

Paper#: K157

**From Cost Allocations to Cost Savings:
Post-Panoptic Tendencies in Sri Lankan Healthcare and the Making of a
Neoliberal State**

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ABSTRACT

This paper reports on a new cost accounting initiative in a Sri Lankan hospital, in order to examine whether the initiative was manifested in the transformation of the Keynesian model of the postcolonial state into a neoliberal state. The extended case, which ran a bottom-up analysis from the micro events in the hospital to the macro-level policy making at the Provincial Council, revealed that the initiative was an opportunity to loosen bureaucratic budget confinements and create a social space for individuals to think about sporadic cost-saving projects. The findings allowed me to use the post-panoptic ideas of Gilles Deleuze and Zigmund Baumann to articulate how the neo-liberal origin of managerial technologies - such as new cost accounting - are assimilated to a particular post-governmentality project, in the formation of a peculiar type of neoliberal state in Sri Lanka. The study contributes to the growing research agenda in management accounting in less developed countries, through an analysis of how accounting is infused in policy making and reforms.

Keywords: hospital cost accounting, bureaucratic budgets, neoliberal state, healthcare reforms, individualisation, Sri Lanka.