subject to the same requirements.

Overall, first generation *multimunicipal* systems were considered to be a success case, with the credits reverting to the contributions corporatisation rendered to the sector. These were mirrored by the business activity of AdP and the resulting scale economies and "bulk" system integration it provided. With its scope being stretched after 1996, the enterprise also became able to enter the management of "retail" water supply and sewerage activities through the creation of a sub-holding, Aquapor, a business approach capable of buttressing corporate objectives for the sector and thereby "answering the increasing demands of that market" (Lino, 2007, p. 102, own translation). Compared to the monopoly structure which prevailed in "bulk" activities, this remained a very fragmented sector where little was going to change. Indeed, talking of a "retail" market would prove to be somehow difficult as there was a very low receptivity of the new possibilities for transferring "retail" systems' management to private companies via service concession

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[20] Contrary to all *multimunicipal* systems, where management is transferred via a service concession agreement, EPAL consists of the only case of delegation of management to an enterprise (even if being state-owned) where no temporal limit was set when it was constituted. According to Portuguese law, what makes this kind of management distinct from that behind service concession agreements bears on the former not consisting of a partnership between the State and a third party, something forcefully required to the latter as municipalities share in the operators' capital. The operators constituted under these service concession agreements are also subject to a wider set of restrictions than EPAL when conducting their business activity.

arrangements or making operators into corporate subjects. Among the four models being proposed regarding *municipal* operators' management, the two concerning their indirect management by embedding a business approach never represented more than 10% from 1993 onward. This might question the notion of success being forwarded, but success was restricted in its meaning to what ensued in the "bulk" activity and the resulting *multimunicipal* systems, the focus of all the strategy being implemented and therefore channelizing the lion share of the investment. Indeed, such focus is reinforced in PEAASAR I, the government's strategy for the sector between 2000 and 2006, where *multimunicipal* logic was extended to the countryside.

Whilst PEAASAR I purports to be a nationwide concerted effort for improving the sector, the focus of the entire strategy was bestowed upon the broadening of the model of *multimunicipal* systems to the entire mainland country[21] in order to achieve, on a nationwide scale, the levels of 95% of the population being served with water supply and 90% with wastewater drainage and treatment. To achieve such goals and promote their optimal construction and management, the number of systems would increase to thirty two, albeit some not comprising the integration of water supply with sewerage (ERSAR, 2010a). By centring on "bulk" systems, promoting the aims of PEASAAR I was tantamount to stretching to less well-off countryside regions – although representing the majority of the territory – the envisaged sector corporatisation objectives and the inherent market logic, their success being highly praised regarding first generation *multimunicipal* experiences. This maintained the principles buttressing the 1993's strategy intact (Pato, 2011). Whilst adopting a system integration approach towards the sector was seen as being the most advantageous option (MAOT, 2000), the importance of such integration was stressed concerning "bulk" activities. Thereby, market logic was to operate fundamentally around these activities, with the management models prevailing in "retail" systems remaining almost unaddressed. Indeed, when PEAASAR I was enacted only three municipalities (out of around three hundred) had entered into service concession agreements with private companies. More than an integrated strategy, PEAASAR I was essentially a plan defining the priorities being given to the funds attributed to Portugal via the third Community Support Framework. In other words, it bolstered the government's policy focused on widening the integration of "bulk" activities nationwide by favouring the

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[21] Due to their autonomy, the insular regions of Azores and Madeira were not subject to both PEASAAR I and II requirements, each region having its own strategy for water and sewerage service.

access to the necessary funding (rather by restricting that same access) to projects intending the development of *multimunicipal* systems, something clearly stipulated therein when addressing the financing wherewithal being made available. Therefore, PEAASAR I can be labelled as the framework where AdP should conduct its business activity, not only regarding indoor but also overseas expansion. In fact, with PEAASAR I a strategy of internationalising the water business was envisaged, as the perspectives championed therein purported to demonstrate

> "the excellence of the quality existing around the conception, planning, construction and management of water and sewerage systems, with these relevant factors enabling the country, more than solving with quality her own problems, to invest, in a broad sense, her own capabilities in foreign markets" (MAOT, 2000, p. 9, own translation).

Being AdP the State's hand for acting in the sector, when there is a reference to the country in the above quote, such must be forcefully regarding AdP. Indeed, such was the view of the government in the General Assembly following the enactment of PEAASAR I, culminating in its entry into other markets as a private operator. Such venture would however involve the exposure to a degree of risk far greater than that associated with its main activities (Pato, 2011).

PEAASAR I's role is in general extolled in the literature. As an example, PEAASAR II's foreword refers to the remarkable progresses hitherto achieved as confirming the justness of the objectives being forwarded therein. However, they were underachieved, especially when some of the problems concerning the strategy itself started coming to the fore. Among these, the focus on "bulk" systems had disregarded their interaction with "retail" systems, which were unable to absorb, due to demographic, structural and economic reasons, the quantity of water supplied by "bulk" systems, with the former remaining highly fragmented into a few hundreds of local systems when compared to the latter's seemingly high degree of integration into some dozens. This was potentiated by many municipalities lacking the financial means or political will to invest in their "retail" water and sewerage infrastructures. Also, the business plans serving as background for the service concession agreements of *multimunicipal* systems were elaborated under the premises of undervalued investment needs and overvalued water tariffs. It is within this setting that the need for a new strategy arises, as pursuing the former was seen as unable to solve the lingering problems, leading to the enactment of the second PEAASAR and concomitantly to the emerging of a new discursive framework.

4.2 The circular regime of "sustainability"

One of the purposes behind the design of the 1993 strategy was to bring temporal stability to the sector, which implied shifting into what was promoted as a true water industry, something bolstered by the benefits corporatisation and integration were believed to entail. The reshuffle that ensued resulted however in the sector being divided into two distinct areas of intervention ("bulk" and "retail"), each following a different approach regarding the principles that were championed. To this contributed greatly the introduction of two new parties – the State and privates – into what had been hitherto an exclusive municipal domain. Even if enabling significant progresses regarding public health indicators, especially in the field of drinking water quality, both the 1993 strategy and its successor, PEAASAR I, focused on enhancing national coverage levels and quality of the product known as water (ERSAR, 2010a). However, the lack of articulation between the State's intervention and that of local governments' favoured a duality of action ensuing within public water policies, mainly due to the sector being organised in two distinct areas, "bulk" and "retail" activities. The notion of system integration which prevailed during the period comprising both strategies plays here a considerable role. Indeed, the mentioned duality of policies prompted a focus on the horizontal assimilation of systems, especially *multimunicipal*, i.e., it concerned their territorial integration, preventing them from merging or coping with *municipal* ones, and vice-versa. Together with this, integration was stressed mainly around the organisation of *multimunicipal* systems, with no specific model being prescribed neither in 1993 nor in PEAASAR I concerning *municipal* networks, allowing for operators to choose from a wide range of options legally available and where system integration was not at all encouraged. Regarding the latter, it focused almost entirely on structuring the investment and respective financing requirements for widening the "bulk" network. Thus, the significance given to integration bears directly on the sector's design implemented in 1993, which privileges not only a separation of activities according to who manages them – the State or local governments – but also and especially the establishment of different priorities regarding the problems needing to be tackled, as if "bulk" sector problems were not related to the ones arising within "retail" activities. This is tantamount to affirming that solving the difficulties weighing over the water "bulk" sector is more pressing that addressing to those affecting "retail" systems. This is reflected in the

financing mechanisms in place, as later discussed. Such duality of policies constraints the strategy being employed, as it prevents an understanding between parties by allowing, rather promoting, different paths to be followed, resulting in the water sector being composed of two almost independent sides forced into "coexistence" with each other in a tense, non-integrated, relationship between the State and municipalities, especially over the conception of the sector as a market.

Indeed, the constitution of Aquapor by AdP reflects not only this tension but also the fact that, by dividing the sector according to management competences, two distinct markets and two clashing perspectives are able to operate independently within a space purporting to be a single water market. This opposition between parties is potentiated by the mistrust among municipalities over the corporate model and the fear of the subsequent privatisation of AdP to where much of the rights around "bulk" infrastructure construction and management had been transferred through many municipalities signing up to *multimunicipal* systems. For there was an opening prescribed by law and still in force that allows public-public partnerships into becoming public-private partnerships. And there was in fact one attempt in 2002 of restructuring the sector around nine great operators and combining "bulk" systems with the associated "retail" networks. In order to achieve such objectives, the State, through AdP, would undertake the necessary investment. And once that process was completed, the full privatisation of the nine operators would ensue and AdP would be extinct (Pato, 2011). Thus, allowing private corporations into the sector is tantamount to introducing a third party into the sector's framework, inaugurating a new kind of relationship, one between public and private sectors, which in turn widens the scope of tensions between the State and municipalities (Pato, 2011). All this is claimed to have prevented the sector from advancing into a so-called desired "excellence phase", one where, more than broadening service coverage levels, greater service quality survey and higher efficiency and effectiveness standards are required in order to assure sustainability (ERSAR, 2010a). This goes in line with what is expressed in the newly elected government's programme, in 2005, i.e., with the need to "qualify [Portugal's] environmental infrastructures and their respective management in order to achieve the service levels typical of developed countries" (own translation).

After a "profound diagnosis of the sector's situation and [re]definition of the strategic framework" (MAOTDR, 2007, foreword, own translation), and because there was the need to adjust its implementation to the following Community Support Framework, the

enactment of PEAASAR II ensued. Whilst the title may suggest the continuity of the former plan, this new approach drove the same principles that had buttressed its predecessors, namely corporatisation and integration, into a new framework, one where strategic issues were comprised into and dominated by a single concept: sustainability. Alluding to the sector's sustainability was not something new, as already in PEAASAR I this was mentioned. What was new here was the stress being endowed to this idea and the structuring role it was bound to assume. The problems were no longer related to merely providing access to proper water and sewerage systems, but bore on the sector needing to be sustainable. PEAASAR II purported to be the answer warranting that intended sustainability. What forms or shapes the concept of sustainability may seem to be the pivotal question around which all the strategy is to be structured, but within PEAASAR II's writing the emphasis is set rather on how sustainability is to be conceived regarding the sector's complexity. Whilst it may not seem so, focusing on how sustainability is formed enables a completely different set of forces to emerge and act among the definition of its meaning. Studying how sustainability is formed necessarily departs from the sector being reified as unsustainable, which is exactly what gives PEAASAR II its starting point for defining how should such problem be tackled. Eventually, it is by *knowing* how sustainability is construed that the question "what is (un)sustainability" can be provided with a *befitting* answer.

The strategy envisaged within PEAASAR II is sustained upon three major objectives, each subdivided into three others: Universality, continuity and quality of the service being provided, sector sustainability and protection of environmental values. The first of these purposes was in a way a direct heritage from the previous PEAASAR, where the intended levels of service coverage being there prescribed were not achieved, i.e., serving 95% of the population with public water supply systems and 90% with sewerage. Representing the intention of reaching the widest possible level of people in a regular way, they therefore remained in general unchanged, as part of the objective of rendering a constant quality service to every citizen. Nevertheless, there was now a thrust for articulating them with the other two strategic objectives, which called for a reorganisation of the sector. As already mentioned, one of the reasons leading to the enactment of PEAASAR II was the widespread belief that merely pursuing the above service levels without any ensuing restructure of the sector's framework could not solve the actual problems; in turn, these are what endow sustainability with the leading role over the entire

strategy, withdrawing from the other two strategic objectives whatever equal importance they could purport to have with this concept; they are now under its domain. This is so because reducing the full gamut of problems to sustainability concerns bears on the idea that all the issues emerging or lingering within the sector, whether of structural, operational, economical, financial or environmental nature, circle round the issue of water and sewerage tariffs and the impact this has among investment and financing policies. According to what was claimed, this was necessarily related to the assumption that all service costs must be entirely covered in order to "warrant the sustainability of the sector as an imperative obligation regarding future generations" (MAOTDR, 2007, p. 24, p. 78, own translation). Within such perspective, revenue associated to water supply and sewerage is considered to have a fundamental role in the coverage of those inherent costs and in the design of the financing policies, suggesting that sustainability must be warranted by that revenue, i.e., by tariffs (MAOTDR, 2007). The answer PEAASAR II purported to render thus extols such idea as its *leitmotif*, consisting in an unquestionable principle (MAOTDR, 2007) from where all action should depart. And indeed the very notion of fair water price that was there prescribed makes service cost recovery a premise of sustainability, implying that the necessary conditions for their full coverage have to be ensured.

However, and according to the same PEAASAR II, there are two caveats to whatever solution(s) eventually being proposed: there is a) the need to make tariffs compatible with populations' social and economical conditions; and b) the need to conclude the required investments so as to assure coverage levels with proper quality and in line with all obligations bearing on legislation and environmental respect. Whilst being referred to as caveats, rather than conditioning them, they potentiate the new solutions being proposed, as they purport to consolidate the sector's sustainability. They are thus shaped into bolsters of what are seemingly the best options to take within the framework sustaining the sustainability perspective, which will help revealing its meaning. Solving the tariff question is then stated as essential for the sector's sustainability to start emerging, but within an economical and financial focused perspective to where the other two objectives linked to environmental and social issues will converge, even if sometimes divergent. This is something that will become clearer later on in this dissertation.

When addressing to the tariff policies being implemented, a distinction is made in PEAASAR II between the situation in the "bulk" systems and the state of the "retail"

sector. Due to the programmatic lines defined in PEAASAR I, the tariffs being established for the generality of *multimunicipal* systems warrant a policy of cost recovery, which allows this area to be characterised as sustainable, even if occurring several dysfunctions. Still, these are claimed to derive from the "very demanding financial premises stipulated in the contracts sustaining service concession agreements [and] not applying the same type of premises to all systems" (MAOTDR, 2007, p. 50, own translation). These problems, and others referred to ahead, are all characterised as exogenous to the sustainability of the tariff model applied to *multimunicipal* systems, as they do not emerge via the choices those acting within the "bulk" sector take (namely, AdP), but result from legal or contractual obligations they were forced into agreeing. However, some of the problems classified as exogenous are in fact inherent to the premises and forecasts sustaining investment plans, which affect the establishment of "bulk" tariffs. Nevertheless, they tend to be overlooked in PEAASAR II because the sustainability problem is seen as being rather related to the "retail" systems.

And indeed the picture being described is completely different when portraying "retail" networks. Focusing on the tariff question reveals a daunting image of a sector where the viability of its sustainability is surrounded by question marks. Determining the price being charged to the end-user is described as particularly a delicate issue. When structuring the tariff, the operator must conciliate service costs with "the nature of the good water" (MAOTDR, 2007, p. 51), which implies that the economical capacity of the populations and the availability of the resource must be taken into consideration. This enabled many municipalities, and consequently the operators controlled by them, into adopting political tariffs wherein a vast share of the costs relating to investment, operation and maintenance of the systems were (and are) subsidised via local budgets, with end-users paying but a small fraction of those costs. According to PEAASAR II, the indicators being available suggest that the real cost of managing water systems is around € $1/m^3$, the same being valid for sewerage. However, the average tariff applied within the "retail" sector is of € $0.77/m^3$ concerning water supply and of € $0.29/m^3$ for sewerage. Half of the level needed for covering the effective cost, the tariffs being charged are described as hindering an economically sustainable management (MAOTDR, 2007), with the premises sustaining pricing models being significantly different among operators and frequently lacking a logical or measurable criterion, allowing for a gap between tariffs ranging from € $0.15/m^3$ to € $1.56/m^3$ in water supply and € $0.00/m^3$ to € $1.83/m^3$ in the case of sewerage

(MAOTDR, 2007). This situation is particularly emphasised concerning sewerage, where 63 local governments chose to provide the respective service without any associated charge, something the Law is said to promote by differing water tariffs as prices and sewerage tariffs as tributes, discharging the latter from the obligation of having a value capable of covering the associated cost.

Strongly criticised, such situation allows only for operating costs to be (partially) covered via the generated income, with all other expenses related to investment or renewal left unaddressed. Shielded behind the principles backed by OECD and the European Union, which are said to champion service full-cost recovery and arouse consumers' awareness to the "price/cost" of water, the criticism towards "retail" policies of establishing service tariffs widens. It ranges from the waste of a scarce good being stimulated, which hinders the awareness of water having a scarcity cost and also damages the environment, to being socially *unfair* as not only the disrespect for the principles of consumer-payer and polluter-payer is allowed but also tax payers in general are penalised, from whom a greater financial effort is demanded concerning something from which many of them, as tax payers, are not benefiting. This financial backlog is extended to future generation so as to ensure the rehabilitation of badly managed and maintained systems (MAOTDR, 2007). All this forms a vicious circle where tariffs do not enable for sustainability to ensue. In turn, it is damaging to the "bulk" sector's stability due to the income resulting from "retail" tariffs being unable to warrant the necessary affordability in order to ensure the payment to *multimunicipal* operators of the services they provide to *municipal* systems. As an example, in more than 85% of *multimunicipal* sewerage systems the average of the tariffs being charged is claimed to be inferior to that applied in the provision of the respective "bulk" system (MAOTDR, 2007).

Failing to address investment and renewal needs of "retail" systems, tariffs are seen as the hub from where all problems derive, whether structural, operational, economical or environmental, to which regulatory issues must be attached. Even if a regulator was set in 1997, IRAR's[22] scope only comprehended those operators that had entered into service concession agreements, and thus subjecting only a minor fraction of them to regulation. But because within this group fell all *multimunicipal* operators, which were controlled by AdP, this had as a practical effect the subjection of the "bulk" sector to regulation, leaving

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[22] This is the abbreviation for *Instituto Regulador de Águas e Resíduos*, which literally can be translated into "Water and Residue Regulating Institute".

"retail" activities unaddressed. Setting up the regulator's powers was always a difficult matter. Indeed, whilst the establishment of *multimunicipal* systems ensued in 1993, only in 1997 was the sector's watchdog constituted, and through a reduction of the initially prescribed regulatory authority. But with the rise of sustainability, the regulator will play a decisive role within the strategic moves being performed in order to grant the sector the intended temporal stability, inclusively causing its name to be changed.

Stressing the problematic of tariffs thus shifts the focus of the strategy hitherto followed to solving the problems arising within the "retail" sector. Like mentioned in PEAASAR II, the reasons presented above justify that, after putatively having solved the problems of "bulk" systems, the new strategy, by centring on tariff policies, must inevitably address all the issues emerging within "retail" activities, where a great many questions remain unsolved. These are referred to as mainly concerning the fixation of tariffs, the access to financing and the organisation of systems' structures and management models, with financing difficulties arising from the low income provided by tariffs. But tariffs are also what prompt the projects intending to reorganise this part of the water sector, in turn allowing investment issues to be attuned to the new sustainability concept. This shapes the sustainability equation into a segment of issues sequentially linked.

According to what is claimed in PEASAAR II

"Solving the outstanding problems in the field of "retail" is an indispensable condition in order to allow consumers to effectively benefit from the investments completed and in progress in the "bulk" area, *but also a necessary condition for the success and viability of those investments, given the present difficulty of a great number of municipalities in obtaining the necessary tariff revenue so as to satisfy their financial compromises* with the *plurimunicipal*[23] systems' operators of which they are users. *Also the environmental, public health and coverage objectives will not be achieved without the resolution of these problems.*" (MAOTDR, 2007, p. 72, emphasis added, own translation)

This statement is essential for understanding how the policies being proposed contribute towards building up the sustainability ideal. Addressing the first highlighted sentence will not only disclose the common thread guiding PEAASAR II's strategy but also explain and reinforce the previous arguments over sustainability being essentially an economical and financial issue. Making the problematic of tariffs the origin of the sector's

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[23] *Plurimunicipal* systems refer to a group comprising all those systems that aggregate more than one municipality, and generally operating within the "bulk" sector. Due to the panorama of the water sector, this expression is tantamount to, in practice, mention *multimunicipal* systems, that is to say, those that are controlled by AdP.

problems turns whatever other meaning given to sustainability dependent of such perspective.

Even if setting the tone of speech around tariffs, PEAASAR II clearly sets as its main challenge the resolution of the assemblage of problems displayed within the "retail" sector (MAOTDR, 2007). The main issue concerns the lack of articulation between "bulk" and "retail" systems, with the latter suffering from a high fragmentation level incapable of absorbing the output of the "bulk" side, with many operators lacking the necessary scale. As already argued, investment was generally performed by municipalities so as to solve their own individual needs, which permitted infrastructures to grow in an uncoordinated effort between counties, thus preventing systems from being integrated. To this contributed the political option of giving primacy to solving "bulk" activities' needs, without coordinating their investment with that intended to occur in the "retail" side. This left local governments with restricted access to financing, such problem deriving from and simultaneously sharpening the inadequacy of many of the tariffs being charged by "retail" operators. Due to the fact that investment in water and sewerage infrastructure has a late return rate and, in the Portuguese case, traditionally depends greatly on external financing, the required availability of proper funding was unfit for most municipalities, resulting in investment being unsystematic and uncoordinated, contrary to what followed in the "bulk" sector (MAOTDR, 2007). Thus, and despite the investment effort occurring within the "retail" sector, this was clearly insufficient so as to complement "bulk" systems and assure their effectiveness (MAOTDR, 2007).

In order to take full advantage of the capacity set up in the "bulk" sector, and in line with the principle of full-cost recovery, it is prescribed that solving the downward problems of the "retail" systems necessarily entails articulating the latter both in an horizontal vein by integrating neighbouring networks and, most importantly, by subjecting them to a "verticalization" process comprising fusions with the upper "bulk" systems. These fusions were believed to allow sustainability into the water sector as they purported to ensure tariff and management optimisation, resulting in the recovery of service costs. Sustainability then asks for the sector to be restructured, but such reorganisation implies a great investment effort ensuing mainly in the "retail" sector.

Regarding *plurimunicipal* systems, and in order to warrant the envisaged sustainability, such plan required that the ensuing reorganisation had to generate either

scale or range or process economies or contribute for a common environmental problem to be better resolved. Scale economies referred to the integration of neighbouring systems, whilst with range or process ones the integration of water with sewerage systems was proposed[24]. Merging them should obey the following criteria: a) generate at least one of the above mentioned economies; b) positively contribute to either the "bulk" tariff or to the economical and financial sustainability of the resulting system; c) not delay the investment in course; and d) be accepted by the municipalities concerned.

Shifting to the "retail" sector, the tone is then set on integrating scattered infrastructure in order to ensure the optimal usage of the "bulk" capacity and consequently allow those systems that were established through PEAASAR I with viability. Whilst benefiting the "bulk" investment already completed or in progress, local governments are said to be an interested party in the benefits being achieved because "retail" operators are given the means to spill over end-users the operation costs of both areas; in other words, attune tariffs to the logic of the sustainability ideal (see MAOTDR, 2007). But due to the high fragmentation and deriving scale issues this field of the water sector suffered from and to the uncoordinated investment that had ensued, the effort of reorganising "retail" activities and adjust them to "bulk" ones is said to require vast amounts of funding and great financing needs, something many municipalities alone were believed, rather claimed, not to be able to ensure. But the responsibility of conducting the infrastructure process in the "retail" sector was a competence of municipalities alone and an area where the State could not intervene, hindering the projects for the intended reshuffle. And again the question of disparate tariffs plays here a substantial role, as the circumstances their structure bears on are claimed to be able to undermine the necessary efforts for restructuring the "retail" activity, and in turn the sector as a whole. Traditionally, the tariffs charged in Portugal by "bulk" operators to "retail" systems are low in densely populated, coastal areas, and high within the countryside, where income is lower and water scarcity costs are higher due to geographical and climate characteristics. Together with this, historically there has prevailed a lack of understanding between local governments in what concerns combined efforts, resulting in the establishment of different tariffs for each municipality.

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[24] Within the organisation of *multimunicipal* systems, there are some where water supply services are not combined with sewerage's, which resulted in some municipalities choosing to retain within their management competences either "bulk" water or "bulk" sewerage activities.

Due to the reasons presented, all the parties concerned are called to engage in what is described as a necessary *solidarity* movement ensuing both at a national and regional level so as to make the system sustainable. National solidarity implies that the State and local governments agree to the constitution of a new kind of partnerships so as to allow the former's intervention in the "retail" sector. Regional solidarity refers to the agreements municipalities must achieve regarding their systems' integration in order for scale economies to ensue, and consequently allowing for tariffs to be uniformed within each systems' intervention area. This is tantamount to asking some municipalities to accept a rise in the tariffs they charge to consumers so as to benefit less well-off ones subject to higher "bulk" tariffs with a reduction in their bills. This, it is claimed, conjugates the principle of covering the service costs with the economic capability of population, assuring the universal access to the service. But it may also represent a political difficulty local governments may not feel ready or willing to tackle.

Considering solidarity a national imperative due to the objective of achieving territorial cohesion, such move is said to establish an equalitarian treatment between all citizens and all regions (MAOTDR, 2007). But the problem is set more on local governments' side than the State's, as the focus is shed upon the areas remaining under exclusive municipal domain, the "retail" sector. The several allusions to the voluntary participation of municipalities within PEAASAR II's text denote such tendency. Being isolated from each other, municipalities are described as lacking the necessary means to move towards sustainability unless they choose the integration path. The strategy can only be successful if they are willing to participate (see MAOTDR, 2007). This lack of capability opens the way for the proposed reorganisation, where "retail" problems are to be solved through the enactment of new kinds of partnership between the State and municipalities, thus requiring the extant management models to be widened. They comprise two models, the first aiming for the integration of the scattered *municipal* systems and the second on articulating "retail" systems within "bulk" systems. In either of them, the State assumes the conduction of the investment and system management through AdP, assuring the required financing. This is very much similar to the logic operating around *multimunicipal* systems, allowing for the corporatisation of "retail" operators and the professionalization of their management to ensue, something considered as essential for investment to be executed and therefore assuring the sector's sustainability (MAOTDR,

2007). On the other hand, AdP again assumes the leading role in conducting the envisaged strategy and allowing its objectives to be accomplished.

There is however the constitutional prerogative of endowing municipalities with exclusive competence over "retail" issues, something that, together with the importance given to "bulk" infrastructural concerns, had previously motivated the separation of the sector into two distinct management areas. Due to pressing reasons of defending public interest and consumers, it is stressed that such matters cannot be "irreversibly integrated within the untouchable field of municipal autonomy" (MAOTDR, 2007, p. 166, own translation). There is also a constitutional imperative of the State to assure the safeguard of certain national interests, which can interfere with, but cannot be hindered by, exclusive competences of local governments (Canotilho, 2013). This is tantamount to affirm that the State, provided certain conditions are kept, should be allowed the conduction of management activities due to national imperatives, in turn justifying the solidarity move alluded to in PEAASAR II. Solidarity, here national solidarity, necessarily requires that municipalities accept the assistance the State can provide them with, even if that means relinquishing some of their power over "retail" activities, similar to what happened with *multimunicipal* systems. And through solidarity the proposed model is said to be compatible with the principle of municipal autonomy.

In order to warrant the success of the strategy, it is prescribed in PEAASAR II that the access to financing is to be conditioned through the establishment of eligibility criteria, forcing operators to demonstrate the contribution the proposed investments have concerning the fulfilment of the strategic objectives set in PEAASAR II. Among these, priority is to be given to those intending to maximise the viability of already completed investments by completing the connections between "bulk" and "retail" systems, as well as those implementing adequate integration levels of technical solutions which allow for the generation of scale economies to ensue. This has the practical effect of limiting the kind of management models at the operator's disposal due to the huge investment needs forecasted in PEAASAR II. And with the majority of financing being provided by European funding through the fourth Community Support Framework, management alternatives are in practice reduced when widening the range of possible options.

One of the purposes of PEAASAR II is also to increase private participation within the sector as a way of boosting national and local business activity. In fact, increasing the

contribution private entities can bring to the sector is said to constitute a positive factor in solving the challenges posed therein, not only due to their technical capability but also concerning their [business orientated] management skills. It is believed that "the efficiency private management seeks to achieve regarding their own interest can contribute to the global effectiveness of systems, providing there is an adequate regulatory framework" (MAOTDR, 2007, p. 73, own translation). However, *municipal* systems continued being directly managed by municipalities, with only a few cases of service concession agreements being signed up between private companies and local governments. Among several reasons being suggested, resistance to change by municipalities, low levels of population in many counties, high business risk due to huge investment needs and low tariffs are said to have hindered private interest or ability to enter the sector. Regarding tariffs, maintaining them low is believed to send both investors and consumers a wrong sign, thus penalising investment (ERSAR, 2010a). Reorganising the sector under the common thread of integration not only tries to attract private enterprises to the sector but is also a condition for implementing a "modern and professional management outside public entities and therefore more disseminated in society [and] warranting technological progress and the introduction of better practices through competitiveness and competition" (MAOTDR, 2007, p. 154, own translation). And changing management models helps to ensure such intention, in turn allowing investment rhythm to be accelerated through the contributions private participation is believed to bring into the sector, as new service concession agreements are intended to comprise only the management of operations, and not of investment plans, thereby reducing the associated financing needs (MAOTDR, 2007). With private participation, the objective of corporatising the sector can be better achieved through breaking apart with traditional public management models which are believed to hinder sustainability. Indeed, increasing private investment is a prerequisite for the sector, as a market, to be sustainable.

Increasing the number of operators following a business orientated management requires higher levels of survey in order to protect end-users interests within what is considered and desired to be a true water industry. Therefore, the increase of the number of management options and actors within the sector prompts a reorganisation of the regulatory model itself. As stated in PEAASAR II (MAOTDR, 2007), the new supervisory framework should be accompanied by a reinforcement of the regulator's powers regarding economic regulation and quality levels of the service, which implies extending its scope to

all operators, not just those operating under service concession agreements. This is claimed to better protect consumers' interests because their rights are warranted independently of who provides them with water or sewerage services. Such protection is assured by optimising the relationship between prices being charged and services quality levels, i.e., by subjecting tariffs to the scrutiny of the regulator, especially "retail" tariffs, as they remain out of its reach and thereby suffer a number of fragilities not arising within "bulk" tariffs; this is due to the latter already being subject to regulation (ERSAR, 2010a). "Retail" tariffs, like their "bulk" siblings, should reflect the principles of service cost recovery and universality of access by taking in consideration the economical capability of populations. But they must also allow for the economical viability of operators and the safeguard of their *legitimate* interests by ensuring a suitable return on the investment performed; as this is necessary for maintaining the continuity of the service within the specified quality levels. And due to the articulation efforts being proposed, the focus of the regulator should then be widened in order to supervise all tariff policies, being this the hub around which both consumers and operators' interests circle.

With the regulator's focus on how tariffs are constituted, the sustainability question is brought back to its starting point, confirming the importance of the tariff question in structuring all the ensuing reorganisation the sector is required to undergo to be sustainable. Being subject to an effective separation between "bulk" and "retail" activities due to management competences, up until the enactment of PEAASAR II the sector experienced an uncoordinated development, prompting the emergence of two seemingly distinct markets which eventually went on drifting from each other, something former strategies favoured. This is reflected by the disparity of tariffs being charged, which are a direct result of the priorities given to the required investment and consequent financing. Within such setting, the notion of sustainability emerges and is enabled to gain its momentum through the sector, especially the "retail" activity, being characterised as unsustainable; it is the beginning of a new discursive stance. But being focused on tariffs, sustainability qua Sustainability is to become, rather must be, an economical and financial issue from which all others derive. This is confirmed by the loop the question "why or how is the sector unsustainable?" performs, ending exactly where it started. This explains why the importance is set on how sustainability is to be achieved and not on what sustainability is.

In order to warrant the sector's temporal stability, sustainability is made into the link capable of bringing the sector together by promoting the integration of systems, something necessary to its "survival". And it does so by unleashing a chain reaction connecting tariffs to integration needs, which call for new and significant investment and consequent access to proper financing. In order to ensure the success of such investment, management models should change to a more market-orientated logic, something the seemingly "sanity" presiding over "bulk" systems shows when compared to the "awkward" "retail" activity. Allowing for greater private participation is thus a *sine qua non* condition for the strategy's success, as coupling their interests and skills to public welfare is believed to enhance the intended strategic objectives, especially the sector's corporatisation, something old public management practices are seen as unable of. To ensure a proper balance between (new) operators and consumers, the reinforcement of the regulator's powers regarding tariffs is required, as these are what sustain the connection between all the parties concerned and in turn are the means to accomplish sustainability. This closes the sequential circle around one essential issue: tariff sustainability. This brings with it an inversion of roles, with the complementary purpose motivating the constitution of *multimunicipal* systems being disregarded, as it is now asked from "retail" systems to adjust to the demands of "bulk" activities in the name of sustainability.

Within this "sustainable" sequence, the idea of solidarity emerges because the agreement between parties is essential for sustaining the claims around sustainability. This makes the two ideas interdependent, as solidarity helps to bring environmental and social sustainability under the hat of the problematic of tariffs, thus confirming its primordial economical and financial nature. More importantly, it is by the sector being portrayed as unsustainable that sustainability is endowed its power, its regimental power of conditioning choices around its discursive regime; for it rendered the sector into being known as unsustainable. But such ruling ensues only if capable of beckoning actors to its regime and subjecting them to its exertion, something dependent on the power of belief and interpretation of what is told and listened to by subjects.

4.3 "In the name of sustainability.... I am meant to be unsustainable"

The enactment of PEAASAR II in 2007 represented at first a cleansing opportunity for AdP, something considered to be necessary so as to ensure the pursuit of the strategy

that was laid out. In its 2007 annual report, and in line with government guidelines for refocusing the group back on its core business, i.e., managing *multimunicipal* systems, it is stated that a process of divestment on what were termed "financially uninteresting operations, with no relationship to the core business" (AdP annual report 2008, p. 6) was taking place, with the conclusion occurring in 2008. Having as its primary goal the sale of some of the operations composing the International Business Unit and Aquapor, AdP's subgroup dedicated to the management of domestic "retail" systems, this process was seen as compulsory in order to prepare AdP for the coming sector's reshuffle, one where it would be called to take the leading role. But this also permitted a change in the group's policies to start emerging through the critics addressed to both units, especially the one dealing with foreign operations.

Regarding this latter, the decision to carry out with AdP's overseas expansion was considered to be exclusively politic, with the group being presented as an instrument of the Portuguese government's foreign policy. This is clearly perceived through the countries that were selected for investment purposes, mainly Portuguese speaking countries with which there is a historical relationship of cooperation. Whilst claiming in its several annual reports from 2007 onward that these businesses are managed in an "economically sustainable manner, [acting] as a showcase of the group's capabilities and skills at an international level[25]", they also disclose AdP's political side, with the group

> "playing an important role in the field of international cooperation, given that some of the actions it promotes or is engaged in on an ongoing basis are geared towards cooperate and social responsibility, rather than being of an exclusively commercial nature. However, the principle (sic) driver of the unit's operations is economic sustainability[26]".

Being somewhat contradictory, the above quote, so often employed by AdP in its annual reports, allows for the importance of economic sustainability to be perceived within its actions. Nevertheless, expanding its operations overseas is frequently described as exclusively a political option, one involving areas with a degree of risk far greater than that associated to the activities composing its core business (Pato, 2011), demanding great

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[25] This quotation is recurrent in the annual reports issued from 2007 to 2012. Due to this reason, there is not here any reference to a specific report and the respective page(s) where the expression is located. Similar quotations in this thesis follow the same rationale and are always accompanied by an indication of their frequent usage in the several annual reports.

[26] In the Portuguese version, "rather than being" is instead written as "in detriment of", which shows a stronger overlap of the economic perspective by cooperation.

investment levels but yielding severe losses to the public holding. In an audit conducted by *Tribunal de Contas*, Portugal's Ombudsman, the bad performance shown by the negative outcome of this unit was considered to be most damaging to the whole group, with losses of € 61.4 million between 2005 and 2006. This resulted mainly from a systematic financing effort and cumulative and extremely negative earnings, especially in the Brazilian operations and the investment performed in Cape Verde; these were the ones elected for divestment. In the Chairman's Message in the 2008 annual report, and in consonance with what was highlighted by the Ombudsman, they were considered to be "chronically loss-making operations that had been weighing heavily on the group's balance sheet for several years, [...] for which there was no viable solution other than to dispose of them and absorb the corresponding losses" (AdP, 2008 annual report, p. 6). The first part of the sentence is even highlighted within the remaining document, as if stressing the importance such move represented for reinforcing AdP's identity of a "strong and highly competent Portuguese Industrial Group (...) in the environment sector," something stressed in its annual reports.

The sale of Aquapor was seemingly motivated by the same presuppositions. According to the Ombudsman's audit, this operational unit revealed a weak growth and a significant deterioration of operational and net earnings, with a decrease in equity of 54% in 2006 resulting from the registered loss of € 380 thousand and a negative variation of € 2.6 million in retained earnings. But this sale was also performed for a less obvious reason, yet one in line with the common thread guiding the sustainability strategy now in place. By selling this business unit to private buyers, the number of players within the water sector would then increase, and in the way of the intended corporatisation and the accompanying management efficiency. Together with this, AdP would relinquish its operative role in the "retail" sector in order to assume itself as a structural entity, something envisaged in PEAASAR II.

The reflexes in AdP's earnings of these sales would ensue in 2008. There are some interesting, yet contradictory remarks in the corresponding annual report about the capital gains being achieved and their respective nature. 2008 is described as being the best year ever for the company, with net earnings totalling € 63 million, compared to the € 7.9 million in 2007, when the group went back to positive earnings, and the loss of € 33 million in 2006. This outcome was only possible because of the cleansing AdP was said to have carried out within its business portfolio, with the resulting disposal yielding the total of € 43 million in capital gain, which clearly inflated net earnings. Nevertheless, and

according to what was stated in the Chairman's message, "the fact that a substantial part of these earnings were of an extraordinary, non-recurring nature, (...) *does not detract from the business success that the figures reflect*" (AdP, 2008 annual report, p. 6, emphasis added). The justification given to how were these capital gains achieved is however rather curious. Whilst stating that the disposed operations were chronically weighing on the group's balance sheet for several years, achieving such non-recurring earnings was "only possible because in due time did the previous management launch the group in projects outside its core business[27]" (AdP, 2008 annual report, p. 6). The decisions of investing in the generally criticised "chronically loss-making operations" (AdP, 2008 annual report, p. 6) are then praised as enabling the group with a very profiting result, something apparently nonsensical. But it helps to disclose the focus given to the achievement of positive earnings in a determined period in detriment of the negative effects such investments had throughout previous periods, as if past options were being excused due to the benefits they yielded to 2008's earnings. For what matters is to present positive earnings, something the Chairman's message in the 2009 annual report clearly shows to be one of AdP's concerns. When referring to the 2009 earnings, it is stated that

> "contrarily to what we often hear stated, companies, whether public or private, need to generate profits, especially when they rely heavily on bank financing, otherwise they will never achieve growth. If we were to operate at a loss in terms of operations and net profit, that is, if we were unable to show that our operations are paid for by the revenue they generate, we would not be able to advance with the important investment projects that are currently underway. The €752 million contract which we signed with the European Investment Bank, at the beginning of November for financing investment projects would not have been possible if we did not produce a profit or *demonstrate that we can do so on a sustainable basis*. Maintaining jobs also depends on this." (AdP, 2009 annual report, p. 7, emphasis added)

There is here an attempt to heighten the importance of the earnings AdP displays within the several periods, as they are considered to be a mark of its sustainability. This is strengthened with the rhetoric endowed by AdP around two indicators: EBITDA and net earnings, especially the latter. For AdP, stressing positive earnings is important in face of the challenges lying ahead, for they enable the company with the necessary means. This is

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[27] This is my own translation, for the English version is somewhat different from the Portuguese. In the former, it is stated that such non-recurring earnings "would not have been possible if, at a certain period, the previous management had not involved the group in projects outside its core business" (AdP, 2009 annual report, p.7), which fails to capture the praiseworthy sense that the expression "in due time" being mentioned in the Portuguese version instead of "at a certain period" renders to the previous managements decisions over investing in these assets.

something that can be observed in the previous quote regarding the relationship earnings are said to have with investment and warranting proper financing, especially when investment is very much dependent on foreign funding. And with the strategic divestments ensuing in 2008, AdP is considered to be better prepared for assuring that the objectives prescribed in the several strategic plans where it plays a leading role are fulfilled; in particular those concerning PEAASAR II, where the focus is set, among other issues, on the articulation between "bulk" and "retail" systems, which calls for huge investments. Thus, divesting in high resource consumption projects is essential for ensuring such purposes, i.e., achieving good, sustainable results in order to assure that the required investment is carried out.

Hitherto the importance earnings play in constituting the identity of AdP as a solid, sustainable group reveals in what way does AdP feel accountable towards them. For AdP, good results are what warrants its sustainability, are that for what the group is being held accountable for, for what is being called to account, as they ensure that the strategic objectives the company is committed to are fulfilled. Being sustainable is tantamount to showing itself as profitable. However, referring to the importance of earnings brings forth what has been referred to as the primordial question buttressing sustainability, this according to what is championed in PEAASAR II: the role of tariffs and the related deficit they originate. This is so due to the link both earnings and tariffs show to have with investment. And as discussed below, tariffs help to compose the good picture portrayed by positive earnings. However, they will work as a broadsword regarding the claims around AdP's (un)sustainability.

Tariff problems, whilst affecting most of the group's controlled *multimunicipal* operators, are particularly serious regarding second generation systems covering mainly regions with lesser population density and lower income, where geographical constraints force higher investment levels, in turn making "bulk" tariffs significantly more expensive than those practiced in densely populated, coastal areas. Also water scarcity tends to be higher in some of these regions, affecting even more tariff calculation.

Whilst the problems regarding tariffs were hitherto described as essentially deriving from the problems disclosed by "retail" systems, some of these problems result however from the design of second generation *multimunicipal* systems and the premises and forecasts they were sustained on. First, the technical solutions adopted for first generation

systems were completely replicated when structuring their second generation siblings. This failed to take into consideration some of the above mentioned constraints, which implied that the service cost of providing "bulk" services would be much higher than that applied to coastal areas. According to a European Investment Bank (EIB) representative for water issues, replicating such structures intended to provide these systems with scale economies "not always justifiable" (CAOTPL, 2011). There were also cases where the original contractual premises sustaining the enacted service concession agreements were overoptimistic, particularly regarding demand levels, resulting in oversized systems in comparison to effective "retail" needs. Coupling the establishment of minimum consumption levels frequently unattained by *municipal* clients (and often not being paid for) to the above mentioned issues results in the execution of the projected/agreed investment suffering from delays, thereby conditioning the concession's success (Pato, 2011). Nevertheless, this does not relieve the "retail" sector from being considered the main culprit of the differential existing among tariffs being charged to consumers, especially due to the inadequacy of their pricing models, like the reasons previously referred to suggest. And because the problems of "retail" systems and their tariff models are greater in those regions where second generation *multimunicipal* systems were implemented, the problems affecting AdP's sustainability are believed to derive directly from these systems being (regarded as) unsustainable by not being able to generate enough revenue in order to pay for their obligations, among these the "bulk" tariff.

However, one of the main characteristics of service concession agreements relating to *multimunicipal* services bears on the invested capital having a guaranteed return. In these contracts, and in accordance with the regulatory system in force and the terms of the concession agreements, so AdP claims, differences may arise between the amount of revenue required in order to assure full-cost recovery by operators as well as an adequate return to shareholders and the amount of revenue generated annually. These differences, or discrepancies, are classified as tariff differences, and are shortfalls when the revenue generated is less than required and surpluses when otherwise. Whilst the latter imposes on AdP a regulatory liability, the former gives the right to recognise those shortfalls, otherwise known as tariff deficits, as a regulatory asset. In the case of most of the systems managed by AdP, particularly those in rural, less densely populated areas, the resulting values bear on the tariffs charged being under those necessary to balance the economic models sustaining concession contracts and therefore allowing costs and other charges to

be fully recovered, causing accounts to continuously disclose a growing tariff deficit. This, as it is suggested throughout the several annual reports and other public communications performed by AdP, is considered to be the biggest threat to the company's sustainability. In order to reinforce the claims being made, these deficits are frequently named in the annual reports as "cost recovery shortfalls", which depicts the close link between these values and the respective costs and the fact that the latter are not being recovered. However, how AdP sees such problem reveals an intention of rubbing itself out from what responsibility the company could be endowed with, being its conviction that whilst menacing its sustainability, they are not at all its problem; it cannot be blamed for that, held accountable for them, for tariffs are not defined by AdP, but by the State after (a non-binding) recommendation issued by the regulator. This is clear in the 2008 annual report, where it is stated that

> "the recognition of the tariff deficits accumulated by some of the *multi-municipal* (sic) system concessionary companies is no more than the recognition of the right of shareholders to the remuneration of the equity capital they have invested, as stipulated in the concession contracts agreed with the state concession granting authority. For this right to be explicitly recognised, the government will approve legislation that clarifies that the amounts owed will be recovered by means of tariffs charged in future years. To a certain degree, this issue is linked to the economic and financial recovery of some concessions, given that it is today possible to see that, unless significant increases are made in the balancing tariffs envisaged in these contracts, *which were determined on assumptions (regarding populations, investments and consumption) which were not fulfilled*, it will not be possible to recover these deficits without creating serious social tensions and that if they continue to accumulate they will put the *sustainability of these projects* at risk" (AdP, 2008 annual report, p. 127, emphasis added).

Regarding the assumptions being mentioned, in the Chairman's message in the 2007 annual report there is a declaration sustaining that the development some systems had in their revenues and the deriving deficit was perhaps unpredictable, with the consequences arising only belatedly in that year. But seeing it from another angle, such statement discloses the apparent weakness of what are classified as overoptimistic assumptions, in the calculation of which AdP did perform its role. Nevertheless, there are continuous appeals for the State to accept being liable for something considered to be its obligation, such calls being constant throughout all the annual reports from 2007 onward.

However, another side of the problem bears on an unclear definition on concession agreement about the risks and responsibilities belonging to AdP and those belonging to the State, leading to the parties concerned engaging in conflicts and reinstatement requests

(Pato, 2011). The Ombudsman audit clearly addresses to such issue, when stressing that part of the values recognised as tariff deficits may result from management inefficiencies and business risks belonging to AdP, and thereby should not be recognised as assets. And neither the values disclosed by AdP nor the concession contracts were hitherto subjected to (re)negotiation with the State, with the latter not recognising itself as being fully liable for them. According to the Ombudsman, the group is then recognising something without fully warranting that such value is to be received, in turn "presenting more balanced and appealing accounts, but not mirroring with exactitude the reality of facts" (Tribunal de Contas, 2008, p. 12). In fact, when answering back to the Ombudsman conclusion, the government highlighted that

> "it is important to clarify that the amount of tariff deficits should not be understood in an excessively linear way as a debt of the State to concessionaries. In effect, reinstating the balance of a concession agreement should be considered, and understood, when one of the parties (...) has the obligation of compensating the other (...) due to an ensuing risk which, *according to the concession agreement*, remained in the sphere of financial responsibility of the State" (Tribunal de Contas, 2008, p. 82, own translation, emphasis added).

This statement contradicts the expectations being forwarded by AdP on the 2008 annual report, when stating that the "government will approve legislation that clarifies that the amounts owed will be recovered by means of tariffs charged in future years" (AdP, 2008 annual report, p. 127). And up until 2012, the amounts being recognised in AdP's accounts relating to tariff deficits were not validated by the State, thereby not being reinstated. But this also allows for the importance tariff deficits have upon the constitution of net earnings to be revealed, something AdP considers to be a mark of its sustainability.

Recognising tariff deficits is essential for securing the necessary financing, disclosing the relationship that exists between these two issues and the implications that are posed upon investment projects. In fact, whilst being of utmost importance for AdP's sustainability to find a solution to this problem, it is accepted, even by the Ombudsman, that regulatory assets bearing on these deficits have buttressed the access to proper financing by AdP, necessary to undertake all the investment necessary to achieve PEAASAR II's objectives, and therefore the sector's sustainability. And investment forcefully occurs in areas where there are already serious *unsustainability* problems, like second generation "bulk" systems or, in a greater degree, "retail" activities with defective pricing models where costs are not being recovered, especially regarding sewerage where in many cases services are not charged by local governments and "bulk" prices are higher

than those referring to water supply. This eventually increases the amount of the deficit if nothing is done, but makes even more difficult to conciliate a proper solution to the interests at issue. Investment made in order to assure sustainability purposes can in fact reinforce the company's lack of sustainability, and in turn that of the sector. This makes the tariff question even more pressing. And choosing not to undertake these investments is not an option for AdP. In fact, there are in the annual reports regular references and disclosure of its high degree of commitment towards maintaining a good investment rhythm, with even the entire completed or in-progress infrastructure being thoroughly detailed. For AdP and other parties such as the government, investment is clearly seen as one of its *raison d'être*, among a strong belief that this is the way towards sustainability. One example of this is the exemption granted to AdP in 2010 by the government regarding the general imposition of limits to public investment being undertaken.

The relationship between the "trichotomy" tariffs – earnings – investment and sustainability can be demonstrated by an announcement made by AdP in 2011 against the comments made by the Portuguese Environment Sector Enterprises Association (AEPSA) regarding the alarming problems affecting the former, ranging from service breakdown to financial collapse, which would forcefully conduct to a general and substantial tariff increase. This followed a series of news social media were publishing about the need to raise tariffs, with the regulator issuing a press release in the following year saying that tariff harmonisation does not necessarily mean a general rise due to the growing efficiency they must be sustained by.

On the reply to AEPSA's comments, AdP portraits itself as a success case recognised worldwide by international financial entities such as the EIB or the World Bank. And this is especially due to the enormous investments hitherto performed being backed by a solid debt structure, *allowing the costs of operating assets with long useful lives to be recovered through tariffs* during the concession length. This is referred to by AdP as the desirable and widespread practice around enterprise of this nature, whether public or private.

It continues by referring to the continuous flow of positive net earnings, reaching in 2010 the amount of € 79.5 million, "the best ever and surely the best among all the sector's operators, whether public or private" (AdP, 2011, p. 2), thereby confirming the group's robustness. And when touching the sustainability issue, such is reduced to being a momentary problem of some of the group's system operators, not affecting the general

stability AdP is claiming itself to enjoy. In fact, the value relating to tariff deficit (of € 175.5 million in 2010) is highlighted as a proof of that stability, disclosing the conviction that these amounts are to be received, as they represent a contractual right. Thus, because tariffs sustain the investment through warranting proper financing, the group is able to continue its successful operation, generating positive earnings from exploring healthy assets generating high turnovers (of € 724.5 million in 2010) and confirming the group's sustainability.

The only worrying issue disturbing AdP's sustainability is claimed to be the debts municipalities have to the group, with the figures reaching € 380 million. This represents an unsustainable situation if the amount is not paid. However, such is not believed to occur. But due to this situation, several million Euros intended for investment are said to having been redirected towards solving treasury difficulties some operators under AdP's control were (and are) facing, delaying the execution of those projects already underway and the access to the respective European funding. Such rhetoric is similar to that employed in the statements published on the annual reports when addressing to this issue.

Municipal debt represents the other side of tariffs. Whilst AdP's tariff deficit arises due to tariffs established by concession agreements being considered too low so as to permit cost recovery and an adequate return to the invested capital, concerning many municipalities they are considered to be too high due to being supported on overoptimistic presuppositions of demand and growth. Also, the oversize of some systems and the cost of maintaining them are said to contribute to the problem. The roll of arguments can be great, but what is generally stressed as the major issue among the tariff question is the disparity of values charged by many municipalities to their consumers regarding water and sewerage services and the fragmented nature of "retail" systems, with low investment levels. This is seen as a direct cause of "retail" activities not being subject to almost any kind of regulation, contrary to the majority of "bulk" operators[28]. Because of this lack of regulation, such situation is claimed by AdP to cause distortions on the market and affect the economic and financial sustainability of "bulk" systems, for "retail" tariffs are not obliged to follow the principle of cost recovery to which "bulk" tariffs must abide.

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[28] The exception to this inexistence of regulation in the "retail" sector comprises all those (few) municipalities choosing to attribute the management of their systems to private companies by signing up service concession agreements, these falling under the regulator's scope.

With the objective of promoting service quality and efficiency to end-users and the economic and financial sustainability of those services, the enacted Law-Decree nº 277/2009, which changes the regulator's denomination from IRAR to ERSAR[29], widens the sphere of influence of the regulator in order to comprise all water and sewerage systems and not just those sustained on service concession agreements. Motivating this makeover in the regulator's regime is the conviction that "without regulation, there are no incentives for a rise of efficiency and effectiveness by operators, (...) with the consequent possibility of end-users receiving lower quality services at a higher price" (Law-Decree nº 277/2009, foreword, own translation). This also allows an improvement to monitoring and planning of public water policies and the related investment, with the new scope of powers comprising the responsibility to verify the tariff models being implemented both by *multimunicipal* and *municipal* operators. This is believed to enable them to be attuned to the principle of cost recovery, implying the progressive harmonisation of tariffs nationwide over technical and economical premises (see ERSAR, 2010b). Thereby, not only is the sustainability of operators warranted but transparency is also introduced over price calculation and equality among citizens, something lacking in the disparity of "retail" tariffs. However, the regulator is only endowed with the power to scrutinise, not decide, the tariffs being applied. Decisions about their value remain in the hands of the State or municipalities, as the opinions issued by ERSAR are non-binding. Nevertheless, such change is seen by AdP as a welcoming step in its 2009 annual report. Optimising tariff levels by orientating them alongside cost recovery is expected to have a positive impact on "bulk" activities.

Alongside this reshuffle, the reorganisation of the sector sustained upon the principle of integrated, cost recovering management of "bulk" and "retail" activities is expected to begin. But according to the 2010 annual report, many municipalities have not shown their interest in the proposed new partnerships with the State, even after several conversations being held. Also, a significant part of the applications subjected to appreciation by the national entity responsible for administering the Cohesion Fund's transferences did not go ahead. Due to several reasons not clearly specified by AdP but that are suggested to be connected to difficulties in accessing proper financing, the required conditions were not gathered. These new partnerships ended up comprising only 30 municipalities organised round two new integrated systems, one in the region of Aveiro and the other covering most

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[29] This is the acronym for *Entidade Reguladora dos Serviços de Águas e Resíduos*.

of Alentejo. Compared to the 193 local governments involved in the studies developed by AdP between 2007 and 2008 regarding the establishment of these new integrated systems, this number discloses the difficulties the implementation of this new managing model could be seen as facing. However, the operations relating the new enacted agreements are described by AdP as a success where both parties show a sense of mutual and good understanding.

This panorama motivates a contrasting set of declaration by AdP. In the 2010 annual report, it is stated that "many management models, especially in the state sector, remain inefficient due to a lack of market competition and stimuli for efficiency (that ERSAR benchmarking in itself cannot overcome)" (AdP, 2010 annual report, p. 113), thereby remaining unsustainable. In 2011, regarding the proposed integration, it is mentioned that

> "the advantages of greater integration were foreseen by a broad group of municipalities and by the AdP Group, which (…) signed protocols for the integration of the respective *municipal* systems. This spirit of mutual cooperation between municipalities and AdP, subsequently strengthened on several occasions, as well as (…) signs of a better understanding among the different stakeholders of the real cost of the services provided, has strengthened our conviction that the necessary conditions are in place to grow and to overcome the severe current restraints" (AdP, 2011 annual report, p. 64).

However, such mutual cooperation that is said to arise among a general consensus around the proposed solutions is then put at issue when stating that the relationships with municipalities were increasingly tense, especially over the issue of their debt to AdP. Moreover, in a news article published in 2013 some mayors of Alentejo region manifested the intention of breaking up with the agreements tying their municipalities to AdP, claiming that the prices being charged were unsustainable and, more than willingly accepting to take part in those contracts, they were forced to do so due to the restrictions and constraints placed by the government in the access to European funding unless they chose to side with AdP. In an opposite sense, AdP's CEO Pedro Serra affirmed in a public hearing held in 2011 that if cost recovery was not performed by each *municipal* system, municipalities would not achieve to pay their debt to AdP, which is tantamount to affirm that the group would then be unsustainable. Indeed, local governments' debt is considered by Serra to be the problem endangering AdP's sustainability, as it involves all of the group's controlled enterprises and may force the company to resort to the General Budget. Strangely enough, tariff deficits, frequently addressed to on annual reports as the biggest threat to sustainability, are referred to as being a specific problem of only some of AdP's

controlled systems, therefore not impacting the group's general sustainability. However, this somehow reveals that, contrary to prior periods and to AdP's belief, it is being asked to account not for its sustainability, but rather for its *unsustainability*, as what is brought to discussion are those elements that are seen as capable of exposing such quality. AdP is then being exposed not to queries about its sustainability, but to calls demanding for it to show itself as unsustainable. This becomes even more evident after the general elections of 2011. Meanwhile, local governments' debt to AdP, composing most of its receivables, and tariff deficit continue their increasing trajectory. However, the value of bank debt is also alluded to, as it serves as argument for reinforcing AdP's *unsustainability*.

With the election of a new centre-right government in 2011, the discourse around sustainability radicalises even more, with the reorganisation in course being either deepened or subject to new guidance. This put the privatisation of AdP in the centre of the debate, which favoured even more the idea that solving the sector's problems is tantamount to solving AdP's.

According to the new government's arguments, the sector is said to suffer from great imbalance both financially and economically. But such is justified by alluding to the tariff deficits and municipal debt values AdP discloses on its accounts, which reveal the threat looming over the company by preventing the investments still lacking to proceed. This, as the newly appointed environment minister mentioned in a public hearing being held in 2011, helps to materialise what is at issue regarding the sector, in turn reinforcing the view that, like the EIB representative for water issues put it, "AdP is the sector's engine" (CAOTPL, 2011). A new element is also introduced into the discussion so as to reinforce the claims about the unsustainable nature of AdP. There are now references to the bank debt value being extremely high, raising doubts about the group's capability of securing the required financing still necessary for concluding the investment projects, on the impact those levels can have on consumer tariffs or even regarding the "survival" of some of AdP's controlled operators, which are described as being on the verge of collapse by the press. All this is alleged in a requirement previously subject to the Parliament's Environment Commission, where even EBITDA, whose positive values and variation are continuously referred to by AdP in the company's annual reports as displaying its sustainability, is now used against AdP (or in other words in favour of its *unsustainability*) when it is argued that bank debt overrides in more than ten times the ratio EBITDA/cash flow. It does not matter if the rising debt is the one related to long-term loans, in opposition

to the reduction short-term debt is experiencing; what counts is the total amount. All this sets the tone of discourse around three issues: bank debt, municipal debt and tariff deficit, all claimed to disclose the vicious circle that is dragging AdP into *unsustainability*, so it is claimed in the mentioned requirement. But in fact, such setting shows that AdP is already being described as unsustainable, that such is what is being asked from it; indeed, AdP is being called into giving an account of it as unsustainable, with the opposite not holding sway. For only by being unsustainable can the sector also be characterised as unsustainable, which is essential for giving sustainability its discursive force. The declaration made by the CEO Pedro Serra in another public hearing in 2011 heightens this quality, when stating that AdP's sustainability is not only the sector's sustainability, but that of the country. In other words, AdP's *unsustainability* represents the country being unsustainable, and this becomes even truer when Portugal is facing a deep austerity programme. And the allusions made by Serra over AdP's capability of distributing dividends being a proof of its sustainability cannot lower the tone of the discourse around the company being unsustainable; it is exactly for this AdP is being called to account, is being held accountable. Revealing AdP as unsustainable is tantamount to expose the truth about AdP, one being reduced to the single figures of debt and tariff deficit.

At first, there was an unclear intention by the government of moving towards the privatisation of AdP in order to solve the lingering problems, in line with the option being taken regarding the solid waste sector, in which AdP has a significant participation through its business unit *Empresa Geral de Fomento* (EGF). According to the project still on the table, this company is to be sold to private capital. However, and in order for the government not to compromise itself with a likely solution for AdP, a debate around the meaning of "privatisation" rose, with the environment minister saying that there are many ways of privatising, but so far with none being chosen[30]. Eventually, privatisation is replaced by the opening of *multimunicipal* systems to private management through service sub-concession agreements being signed between privates and AdP. What matters here is that AdP's *unsustainability* prompts an array of options considered to be within the scope of sustainability, with the wider opening of the sector to private capital being an example.

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[30] This blurriness around the government's option, which eventually withdrew its intention of selling AdP, is said to be sustained upon the tariff and integration problems the sector has, contrary to the solid waste sector. These and other issues are believed to hinder privatisation, which gives those against it a stepladder for asserting that privatisation has only been delayed in order to arrange the sector. However, these arguments cannot be furthered here.

Indeed, the proposals presented by the government in 2012 in order to solve the sector's problems have as their stepladder the issues causing AdP to be unsustainable: namely, tariff deficit and municipal debt. The first, comprising Bill (*Proposta de Lei*) nº 123/XII, centres round the limits that current legislation imposes upon private companies willing to manage "bulk" activities, being allowed to share in their equity only in a minority position. In fact, hitherto the political trend was to prevent private access to the management of these systems, even if allowed by law. But according to the reasons being supplied, and shielded behind PEAASAR II's objectives, the necessity to increase competition and efficiency in the sector, as well as allowing the economy to regain international trust and financial credibility, justifies enabling privates with managing "bulk" activities or the new integrated systems through sub-concession agreements. Regarding these, the new CEO of AdP, Afonso Lobato de Faria, appointed in the end of 2011, states that AdP is used to running such contracts, suggesting the backing of the strategy. And according to the regulator, "public-private partnerships and scale economies will be fundamental instruments for operating this [PEAASAR II] strategy" (ERSAR, 2010a, p. 91, own translation). However, such move is seen as preparing the enterprise for privatisation.

The second proposal reinforces the ensuing system integration by merging all "bulk" systems into four great systems. This new mapping is based on integrating well-off coastal regions with rural areas, in order to proceed with the harmonisation of tariffs according to the principle of full cost recovery and assuring the generation of scale economies, which allow tariffs to be reduced, thereby warranting the sector's economical and financial sustainability and concomitantly promoting equality among consumers. With this model, the problem of tariff deficit is said to be solved in 25 years by charging part of the accumulated deficit together with the current cost. In order to sustain them, a mechanism of subsidising lower tariffs in order to gradually move them closer to more efficient ones was envisaged; this consisted of a fund (*Fundo de Equilíbrio Tarifário*) being supported by richer municipalities in favour of those with financial problems. Whilst both government and municipalities agree that there is the need for systems to achieve scale and that artificial tariffs should end, the latter claim that such integration must have their agreement, with municipalities being free to choose whether they want to attribute their "bulk" responsibilities to these new systems. However, in an interview given by the new environment minister appointed in 2013, it is suggested that only those municipalities

accepting the proposed aggregations or integrating their systems with other "retail" systems so as to enable scale economies will have access to financing. Integrating "retail" systems within vast rural areas with low population density may prove to be hard, which may be the reason many municipalities contest such proposal. This justifies the appeals from government and AdP that aggregating systems is part of the solidarity movement in which municipalities ought to take part so as to ensure sustainability. Yet, and according to EIB's representative for water issues, "there are limits to solidarity, as it may promote inefficiency through subsidisation from the fund intended to balance tariffs" (CAOTPL, 2011). Also there were fears that such aggregations were only being performed so as to make systems more attractive to private capital.

The third and most controversial measure is related to another increase in the regulator's powers in order to include in its scope the establishment of every charged tariff, whether concerning *multimunicipal* or *municipal* systems. This proposal is sustained on two bills where it is claimed that the extant regulation framework is still inadequate regarding actual needs. Awarding the regulator a wider scope of powers is considered to be essential in order to solve both the insufficiency of some *municipal* tariffs in covering their associated cost and the debts municipalities have to *multimunicipal* systems, which "assume a critical importance on AdP's sustainability, whose robustness is fundamental for successfully conducting the restructuration effort and the important environmental challenges placed to the water and residue sectors" (Bill nº 140/XII, 2013, foreword, own translation). By setting the focus on tariffs and municipal debt, the government intends to grant the regulator enough authority so as to define tariffs formation criteria and making both "bulk" and (especially) "retail" operators subject to such ruling, with their inobservance being sanctioned and tariffs administratively established by ERSAR. Alongside such purpose, the mechanism of detailed invoice should follow, consisting in invoices disclosing what part of the tariff charged to consumers is owed to *multimunicipal* systems and what is owed to *municipal* systems, making citizens also debtors of the former, which breaks the logic that only *municipal* operators can be considered as clients of *multimunicipal* systems. And in order to reinforce this compensation mechanism, municipalities are in a way changed into tariff collectors of *multimunicipal* systems due to the tariff component owed to them.

This prompts bitter criticism from local governments, stating that such proposal is abusive and against their legal and exclusive prerogative of managing water and sewerage

activities. Enabling the regulator with these powers is tantamount to put municipalities under the control of the State, something they claim is entirely unconstitutional. But the government persists in reinforcing the regulator's action, which causes municipalities to threat resourcing to court in order to defend their rights, which would turn this question into a fierce legal battle between them. And many mayors also sustain that this project is fit to solve AdP's problems, leaving municipalities with the full weight of the tariff burden. In response to these accusations, AdP's CEO states that if *municipal* tariffs had been harmonised in order to recover their costs, there would have been no need to increase the regulator's scope, and suggesting that this is being done in order to solve AdP's problems "is the same as not knowing the problems making the sector unsustainable" (CAOTPL, 2013).

4.4 Discussion: the visible pawn and the invisible king

As previously argued, narrative needs a body of normativeness as its necessary background in order to be told. But whilst being a *sine qua non* condition, narrative is only worth telling when a breach occurs within the conventional expectations that have been culturally determined by norms (Bruner, 1991). Such a breach can be likened to a moment of crisis endured both by the subject and by norms, allowing for truth to emerge and manifest itself as power. Indeed, it is inherent to crisis the existence of a body of norms that sustain the structure of every regime of truth. But crisis also discloses the ever-changing nature of truth as it connects truth, and thereby norms, to belief. One must not forget that "a crisis (...) is never a crisis in itself. It is defined as a particular type of crisis in relation to a specific set of beliefs about what characterises the world." (McSweeney, 1996, p. 206)

Throughout the development of this case study, the idea of crisis was always evident. And indeed it had to be so, for only then could the identity of AdP be attuned to the prevailing discourses of truth. This relates to the idea that subjects are mainly known according to what they (can) tell about themselves rather than to what they do, especially when distance plays a decisive role. Due to a still widespread idea that accountability is related to the "the giving and demanding of reasons for conduct" (Roberts & Scapens, 1985, p. 447), accounts are turned into the primordial means of enabling the other with what knowledge it can obtain from the accountable subject, making him thereby visible.

Thus, actions are rendered visible not by themselves, but by some form of accounting that the subject, as his self-accountant, makes use of. Even in its simplicity, the above mentioned definition conceives accountability as a relation of answerability between self and the other through the accounts given. This makes identity dependent, above all, of communication, which is equivalent to state that "identity is a sort of saidness" (Roberts, 2012, p. 151), one that concomitantly and necessarily displays truth through the accounts being rendered. Telling who one is needs not be similar to who one is seen to be because truth, as power, conditions the knowledge that can be delivered from accounts. After all, regimes of truth are regimes of knowledge. It goes without saying that subjects are known only within specific bodies of knowledge deemed to be true (Miller, 1990, p. 318), which limits their tellability, and thereby their self-constitution. Because "accountability contributes to the construction of the moral self" (Joannides, 2012, p. 250), accounts, in order to enable the subject with the capability to constitute himself, are performed so as to reflect righteousness, and this is only possible if they are perceived as true.

Regarding AdP, the establishment of a new strategic framework (PEAASAR II) provides an important background for studying the way accounts are shaped and attuned to what prevails as truth, as the right path to follow. But with accounts disclosing a *prima facie* relationship of answerability, the existing interdependence between the subject's accountability and truth is simultaneously disclosed by the role audiences play regarding the accounts they are given. The importance of audiences bears directly on the power that belief has in the endowment of significance to both subjectivity and truth, and this is valid even when self makes itself its primary listener. Believing that accounts are true is fundamental to the act of giving an account in order to make truth true, i.e., to render it meaningful. In this case study, allowing significance to the paramount concept of sustainability is not only central to the activity of account-giving by AdP but reveals a strategic game where the meaning of truth, vested as sustainability, emerges and is enabled to exert its constitutive power through the rendering of those same accounts. On the other hand, sustainability is only able to emerge as truth because of and due to AdP accounting for itself as unsustainable, even if reluctantly. This reluctance of publishing one's truthful nature is typical of truth-extracting processes basilar to Christian technologies of the self as argued by Foucault (1997c; 2007b), where the subject's truth emerges through the confession he is mandatorily led into. Confession is here always difficult to perform, since the subject is obliged to bear witness against himself. However, what this study reveals is

that modern reifications of confession may result in the subject bearing witness for himself due to modern practices of examination and the resulting anxiety the subject is endowed with is due to the need he is led to feel of publishing himself as successful.

When AdP accounts for the sale of its Brazilian and Cape Verde operations, as well as Aquapor, these activities were at first classified as something revealing of an infirmity AdP wished to get itself rid of. They were damaging to its own identity of strength and competence in the environment sector because they hindered what was perceived to be representative of such qualities: net earnings. But by coupling a successful identity to the achievement of solid net earnings another side of AdP's accounts is also disclosed. The proceeds resulting from the sale of these operations provided AdP with a stepladder for reinforcing the importance of net earnings in its accounts, disclosing in turn a set of conflicting statements regarding the divested operations. Whilst presented as an illness AdP had healed itself from, they are subsequently described as a set of wise investments performed by previous administrations since they allowed the company with sounding net earnings. Even when disclosing these ill investments, AdP disclosed them in a way capable of contributing to the maintenance of the intended image of robustness net earnings were believed to convey. AdP's sense of accountability can thereby be associated to the presentation of good net earnings, but this importance reveals a sense of alienation towards what audiences were gradually perceiving as truth: net earnings are good only if they can be told as such. And the regime of sustainability that was gaining momentum somehow denied net earnings meaningfulness. In a way, exhaustingly focusing on net earnings reveals a lack of accountability by AdP towards the audiences, due to its self-belief in the quality of net earnings as reflective of its sustainability. Failing to communicate with the audiences is tantamount to an effective loss of accountability (Hänninen, 1995). In this research, AdP can initially be said to lack accountability in the sense of failing to give a proper account to the demanding others, the audiences. This is so because AdP is simultaneously its accountant and its listener, and what this excessive focus on net earnings reveals is an attempt by AdP to constitute itself as its primary listener due to a reluctance in publishing itself according to what truth requires from it, such appeal refracted by the call the audiences address to the company for an account. Representing the embodiment of truth in the Portuguese environmental context, sustainability needs AdP's accounts to be attuned to its rule in order to successfully acquire its nature and power of truth. But, and following Butler (2005), it is because AdP publishes itself through the accounts it gives

that the company is prevented from failing to render a suitable account. This is related to the fact of the subject being dispossessed of his accounts precisely because he has given them. Whilst believed to be true, AdP's accounts are not true in the sense AdP felt them to be, but in the way the audiences perceive them to be true, as accounts have been given to them. This giving is what puts accounts in the service of truth.

Making oneself into its primary listener blurs the moral responsibility of the accountable subjects towards others demanding for an account. There is in this relationship what McKernan (2012, p. 264) terms as "responsibility of speech", something constitutive of the force accountability exerts upon the subject to account for himself. And it is because accounts result from an appeal the other (whether singular or plural) has previously addressed to the subject that giving an account forces us into publishing ourselves towards others by exposing us to their gaze. In short, they make us visible. But visibility is not merely meant for our subjectivity to achieve meaning within community. Quite differently, our meaningfulness arises only because, and due to the fact that, truth needs us to be visible so as to acquire its regimental power. We, as subjects, even if corporate ones, are shaped by the powerful perspective of truth that limits what we can tell about ourselves. Giving an account of ourselves will in turn be meaningful if the accounts resonate within audiences, and this is so only if they are perceived to be true. We are then made into tellers of truth. That is why the mesmerising effect net earnings have in the way AdP sees itself as accountable may in fact harm its awareness of moral responsibility regarding the appeal of others for a proper account. Quoting Roberts, "the imperative of defending the self obliterates responsibility" (2012, p. 156). And this is exactly what ensues with AdP when it sticks to its beloved net earnings so as to reveal itself as sustainable. Yet, and because truth, as sustainability, needs AdP to be seen as unsustainable, the accounts are gradually attuned to what the regimental canons of sustainability require from the enterprise: in this case, what resonates among audiences are not good net earnings, but water tariffs and the related deficit. In a later stage, the rule of sustainability widens the focus onto the amount owed by municipalities to AdP and the level of banking debt, as they sharpen the crisis necessary for sustainability to hold sway. This is followed by the introduction of new notions of solidarity and system scale in order to buttress previous ideas of sector corporatisation and wider private investment. All these terms are part of the strategic game where the discursive regime of sustainability searches for sovereignty.

In order to deepen the explanation of how the accounts AdP renders of itself are performed for the sake of truth, here vested as sustainability, a parallel must needs be made with the work of Miller (1990), which focused on the discourse of order to which accounting and commerce were subject to during the Colbert period. Such parallel serves to reinforce the initial claims that were forwarded regarding the ambiguous character of the concept of order.

Miller (1990) refers to the specific discourse of "order" that the very word called forth regarding accounting and commerce, which binds its meaning to the historical context of late seventeenth century France. Whilst not at all claiming that this word, as any other, can have a meaning out of its context, what is important here is to evaluate the force that order has in framing accounts into the regime of truth. According to Miller (1990), order, as a practice of government, was a rationale behind a public discourse whose aim was to promote the very notion of order as "an end to be sought in all spheres of commerce" (1990, p. 323). This is somewhat similar to make order into a principle of life, of life linked to commercial activity. The following quote depicts such idea.

> "The order to be achieved in commerce was viewed as equivalent to and an aspect of the order to be sought in the polity. Commerce could be valued for the order to be found within it (...), whilst the role of accounting became that of rendering such order visible for all to see. A way of representing commerce, and within it accounting, was thus elaborated that was not subordinate to an incessant quest for gain (...). Instead, it was argued, benefits would accrue naturally to those who carried the pursuit of order through into all the detailed practices entailed in carrying on trade." (Miller, 1990, p. 324)

Attaining order may seem here as a result of persuading and converting merchants and other parties to the legitimacy of its virtues. But Miller (1990) also refers to the Ordinance of 1673, where a legal framework for private enterprise accounting is provided, and to the several titles published during the Colbert period that reflected the discursive power of order. Coupling them to the practices Miller (1990) compiled as "government by inquiry", more than voluntary, abiding to order was mandatory as it represented what was believed to be righteous in late seventeenth century, not only in France but around Europe. The several translations that works such as Savary's *Le Parfait Négociant* (1676) were subject to are a strong example thereof.

The specific significance of order Miller alludes to reveals the power the concept order can have regarding the act of giving an account because it ultimately symbolises what is regarded by society as the normative *order*. By claiming that accounting's role is to

make order visible, Miller (1990) indirectly refers to the trap Foucault (1977) says that visibility is. By accounting for himself, the subject brings himself, even if unwillingly, under the order that the regime of truth imposes upon his speech. Truth commands the subject to account for himself in an *orderly* fashion, which is equivalent to state that his subjectivity, because it results from his narrative, is brought in line to what truth requires it to be. Otherwise the risk of loss of membership would be far too great, carrying with it the danger of meaninglessness. This alignment of the discourse of the subject to truth bears on Schweiker's claim that "self and the other are, ultimately speaking, members of one created order" (1993, p. 245).

When accounting for itself, AdP is exposed to the normative order of truth right from the very moment it gives an account. This bears on what Butler (2005) claims to be the dispossession of accounts the subject must endure if he is to be able to effectively give any account. This brings back AdP from the danger of lack of membership because dispossession allows the subject to be reconstituted and attuned to the limits of truth. AdP is then reshaped into an unsustainable subject, but it is simultaneously capable of successfully answering back to the call launched by the other(s). From the moment the act of giving an account is conceived as giving, no subject can call his accounts his own. This is of course true for AdP, which clarifies why the discourse around the importance net earnings were seen to have in maintaining a sustainable identity could not hold sway. Such discourse was not befitting to the regime of sustainability that required AdP to be revealed as unsustainable by the accounts being rendered, because it failed to abide to the regimental order that was in force. And the order was for AdP to be represented as unsustainable for the sake of sustainability itself.

It is order that, as an expression of truthful significance, enables the regime with its constraining power regarding subjects' tellability by weighing truth upon them. Such orderly force manifests through the resonation accounts must have within audiences. Therefore, order lets the pawn quality of the subject to emerge by subjecting its discourse to the power of truth. What subjectivity he can be endowed with is restricted to the boundaries of the regimental discourse. In this case, only those accounts that published AdP as unsustainable could gain momentum, and this was the case for water tariffs, municipal debt to AdP and banking liabilities, but not for net earnings. And the reconstructive power of truth is such that one of the financial indicators most praised by AdP in its accounts as mirroring its sustainability, EBITDA, is reshuffled into a mark of

AdP's unsustainable nature by being coupled to banking liabilities. This is an example of how truth endows an appropriate significance to the terms capable of supporting its discourse, with others simply being obscured. Indeed, it is by bringing the elements composing the accounts being given under its rule that truth is expressive of the "normative order of the wider society" (Roberts, 1996, p. 43). Yet, this abiding to order, and thereby to truth, does not entirely explain why AdP needed to be shown as unsustainable. An exclusive focus on order can only reveal part of the complex circular relationship truth has with subjectivity. Truth, in order to be true, must be conceived as a game played by both the subject and truth for the sake of meaningfulness.

Being ordered to account in an orderly fashion cannot be seen as integrally deterministic of the subject's truthful identity, then. It would cease to be a subject were he to be specified in absolute by the orderly rule of truth. As hitherto argued, what is revealed through the exposure to truth is the subject's uniqueness, his singularity regarding others, which prevents normative truth from reducing subjectivity to sameness. Indeed, truth needs it to be so if it is to be reified as power. Subjects must commit themselves to truth, not be fully determined by it. However, this implies that subjects are endowed with freedom of choice. As hitherto discussed, choice confirms the subject's opaqueness because free agency contributes to hinder the accountant's efforts of fully knowing and representing the agent. That is why accounting expresses a relationship of trust between parties, not only between self as agent and self as accountant, but between the accountant and the audiences receiving the accounts being given. Focusing on the latter allows trust to widen the scope of freedom the subject can enjoy because he is free not only to act, but to communicate, provided that the boundaries of truth are not surpassed. This is so because only the accountant, and never the agent, has the ability to give an account to someone; only he is able to communicate to others by means of an account.

The freedom of the subject, as his self-accountant, opens the activity of giving an account to the negotiation of meaning. However, achieving a compromise over meaningfulness is traditionally taken to be easier when subjects are represented as a product of calculation, as figures able to be compared and examined. This bears on the way we learn how to learn and know others' truthful subjectivity (Cooper & Puxty, 1994; Hoskins, 1996), which makes us believe in the visibility numbers purport to render of the subject. Subjects are then subject to calculation, with knowledge being very much dependent on the expression of subjectivity into single figures. Yet, and as previously

argued, numbers are subject to what meaning truth allows them with, which makes them able to seemingly speak for themselves only if they are endowed a place within the regime of truth. This ability to speak is only possible because numbers are always born out of narrative and thereby dependent on the relevant setting. Only then can they be capable of being communicated.

Within this case study, AdP is reduced to three single figures capable of bolstering the discursive rule of sustainability. AdP is seen as unsustainable because of a) the continuous increase verified in the values recognised as tariff deficits, b) the growing amount of receivables owed by municipalities to AdP and c) the rising levels of banking debt. Reducing unsustainable problems to single balance-sheet figures constricts sustainability's meaning to a financial-economical perspective. Yet, talking of them without linking them to trust and belief makes them meaningless. Indeed, they are brought to the fore because they are believed to be representative of AdP's lack of sustainability, and thereby trusted to be true. Calculation cannot be disconnected from the narrative of lack of sustainability that is basic to the survival of sustainability as truth. It is by linking AdP's numbers to context that the narrative of sustainability gains its momentum, but so does calculative subjectivity. And with calculation the sector itself is made into a calculable space. In order to render the discourse of sustainability its power, there is a strategic move of making AdP's unsustainable identity that of the sector's. This is achieved when AdP is represented as the leading actor within the sector's strategic framework, and in such a way that AdP's problems eventually but intentionally become those of the sector. This is disclosed in the several references made by government officials, county representatives, the Ombudsman and others to the unsustainable situation of AdP, where there is a consequent overlap, rather an integral fusion, of the sector's panorama with that of AdP. The company is envisaged as having the *noble* function of structuring the sector (Correia, 2007), which makes the framework of the sector very much dependent on the situation of AdP. Therefore, and following Hoskins (1996) epistemological claims about the way we (are made to) know ourselves in truth, AdP's numbers become those of the sector, making the latter unsustainable. And that is true even when some parties try to say it contrarywise, like a manager of one *multimunicipal* operator did when stating that AdP's problems cannot be seen as those of the sector. But indeed they are under sustainability claims. Only by making AdP's problems those of the sector can the notions of solidarity and corporatisation, essential for sustainability to hold sway, be empowered with meaning,

as they justify and are proof of the sector's *unsustainability*. Representing AdP as unsustainable enables for the sector to be shown as such, for one of the purposes of the regime of sustainability is to make AdP's truth that of the sector's. It must be so in order to justify its own constitutive power.

Making AdP's truth that of the sector's makes the latter also visible as unsustainable. Because audiences are refractive of the power of the regime of truth, in AdP's case only a discourse of *unsustainability* could resonate within audiences if it were to be accepted. Whilst AdP describes itself in a way that attempts to disclose itself as sustainable, its accounts are attuned to truth due to the way they are heard by audiences. Thus, attuning the subject's accounts to truth through audiences reveals accounting as a truth-extracting process for the sake of truth itself. Audiences look out for what can be deemed as true, not otherwise. Regarding AdP, its discursive stance of sustainability through earnings is reconstituted into an *unsustainability* circled by the figures of water tariff deficits, municipalities-related receivables and banking debt, as these convey the truth about AdP. Concerning banking debt, it does not matter the quality of that debt (a large amount of short-term debt was recently converted into long-term loans); what is to be seen is its huge numbers, believed to be proof of an unsustainable company making the sector unsustainable. What the regime demands from AdP's accounts is that they do make the company's *unsustainability* visible to all. AdP's singularity thus relates almost exclusively to its unsustainable nature, because that is what can be seen. Were it otherwise, its uniqueness would not hold sway, as being subject to the regime of sustainability forcefully makes AdP depict itself as unsustainable, even if unwillingly. Only then can truth be extracted from what accounts it tells about itself. What meaning is given to the figures *subjectivising* AdP is necessarily one in line with truth, or rather with its regimental canons. What is unfit for truth is simply moved into obscurity, into meaninglessness.

It is by conceiving accounting as a truth-extracting process that the pawn substance of the subject is visible. In other words, the subject is a pawn of truth because his discourse is attuned to its rule, even if reluctantly. This bears directly on what Butler (2005) claims to be the dispossession of accounts necessary for the enactment of subjectivity. Regarding AdP, the company is a pawn to the discourse of sustainability because its discourse is reshaped by the power of truth into showing the company as unsustainable. This reflects the meaning of subjects being subjected to truth. But more than that, AdP is made into a pawn of truth through its accounts because they are what can resonate within audiences by

making communication possible. And truth emerges as power when revealed by, and in, the accounts being given, for only then can audiences extract the truth of the subject. And in order to be true, subjectivity must necessarily be commensurate to truth.

These truth-extracting processes that accounts allow are somehow similar to the confession practices developed in early Christianity as alluded to by Foucault (1997c; 2007b). In this study, AdP unwillingly reveals itself as unsustainable due to the weight of truth upon its accounts, which is exactly what the act of confessing one's sins is: difficult and embarrassing. One might say that this confession is indirect, but because it is something extracted from the accounts, it cannot cease to be a confession, one for the sake of truth. Being a pawn is tantamount to allow for the power of truth to flow through the accounts being rendered and emerge victoriously by confession. When accounting for itself, AdP allows for the rule of sustainability to emerge from its accounts because it has reached the audiences when the company became rendered as unsustainable. AdP visible as unsustainable is the expression of every subject's pawn nature because only by being true to truth can accounts be accepted by others. Simultaneously, it reflects the victorious power of sustainability: AdP has been made into confessing itself according to the rule of truth. Thereby, the company may be said to have failed to give a proper account of itself if accountability is reified into a mere relationship of answerability where the subject replies back to the queries of others. This is equivalent to a lack of accountability. But truth-extracting processes reveal a more complex side of accountability as "the endlessly repeated moment of subjection" (Roberts, 2009, p. 959). Within this perspective, AdP is pushed by the thrust of accountability into accounting for itself through confession, which brings the meaning of being held accountable to another stage, one where the subject is accountable to truth, and must consequently speak out the truth, his truth, even if against his will. Accountability gains meaning when the subject becomes subject to truth.

Through confessing itself as unsustainable, AdP seemingly makes the regime of sustainability into a divine law by which it must forcefully abide. Yet, sustainability acquires meaning only if AdP is portrayed as unsustainable, and merely focusing on the extraction of AdP's truth through accounts cannot suffice as an understanding about the need sustainability has concerning this unsustainable picture. Hitherto, AdP's accounts were compared to an act of confession, but one must also refer to accounts as an act of persuasion if truth (in this case, sustainability) is to be rendered meaning. Being power, truth is productive of the subject and whatever knowledge that can be obtained out of him.

But such production is ultimately for truth's sake as it produces itself through constantly reaffirming itself in the accounts of the subject. This is due to the fact that a regime of truth acquires its power when assimilated as true by subjects. And only when the knowledge being produced is accepted as true by audiences can truth assume itself as a regime conditioning and guiding agency. Accepting a specific knowledge as true is tantamount to accepting a specific kind of (true) self. Because of the weight of truth upon its accounts, AdP is known as unsustainable. Yet, this knowledge envisages others who see this corporate subject as unsustainable and believe it to be so.

By accepting AdP as unsustainable, the actions of parties involved in the restructuring of the sector are opened to and infused in the logic of sustainability. Because AdP, and consequently the sector, are deemed as unsustainable, sustainability gains its momentum by shaping the strategic framework being structured for the sector. The alternatives being proposed and enacted must be attuned to sustainability, otherwise they will not even be considered as they are not true; they are meaningless in the face of sustainability. And because sustainability is conceived as essentially economical and financial due to the reduction of AdP's sustainability into tariff deficit, municipal-related receivables and banking debt values, actions are orientated so as to solve these financial problems. Only then are the actions of others guided towards the purpose of truth, of sustainability. The government proposals of combining the extant *multimunicipal* systems into four large groups, widening the regulator's powers and introducing the detailed invoice are a good example of how sustainability, in its predominant economical and financial perspective, shapes the alternatives that relevant parties choose. But this perspective only holds sway because it complies with the narrative that sustains all the disclosed figures. Whether tariff deficit, municipal-related receivables or banking debt, they all are in consonance with a narrative of *unsustainability* that shapes AdP's subjectivity, because their meaning is one with truth and they are unable to be meaningful otherwise. This bears on what Bruner (1991) claims to be narrative's feature of referentiality, where the truth of the elements intrinsic to a specific narrative is judged by their verisimilitude. And only because they are verbalised by accounts as signs of AdP's unsustainable nature can they serve the purposes of truth, as they need to be communicated. We must bear in mind that, contrary to our belief, numbers are necessarily imprecise and uncertain (Hayes, 1983), their certainty resulting from the setting they are framed into. Calculation, being borne out of narrative, is thereby instrumental to truth.

Accounting, reified as the practice of giving an account, not only allows for truth to be extracted but it also permits truth to be assimilated by subjects, whether the one being held accountable or the ones demanding an account. For AdP to publish itself as unsustainable, it had to first absorb what sustainability could be, and the result was that being sustainable was tantamount to disclose good net earnings. In this case, AdP extracts its truthful self from its (own) account and assimilates that knowledge so as to shape its ensuing actions. This is possible because the accounts were never property of AdP, they never really belonged to it. They were given by self, as accountant, to the agent, as agent, and this one always trusts them to be true. This bears on the primordial fiduciary relationship self shares with itself as a result of its otherness (Schweiker, 1993).

Yet, and because of the inventiveness of subjects and their freedom of choice, what is taken to be true by others is an identity of *unsustainability* that menaces the survival of the company; thereby, it endangers its subjectivity. Whilst in the case of net earnings AdP confesses itself willingly as sustainable, the force of the regime of sustainability reshapes the accounts so as to obtain a reluctant confession of the subject as unsustainable. This prevents net earnings from acquiring meaning in a community which already accepts sustainability as righteous. But this acceptance is only possible if the rule of sustainability is published by the accounts being given, which means that the regime of sustainability is dependent on what subjectivity is endowed to AdP. Whilst continuing to be a pawn of truth through the visibility prompted by its accounts, the need of sustainability, as truth, in portraying the company as unsustainable reveals AdP also as an hidden king that makes truth dependent on its subjectivity through the accounts being rendered. This is due to the process of truth-assimilation they allow. Were it not so, the regime of sustainability could not retain power. Only by making AdP unsustainable can the actions of others be orientated towards the true discourse of sustainability. Thereby, sustainability needs AdP to account for itself as unsustainable, which makes the former dependent on the latter giving an account of itself. Only by tying together the meaning of AdP's subjectivity to *unsustainability* can sustainability itself acquire its status of power, and therefore be intelligible. Whilst seemingly superior, audiences make the accountable subject into a king when they shape their actions according to what was given to them as an account. Considering the previously mentioned Stoic techniques of the self Foucault (1997c; 2007a) refers to, AdP can be reified as a master because the accounts that were rendered have successfully brought the others' actions under the rule of sustainability. This reinforces its

'kingly' nature, even if not perceived by community, by the layman, because it is not visible in the knowledge being conveyed. Subjects are then visible pawns by attuning their subjectivity to truth, but are invisible kings by making truth dependent on the accounts capable of defining that subjectivity. Truth is then dependent on the activity of giving an account for achieving power, which makes power exertion bilateral. In this case study, the government's plans to restructure the sector are a proof thereof.

But for accounting to be revealed as a truth-extracting or truth-assimilating process, the supreme role of belief in rendering both truth and subjectivity their interdependent power is then essential. In this study, only by believing that the water sector's problems were related to sustainability did subjects, such as the government or the Ombudsman, orientate their actions accordingly. And only through the belief that AdP was unsustainable could in fact the regime of sustainability be given its status of power.

5. Conclusion

When discussing the link that subjectivity and truth had in Antiquity, Foucault (2007a) refers to the shower therapy used by Leuret in order to make his patient recognise himself as mad, even if unwillingly. Successive cold showers are turned on the patient until he finally admits his illness. Forcing the subject to talk about himself is here performed with the purpose of his own truth being extracted and exposed, the shower working as the force driving to such confession, but also restricting what can be told and accepted as being truth; in this case, truth is tantamount to the subject accepting, confessing himself as mad. What he can tell about himself under the shower is conditioned by the force the cold water being poured over him exerts upon his tellability; he can only tell the truth about himself, and can do so only if the other accepts his account as true; all the rest is prevented from being exposed for it is simply not true.

In the case of AdP, making it subject to the regime of sustainability eventually reveals itself as unsustainable. Contrary to its conviction, AdP must answer a call, a query for it to be unsustainable, for only by revealing itself as such can the force of sustainability as a regime emerge. This is true even if concerning corporate subjects, as they are also moral agents (Schweiker, 1993). AdP is then being called to account for its unsustainable yet true nature. Within the discursive regime of sustainability, presenting good earnings is no longer valid (if it ever was). What matters are the single figures of debt (municipal debt, bank debt) and tariff deficit, to which AdP is reduced. In the case of bank debt, it does not matter what composes such amount, what the quality of the debt there included is. What counts is rather the fact that it is part of the subject needing to be accounted for, but only according to what is hold as being true, consequently allowing for its unsustainable truth to be exposed. For what counts is ensuring that sustainability is enthroned as being the truth guiding subjects actions, rendering the notion meaningful. That can only happen if AdP is made into accounting towards the tellability sustainability allows. Were AdP sustainable, what would the purpose, the meaning, of sustainability be? How could it be seen as truth?

For Foucault (2001a, p. 132), battles "for truth" or "around truth" are not battles "on behalf" of truth, but "about the status of truth and the economic and political role it plays." But being a struggle over status necessarily turns such fight into a quest for meaning, for truth is true only if being meaningful; otherwise it cannot purport to be true. Quests for meaningfulness must involve two parties, even if physically the same, as it is related to

acceptance and persuasion. In the case of AdP, revealing itself as unsustainable, even if unwillingly or involuntarily, allows others to know it as such. And such knowledge is possible through the accounts subjects render of their conduct. Being subject to sustainability is tantamount to subjects feeling the need to account for sustainability. This is expressive of subjection to and exertion of power (see Schweiker, 1993). Therefore, when accounting for itself, AdP reveals the double quality of being a subject: being subject to truth through the gaze of others makes those others subject to what is being told to them. This will shape their action towards truth. Accounts, rather the acts of giving an account, are then what grant truth, and in this case sustainability, its activeness.

In the case study here discussed, the figures portraying AdP as unsustainable are what the audience (the Portuguese government, society in general, the regulator, interested parties such as AEPSA, etc.) care for and consider to be true, with the rest not being taken into account. The fact that AdP was capable of achieving good net earnings was completely disregarded by practically all the parties intervening in the sector, except for AdP itself; they were out of the scope of what could or would be accepted as being true. Indeed, not being true is tantamount to be meaningless, which is actually what net earnings end up being; their putative meaning cannot hold sway within the sustainability discourse AdP must express itself in, and thereby fall into the obscurity of meaninglessness. They are not thus part of the unsustainable reality being built by accounts. The (un)sustainability rhetoric around AdP is indeed so strong that eventually the company's problems are believed to be the sector's, thereby overlapping, or rather fusing, both realities.

However, all of the ensuing plans being proposed in order to tackle the lingering problems depart from the "unsustainable" tale AdP's accounts render, with the ensuing efforts being developed focused on their resolution. For example, the increase of the regulator's power forwarded in 2012, together with the detailed invoice project, is due to the amounts that are disclosed by the accounts rendered by AdP being judged as expressive of its truth. In fact, the discourse government employs is entirely supported on these figures. This means that more than accepting AdP's accounts, subjects are lured by the accounts' truthful appeal into acting according to what has been told. Because it is seen as true, the discourse of sustainability being refracted through the accounts being rendered is not contested, but assimilated by the audience, shaping its action. And this is potentiated by the legitimacy single figures are believed to have (Miller, 1992), like speaking for themselves (Kamuf, 2007). Indeed, their force remains uncontested throughout all the

period of analysis of this study. One can discuss the magnitude of the disclosed amounts, but their meaning remains unquestioned; otherwise the power of sustainability would itself be endangered.

But the solutions presented between 2007 and 2012 can only emerge because they are now believed to be attuned to truth, truth being tantamount to "sustainability". Going backwards, similar ones were rejected by society right after the dictatorship was overthrown, as they could not persuade the audience of their verisimilitude regarding what was considered to be right or true back then. And the respective historical stance was even hostile for the emergence of AdP, were it to be constituted at that time. This shows that subjectivity is conditioned by the prevailing regime of truth.

Returning to our starting questions, accounts warrant truth as power by enabling subjects to both extract and assimilate what truth is told by accounts. In this study, what is extracted from AdP's accounts concerns all that shows or is capable of showing it as unsustainable, for that is what is considered to be truth. This reduces the scope of what the subject can tell about himself, consecutively revealing the conditioning force the prevailing regime of truth (in this case, truth being sustainability) has upon tellability. The subject is here depicted in its condition of pawn. Accountability, being tantamount to answering back to the call of truth, reflects this condition of subjection of the individual (here AdP) to truth by holding himself accountable towards sustainability. Only then can he achieve meaningfulness; and in this case, it is to be one of unsustainable substance.

But because what others listen to and take to be true will shape what actions they subsequently perform, truth can be true only when the accounts the subject renders about himself are interiorised by the respective audience. This subjects truth to the power of belief, for only when believed to be true can truth be given the power to shape conduct, both of the teller and of the audience. At first, the audience may seem superior to the subject. But when shaping its action to what the subject tells about himself, they are reduced to the condition of pupils assimilating the truth being verbalised and shaping their actions accordingly. This makes the subject into a king, putting truth dependent on something being told. And because truth needs trouble in order to emerge and renew itself as power, its meaning becomes even more dependent on the subject's ability to account and persuade others into believing him. In this study, sustainability as truth gains its momentum only when the problems of the sector start arising. And the actions being taken

by the government and other parties towards solving them are guided towards achieving that sustainability. But those actions are possible only after AdP publishing itself as unsustainable, only after such discourse having reached the audience. This is similar to the process of assimilating truth inherent to the master-pupil relationships Stoics like Seneca maintained and were described by Foucault (1997c). Being accountable is also expressive of this subjection of truth to the subject's tell-ability, because only by being believed and accepted as truth can, in this case, sustainability attune the subjects' actions to its regime. Accountability, by disclosing this interdependence, is then tantamount to telling the truth.

Revealing the importance of the act of giving an account in establishing the link between the subject and truth was the purpose guiding the common thread of this study. This enabled the role of accountability as expressive of both the subject's and truth's meaning to emerge. Regarding extant research, this dissertation purports to have rendered another perspective to the elusive meaning of accountability by disclosing its role in the constitution of meaning, in turn resulting on the definition of its own significance. This derives from the connection such concept has regarding the formation of subjectivity. Achieving a better understanding over this relationship can be thus considered the utmost contribution rendered by this study. The other contribution is linked to the former, as it concerns the role of accounting as being a process operating on the behalf of truth. By enabling subjects to extract and assimilate the regime of truth so as to define their identity and conduct, accounting is here construed as a practice that enables what Foucault claims to be the games of truth, i.e., the exertion of the perspective of truth by and upon subjects.

However, such conclusions are subject to the natural limitations of exploring such theme. The elusiveness of accountability restricts the scope of this study to exploring a certain perspective in detriment of others. And exploring the link connecting accountability and subjectivity to truth is something still somewhat unaddressed by extant research, especially when applying Foucault's ideas about the power technologies of the self have regarding accounting. And time was definitely another limitation. There was the need to depart from almost zero regarding previous knowledge over the mysticism of accountability, and undertaking such task requires a great deal of time consuming research.

Regarding this case study, its main restriction concerns the scarce amount of information and studies regarding the water sector in Portugal, with many of those published referring essentially to engineering and infrastructural concerns. Those other

studies that relate to other academic areas, like historical or economical research, are scarce and frequently unavailable for consultation. Furthermore, the period comprising the development of this study prevented conducting interviews to some of the relevant actors within the sector.

Nevertheless, introducing a new perspective about the significance of accountability and the importance of the practice of accounting on the constitution of meaning may allow further research on the power nature of the act of giving an account, especially when linked to strategy. Aspects linked to the resistance of subjects regarding the subjection to different regimes of truth are also constitutive of one other area worth researching, capable of complementing the perspectives here defended. This can contribute to explore in greater depth the ethical side of the activity of giving an account. Because giving an account, being the act expressing the subject's accountability, and therefore where truth is told, is an act of power, whose exertion may reveal accounting's unethical side.

Here, however, the act of giving an account is reflective of the circular exertion of a certain act of power, one where meaning is (re)created: the meaning of the subject and consequently the meaning of truth. Accountability is expressive of this interdependent relationship of constructing meaning because it shares a likely interdependence to the activity of giving an account. Within the circular process of (re)constructing meaning, the role of the accountant is heightened. He is the link between the agent and the other, which makes him the possessor of the power of giving an account towards the construction of meaning, the meaning of reality, whether personal or social, a power so many despise yet able to bring so many to its subjection. For as the saying goes, in the land of the blind, the one-eyed man is king. And this is indeed the condition of what being an accountant of oneself is all about, a king where many cannot or will not see the crown.

Legislation

Decreto-Lei nº 372/93, de 29 de Outubro de 1993 (Portugal).

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