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Politics of Accounting Evidence in Privatising Telecommunications in Sri Lanka

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Abstract

**Purpose:** This paper illustrates the socio-political nature of accountings, referring to the partial privatisation of the monopoly telecommunications organisation in a lower-middle-income country.

**Approach:** Actor-network theory and an ANTi-history approach are used to trace circumstances and occurrences. Empirical materials include official documents, print media and retrospective interviews with organisation employees ten years on from the privatisation.

**Findings:** Proponents of privatisation used retrospectively constructed historical accounts to problematise the natural monopoly of telecommunications and the government organisation administering it. A restructuring programme followed. Proponents addressed controversies pertaining to the programme thus garnering widespread support for complex and controversial changes. Proponents produced and reproduced accounting artefacts as evidence in these processes of history reconstruction, consequent changes and restoring stability to telecommunications in its reconfigured commercial domain. The proponents used selective, controversial accounting evidence to problematise the government organisation’s existence, then to mobilise various actors to reduce and close the controversies previously aroused and reinstating stability in a partially privatised telecommunications company. Although no longer having a monopoly this company still dominates. Dissenters did the same but with little success.

**Research implications:** The findings demonstrate the importance of tracing the socio-political process of arriving at the dominant outcome about the past. This assists in making sense of present circumstances and re-imagining the future.

**Originality:** The study demonstrates that, during controversial circumstances, taken-for-granted history, as well as what is thought to have not existed in the past, support the dominant network in gaining advantage over their opponents and black-boxing their perspectives of how things should be.

**Keywords:** ANTi-history, Socio-past, Privatisation, Sri Lanka Telecom

**Article Classification:** Research paper
1 Introduction

Accounting fulfils transactional, distributive and ideological roles; and includes financing relations and incentive schemes. Conventional conceptions of accountings portray them as collections of inert technical ideas and methods which operate in vacuums (Carnegie and Napier, 2002). In contrast, they are mobilised instrumentally to effect political functions across, and carry policies among, networks of people, commercial and societal groups and organisations. These networks become entangled in said accountings (Boell and Hoof, 2020; Chua, 1995; Neu, 2000; Sikka, 2015). Their mobilisers use accountings to portray circumstances of organisations in ways such that people’s sense-making and resultant opinions and behaviours are manipulated, coerced or otherwise convinced, thus fulfilling the desires of the mobilisers.

The need arises to critically evaluate accountings in the contexts in which they operate, and so analyse and interpret complex and controversial situations (Busco and Quattrone, 2018; Latour, 2005; Llewellyn and Northcott, 2005; Preston et al., 1992). Thus, we contribute to knowledge by examining accountings being mobilised by various networks of actors. These networks were locked in conflict over a privatisation restructuring programme affecting the monopoly provider of telecommunications in the lower-middle-income country of Sri Lanka. Hence, we follow Walker (2016) in exploring the socio-political nature of accountings.

Extant studies of the process of privatising public services identify powerful people intent on invariably controversial policies of privatisation. Powerful people include politicians in office; senior officials of government departments, state-owned enterprises, supranational organisations and multinational corporations; and other local elites. These people seek support for privatisation policies among employees, service purchasers and beneficiaries, voters and the general public. As to how accounting fits in, some (e.g., Craig and Amernic, 2004; Gendron and Breton, 2013; Jacobs, 2009; Lowe, 2000; Shaoul, 1997; Sharma et al., 2014) find the powerful people make discriminatory use of accounting ideas and information to support privatisations. Others, including Wickramasinghe et al. (2004), who studied the same organisation as us, are concerned about the politics of changes to accounting systems intended to improve operational and administrative performance of privatised organisations (see also Levi-Faur, 2003).

Targets for privatisation vary. The eight studies just cited and ours involve governmental organisations providing services or products through direct sales to businesses and the general public. Reasons for governmental organisations providing these products trace back to them constituting strategic infrastructure in a military, economic or civic sense; being natural or network monopolies; requiring large capital investments; being prone to market failure; or possessing some welfare characteristics (Rutherford, 1983). Although commencing earlier, many have been classed as part of public sectors since the latter grew in the middle of the 20th century (Ridley, 1951). In now-independent former colonies of European empires, public sectors have been associated with social and economic development, and with a national unity absent before colonial borders were imposed (Morgan, 1980).

In contrast, many privatisations date from the great stagflation and related socio-political problems of the 1970s and neo-liberal policies to address them. Privatisation in former colonies has been helped along by supranational organisations (Oniş and Şenses, 2005), and by the aid industry (Levi-Faur, 2003; Sharma et al., 2014; Wickramasinghe et al., 2004). As in some of the eight studies cited above, we take a qualitative approach to trace how knowledge was constructed by heterogeneous competing actants involved in the restructuring programme. This
knowledge was a mixture of a past, being alternatively problematic or otherwise; a present, being alternatively inadequate or otherwise; and a possible future, being better or otherwise; all in relation to Sri Lanka Telecom plc (SLT).\(^1\)

However, our theoretical approach is similar only to Lowe (2000), recognising actants and actors and the notion of actor-networks. Not only do we incorporate the role of history but also we recognise multiple alternative retrospective accounts, and so realities, of the socio-past. Thus, we use actor-network theory and method in conjunction with an alternative ANTi-history approach (Durepos and Mills, 2011; Myrick et al., 2013). The past in our case is SLT’s official past, which began with the inception of telegraphic services in British Ceylon (now Sri Lanka) in 1858 (SLT, 2020). It continued through being named the Post and Telegraph Telecommunications Department (est. c.1880 by the Colony Government) (hereafter, the Department), up to being the dominant public company in the country’s telecommunications industry today. We distinguish three troupes to which the actants might have belonged. First, focal actors are actants who drove the process of SLT’s restructuring and, to convince the rest, mobilised accountings, among other things. Second, supporters are actants who supported or acquiesced to the privatisation, including through being convinced and recruited by the focal actors and the accountings they used. Third, opponents are actants who opposed the privatisation, including questioning the accountings presented by the focal actors.

We analyse and interpret various meanings of written and oral communications produced by the various actors in constructing their realities. Our theoretical lens sees focal actors’ problematising of the past and present as provoking interaction, intended to open up stable aspects (black boxes), review, revise and reform the problematic aspects, and subsequently not only adopt a solution but also stabilise it. The focal actors must achieve the stability by closing controversies and uncertainties surrounding the solution and containing it in a new durable black box (Callon, 1986; Heeks and Stanforth, 2015; Laguecir et al., 2020; Latour, 1987, 2005; Llewellyn and Northcott, 2005; Quattrone and Hopper, 2005).

We analyse empirical materials to illustrate instances of focal actors mobilising accountings to enlist supporter actors, and derail opponent actors. Of note is the idea of other actors, and networks of other actors, being brought into line and conforming with the ideology underpinning the focal actors’ desire of achieving a privatised organisation (Durepos and Mills, 2017; Munslow, 2012). Our materials came into play during what proved to be a contest between multiple opposing views, featuring networks of heterogeneous actors. The materials emanated from various places and times, and include employees in the study domain recounting their experiences and stories they had been told about the past. Many materials had accounting connections. Among them are those which focal actors, supporters and opponents advanced, not merely to attack or defend, argue or counter-argue, but, in the case of the focal actors particularly, to problematise and open black boxes. Through working with these materials, explanations emerge about how knowledge and interpretation of artefacts of the past, that is various ANTi-histories, were mobilised among actor-networks to reach consensus in the political process of remembering and forgetting the past, and re-imagining the future.

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\(^1\) SLT now trades as SLTMobitel. Its “public” claim rests on a small portion (<10%) of its issued shares trading on the Colombo stock exchange. Its two major shareholders are now Global Telecommunications Holdings N.V. with 45% and the Government of Sri Lanka (hereafter, the Government) with 49.5% (SLT, 2022).
(Humphries and Smith, 2014). Furthermore, we evaluate the differential power transmitted by actants and networks in creating realities and manipulating the perceptions of other actors and their networks (Hammersley, 2003). Focal actors may act with both altruism and self-interest, but self-interest may prevail in private business situations, and may be about furthering their own ideologies.

Our objective is not to determine a single reality of whether the restructuring programme was a success or failure, as we believe that such an absolute knowledge about the past is ontologically impossible. Thus, our constructed knowledge about the socio-past is only one version of this socio-past (Durepos and Mills, 2011). We show that, despite the implied objectivity of accounting representations, any such representation is only one of many such possible representations. Thus, the notion of homogeneous applications of any particular accounting representation across organisational settings, differing geographically, culturally, politically, economically and so forth, can be challenged and contested, as actor-networks do during a contest of opposing views, rival ideas and conflicting interests. Indeed, accounting representations may be mobilised in the process of opening black boxes. Attack, defence and counterattacks may be used in settling and closing conflicts, including by reducing uncertainty and clarifying the outcome, which ends up being black-boxed (Andon et al., 2007; Cooper et al., 2017; Huf, 2020; Lowe and Koh, 2007).

We organise the paper into four more sections. Section 2 presents literature about our ANTi-history approach. Section 3 outlines our methods of collecting empirical materials and explains how evidence was used to trace how different actor-networks constructed histories of SLT and why. Section 4 presents how various actors each constructed accounts of the Department/SLT to problematise its existence and shape the behaviour of other actors. We show the role of these accounts in the processes of translation and reaching provisional stability. Section 5 draws conclusions considering the extant literature on accounting, actor-networks and ANTi-history.

2 The Socio-politics of Accounting Evidence in Uncertain Situations

This section composes our theoretical approach based on actors retrospectively constructing accountings and accounts which then constitute evidence to support or oppose arguments, issues and subjects in which the actors are embroiled. The section also reviews other studies of privatisation.

2.1 History as a Black Box

The idea of black boxes, taken from aeronautics, has been associated with accounting methods (e.g., Bruno and Lapsley, 2018) in the sense of seemingly complex functions being performed inside an enclosed, concealed space. This space is neither easily inspected nor generally understood, including by people for whom it has unsatisfactory consequences. The detailed contents and what occurs inside a black box are restricted, taken for granted and rarely questioned or disputed. For those dissatisfied about a black box’s presence, or with the ideology or interests it is serving, the challenge arises of how to access the box. Only then can they hope to replace, revise or reform what it does, align it with their ideology or serve their interests. Then they can re-seal the box, and so protect the revisions or reforms. The questions for researchers in accounting and accountability revolve around the use of black boxes, how things become black-boxed in the first place, how to prise them open and re-seal them, and the social, economic, political and other implications.
Black boxes represent history, in the sense of representing the “boxed” outcome of a process (Bruno and Lapsley, 2018). They result from diverse socio-political engagements among heterogeneous actors which occur continuously. Unless the black boxes are prised open, they obscure their contents and render them virtually indisputable. Thus, black boxes conserve the status quo and buttress existing socio-political arrangements (Durepos and Mills, 2011; Huf, 2020; Latour, 1987, 2005; Myrick et al., 2013).

We regard the process of becoming black-boxed as one in which actors and their networks align their interests and interpretations in constructing knowledge about the past, how people generally are influenced by a seemingly “real” history, and the extent to which black-boxing conceals the relations and socio-politics of actor-networks so that controversies are closed (Durepos and Mills, 2011, 2017). In this study, we were particularly interested in how actors not able to observe directly the practices of the past select or neglect written inscriptions (e.g., accounting data about the past) as evidence to shape the outcome to be black-boxed (Durepos and Mills, 2011; Latour, 1987; Llewellyn and Northcott, 2005; Myrick et al., 2013; Rowlinson et al., 2014). Contesting actor-networks make claims or generate justifications, attempting to establish that their group’s opinions are worth more than their opponents’ are (Callon, 1986; Christensen et al., 2019).

2.2 Translation

The concept of translation is particularly relevant to evaluating the social process of how actors assign various attributes and meanings to specific organisational situations and accounting objects in re-constructing a socio-past (Boell and Hoof, 2020; Chua, 1995; Justesen and Mouritsen, 2011; Law and Urry, 2004). Translation is predicated on problematising “a system of alliances, or associations, between entities, thereby defining the identity and what they ‘want’” (Callon, 1986, p.211). Problematising comprises negotiating among actants, convincing various actors-networks which have varied expectations, forming groups, determining identities of actor-networks and defining needs of these identities or actor-networks, with the aim of aligning their interests and reaching a potential solution among them (Miller and O’Leary, 2007; Quattrone and Hopper, 2005). The focal actors entice and lead supportive actors by identifying and defining the “problem”, and the potential “solutions”. They allocate specific roles to each of the other actors enrolled in the network (Alcadipani and Hassard, 2010; Callon, 1986).

A focal actor’s relations with supportive actors depend on the focal actor validating the problematisation of a current context and envisioning the future, in order to persuade, negotiate, debate or even threaten or force (Callon 1986; Heeks and Stanforth, 2015). They must bring disparate actors and networks to a consensus over multiple interpretations and knowledge about the past. The focal actors must either present measures plausible and legitimate enough or modify their preferred measures, to entice other actors to their vision and interests, and marginalise any who still resist (Durepos and Mills, 2011; Heeks and Stanforth, 2015). The stabilised solutions to problematised situations are committed to a new, durable black box (Latour, 1987).

Spokespeople are significant to translation and problematising. They represent actants, be they people or things (e.g., documents, laws, accounting systems and reports), speaking out, answering questions and deflecting dissent (e.g., see Lowe, 2000). Thus, it is important to identify the people speaking for the respective networks and evaluate what they say, the roles they perform, how spokespeople have attained what is usually a powerful position, and how they self-designate and refer to those they speak for and to their rivals in justifying a network.
Equally important are how a spokesperson defines and marks boundaries of networks; defines and attaches meanings to the evidence produced; criticises actions of rival actor-networks, including the accounts they mobilise; and uses evidence to close controversies (Callon, 1986; Latour, 2005; Laguecir et al., 2020; Preston et al., 1992). A spokesperson exercises control over dissenters by letting them see and hear only what the spokesperson wants to convey (Latour, 1987). They make communication appear to be independent, and they try to prevent others from intervening (see Lowe, 2000). The arguments and evidence advanced by spokespeople are difficult for opponents to challenge. For instance, spokespeople from government or in management roles in named organisations are perceived as more credible, and so actors are enticed and enrolled into their network (Altheide, 2008; Llewellyn and Northcott, 2005; Myrick et al., 2013).

2.3 Actor-networks, ANTi-history Approaches and Socio-politics

Actor-network approaches are consistent with making and tracing connections chronologically between multiple meanings. Actants attach these to the various visible and invisible structures present within the local context longitudinally (Justesen and Mouritsen, 2011; Preston et al., 1992). In this study, we examine how heterogeneous actants, with differing and sometimes rival interests, convinced other actors of their views and enrolled them in their network in order eventually to wither controversies and black-box the dominant perspective. This involved evaluating multiple meanings and identities attached to natural, political, social and technical contextual elements, and their connections with other actors (Cooper et al., 2017; Myrick et al., 2013), thus making sense of how actants make other actors do things (social translation) by making and maintaining multiple realities (including accounting) of everyday work contexts. Actor-network theory recognises that non-humans also act, communicate and undergo a transformation process, and have the power to shape people’s perceptions by constructing and communicating realities about past human actions (Alcadipani and Hassard, 2010; Chua, 1995; Law and Mol, 1995; Robson and Bottausci, 2018). Therefore, we drew empirical materials from and about SLT to examine the dynamics involved in network relations, to explore how objects were formed, and their multifarious, dynamic relations with human actors (Humphries and Smith, 2014).

ANTi-history approaches involve examining the political processes of actors, their efforts to define the composition of a specific past, and how that version of the past is absorbed by and convinces other networks. “Systematically situating particular moments (including the present) in a temporal sequence of events and processes—can greatly enrich our understanding of complex social dynamics” (Pierson, 2000, p.72).

Various actor-networks created multiple realities and identities from the memories of SLT’s past in order to make sense of its contemporary context, particularly to problematise its present existence (Durepos and Mills, 2011, 2017; Mol, 1999). The ANTi-history approach shows how certain histories influence other actor-networks and enrol actors into specific dominating networks. For instance, accounting objects continuously take heterogeneous meanings and changing identities, resulting in multiple entities through interaction of networks (Andon et al., 2007; Dechow and Mouritsen, 2005). Therefore, it may be inappropriate to interpret accounting measures without regarding the context in which they were produced, or the interests of various actor-networks and the meanings attached to them (Busco and Quattrone, 2018; Huf, 2020; Preston et al., 1992). Indeed, accounts related to the socio-past are read by actors subject to the ideological, spatial and temporal situatedness of an actor-network (Durepos and Mills, 2011; Latour, 2005; Modell et al., 2017).
These contested alternative versions of realities may be gradually discredited or disappear. This can occur in translation, as a specific version of the reality comes to be established as the “truth” (such as in a history book) (Christensen et al., 2019; Durepos and Mills, 2011; Justesen and Mouritsen, 2011; Mol, 1999). Therefore, a dominant view about the past should be viewed as merely a single interpretation of the past. It is also one which more often than not serves the objectives and interests of élites in society, or the powerful in organisations. It has the effect of marginalising and silencing the less powerful adversaries and rival networks (Durepos and Mills, 2011; Durepos et al., 2021). The use of information and language for and against differing objectives by heterogeneous actors plays a significant role in shaping how actors perceive the past (Quattrone and Hopper, 2005). Therefore, evaluation of written and oral communications is important in tracing how networks are produced and reproduced, how they acquire meanings and reiterate those meanings to actors, and how they create historically located fragile realities during controversial circumstances (Durepos et al., 2021). In relation to contextualisation of accounts in particular, actants may mobilise incommensurable measures but without disclosing their dissimilarities (Huf, 2020; Latour, 2005). As argued by Llewellyn and Northcott (2005), even though accounting measures provide standardisation of good performance, when they are integrated with other measures in the operational context, it is difficult to make comparisons between entities.

2.4 Prior Studies of Privatisation

Studies on privatisation show the need for privately-owned companies being rationalised (e.g., Knyazeva et al., 2013; Levi-Faur, 2003; Shaoul, 1997). Powerful people made discriminatory use of accounting ideas and information in support of privatisation (e.g., Craig and Amernic, 2004; Gendron and Breton, 2013; Jacobs, 2009; Lowe, 2000; Shaoul, 1997; Sharma et al., 2014). Focal actors opened black boxes using these constructed accounts. They thus resurrected previously resolved controversies, or otherwise problematised an organisation’s situation in accounting terms. With circumstances of an organisational setting being made to seem uncertain, these actors could use accountings and summary measures to make other actors aware of objects of which they were previously ignorant. Hence, they could present evidence to reflect the norms and ideals behind their actions and make dissimilarities commensurable (Busco et al., 2006; Durepos et al., 2021; Huf, 2020; Latour, 1987; Llewellyn and Northcott, 2005; Mouritsen and Thrane, 2006; Walker, 2016).

Between them, the studies reviewed showed that in seeking support for the privatisation policy, powerful people in their respective domains enlisted potential supporters by claiming that a mixture of appealing possibilities would arise from privatisation. Taxpayers would be relieved of the burden of losses. Service purchasers and beneficiaries would pay lower prices for better services and have more choices. Employees would have better prospects through working for better organisations, namely profitable private companies, rather than government departments inhibited by bureaucratic red tape. The economy would grow through services being provided by properly managed companies, willing to invest sustainably in them, and make them more efficient, so that they contribute to public prosperity. To back up these claims, focal actors indulged in purposeful selection of specific accounting policies and manipulation of accounting techniques. Thus, these accounting applications acted as a persuasive tool to rationalise the restructuring process, and so serve political needs or ends. Conversely, opponents were doing the same to invalidate the privatisation process, although less successfully. These issues are examined in this study using the case organisation.
3 Methodology

This section elaborates on the context of our research, sources of empirical materials and our analytical approach.

3.1 Spatial and Temporal Context

We made a qualitative and longitudinal study of telecommunications in Sri Lanka, which, through its successive statuses of monopoly and dominant market player, means the Department and SLT. We worked backwards 160 years to the inception of the telegraph as supplementary to postal services. We examined how heterogeneous actor-networks constructed and presented black-boxed histories about SLT and its circumstances through continuous interactions and interpretations, with rival actor-networks reaching consensus as to “the history” of SLT during restructuring (Durepos and Mills, 2017).

3.2 Collecting Materials

Our empirical materials were both written and oral. The first-named author collected the bulk of them in the field, and also observed SLT administration at work, incidental to visiting head office and other premises for interviews.

3.2.1 Written materials

We found materials showing administrative and accounting practices, and accounting and related information, in a wide range of document types. They helped us familiarise ourselves with the study identity and domain, as well as forming the basis of our analysis and interpretation, including to appreciate black boxes brought about historically. These boxes were those which actor-networks attempted to prise open, in order to make their contents visible and render them changeable.

We used Administration Reports, Sessional Papers and Blue Books (annual colony reports) relating to British Ceylon (1796/1815–1948), Ceylon (1948–1972) and Sri Lanka (1972 onwards) to inform our history of the Department and its context from the 1850s until privatisation as a general policy was first mooted in the 1970s. Given the number of these reports, we made a random selection, as well as choosing those from years of special importance, such as when there were technological developments, political changes or wars. These official sources for the pre-privatisation period were supplemented with national newspaper articles and other media from that period.

For the privatisation period and its immediate aftermath, documentary sources reflected activities surrounding the change processes involved in privatisation, particularly by actor-networks. These networks included managerial, professional and lower-ranked employees, the Government and the Public. We continued using official sources, notably parliamentary debates recorded in Hansard. More was available than for earlier periods in commercial archival and internet collections. These included SLT’s library of annual reports (now SLT, 2022) and internal administrative documents (e.g., revisions of workplace organising practices) and communications (e.g., employee newsletters); documents issued by the stock exchange; corporate, ministerial and other press releases; business magazines and newspaper articles; and publications about the global telecommunication industry.
A major constraint faced while using and interpreting archival documentary evidence was that they were outside the temporal context of their creation (Durepos and Mills, 2017). A further concern is that, in contrast to the documentary evidence gathered about the period before the 1970s, the documentary evidence since the 1980s was mainly authored by proponents of the restructuring programme. Thus, opponents’ views were limited, but for unclear reasons. Perhaps opponents were not allowed to voice their views. Perhaps they did not voice their views in ways which could be recorded. Perhaps archivists did not deem their voices as important enough to be archived. Whichever, this limit to available materials might conceal narratives which could have been important to our study of the restructuring process. In tracing past network relationships using archival documents, we could trace only those actants which archivists had already selected and recorded. However, most of this evidence, particularly from the early history of the Department, was neither produced by people associated with the restructuring programme nor prepared with it even vaguely in mind. Therefore, they represent evidence from which to trace the context of the Department free of the influence of actors involved in the restructuring process.

3.2.2 Interviews

Interviews were conducted with 54 SLT employees in two rounds between 2009 and 2011. Interviewees were recruited using a snowball strategy. They comprised employees from different hierarchical levels of the organisational structure and different functional divisions and sections. Interviews lasted between one and two hours. The two rounds were separated by working with written materials and studying academic literature.

We asked interviewees for information, observations and opinions about various matters in open-ended ways, including things related to accounting, finance and similar. We encouraged them to talk in relatively unconstrained ways about their current experience of SLT and their recollections and stories of its recent and earlier times. Thus, these data comprised recollections of five surviving, pre-privatisation employees and stories the rest heard having been recruited after privatisation. These stories reflected pictures they gleaned from policy implementers and other actors, including their senior managers. We occasionally posed more direct questions to obtain clarifications about situations, incidents, outside events and other matters we were unsure about, or which we considered unclear, paradoxical or ambiguous among interviewees themselves, or on which the documentary evidence was ambiguous or incomplete. Observations and similar incidental to interviews related to physically visible and invisible structures. Examples are the way employees referred to their seniors, the physical atmosphere, rules and regulations, and the circulation of documents.

The interviews turned out to be disparate. Interviewees’ knowledge of SLT’s history of the present was shaped by experiencing survival themselves or from other people’s stories (cf. Myrick et al., 2013; Rowlinson, 2014). The survivors had knowledge and perspectives of the past which differed from documented sources about that past. Thus, the interviews were valuable for tracing divergent interpretations. From them, first, we constructed our understanding of how actors with heterogeneous interests constructed a history about SLT’s past and present. Second, we traced how actors perceived interconnections between particular series of events. Third, we mapped strategic and tactical objectives of differing claims made by informants and how they influenced the present of when interviews occurred.

We had to take account of interviewees’ knowledge being conditioned by their memory and perspectives, leading to forgetting, hiding or being silent on details of information (Durepos and Mills, 2017). For instance, three interviewees from the senior managerial level refrained
from disclosing certain information about the restructuring process and the subsequent transformation programme because they were bound by company regulations forbidding this. Moreover, some actors engaged in the restructuring programme could not be interviewed as they were either retired or had died (e.g., the minister of telecommunications when the restructuring occurred). To reduce the impact of these limitations we referred to the available range of documents.

3.3 Analytical Approach

We used the entire set of empirical materials to interpret several overarching matters. These included the nature and evolution of the global, and the Sri Lankan, telecommunications industry, and SLT; constraints on operations, including technical, resource, financial and political, under entirely government ownership and then partly private ownership; and justifications for a change in ownership form and how the change was intended to be carried out.

We found clarifications between “past” and “history” by Munslow (2012) helped in framing our analysis. He defines “the past” as being “what once was but is no more” while “history” “is a narrative that we could construct about ‘the past’” (p.7). This implies that in reassembling the past, relational activities are important. So too are being alert to the politics incentivising actor-networks to conceal knowledge and appreciating the extent to which achieving a black-boxed history serves the interests of the heterogeneous actors (Durepos and Mills, 2011, 2017). Munslow’s ontological assumptions resemble those embodied in the ANTi-history approach. Thus, we sought to trace connections and network relationships of actors, actants, and sequences of occurrences, and to identify how cultural aspects, differences in ways of thinking, and the use of political power of people in specific occupational roles and associated manipulative strategies facilitated the translation process in the cause of the restructuring (Peräkylä and Ruusuvuori, 2011).

Our tracing of the translation of actor-networks in the past had to rely upon the alternative accounts presented by the interviewees and by authors of documentary sources. In this, we took great care to trace alternative possibilities and network relations, rather than searching for better or more “real” accounts depicted as the history of SLT (Myrick et al., 2013). Thus, our findings incorporate multiple associations and translations we interpreted from our empirical materials. Concomitantly, we analysed past events chronologically, in order to expose the alternative accounts used to configure SLT’s tacit histories. We paid particular attention to which actors were involved in the process of creating narrative histories and counter-histories, on whose terms these histories were created, and who benefited from, or were marginalised by, particular narratives (Durepos et al., 2021; Llewellyn and Northcott, 2005). This included how rival actors mobilised evidence on accounting practices and information in shaping SLT’s identities in the past (Christensen et al., 2019). Ideological motivations of actors were evaluated to see how their own perspectives and interests were positioned to achieve a specific purpose and to map the production and reproduction of fragile networks over time and space (Humphries and Smith, 2014).

4 Findings

The restructuring of telecommunications in Sri Lanka since the 1970s involved its proponents simultaneously problematising what existed and portraying what they believed should be brought about as the solution. To wit, the network and services continuing as a monopoly in the hands of the Department was problematised. Corporatisation or, better still, privatisation,
and being joined in the market by other, private operators, was presented as the solution. As the focal actors, the proponents of restructuring telecommunications thus opened a black box whose contents were reviewed and altered during the period of change. The focal actors influenced, persuaded, manipulated, coerced and otherwise shaped the behaviours of the opposing actors (see Table I). These actors achieved legitimacy for their cause by portraying the problems they had with the Department as ones these other actors also faced. They implied that these other actors would be advantaged and reap rewards if the restructuring they offered as a solution were implemented. Thus, they enticed and enrolled these other actors, and so built and maintained successive supportive actor-networks. The focal actors pressed home their restructuring aspirations once these actor-networks became of sufficient weight. Then, being satisfied with the solution, they stabilised it in a new black box.

[Insert Table I here]

The restructuring generated successive changes to both formal institutions and various public policies. These changes were consistent with the interests of the focal actors and others in their actor-networks, particularly in enhancing their power (cf. Pierson, 2000). The restructuring was achieved despite resistance put up by networks opposing corporatisation and then privatisation. This resistance meant changes did not come without traumas; nor were changes linear and in the same direction (Wickramasinginghe et al., 2004). These traumas triggered acts by the focal actors at each stage to recreate successive temporary stabilities around their corporate business philosophy and ideology (Kularatna and Dhilawala, 1998; Samarajiva, 2000).

Among other things, focal actors mobilised selected things associated with accounting to garner support for change; to serve their political, economic, social and other interests; and to make views of opponents seem weak. Accounting figured practically and rhetorically in the form of business proposed as the solution. This reflects how the proponents used accounting things around their preferred philosophical and ideological direction to recreate stability of structure and activity in the minds of their supportive actor-network. These occurrences are consistent with studies cited in S1 showing that accounting has been implicated worldwide in the upheaval and entrenching of changes to telecommunications.

4.1 SLT’s legal status and form of business

The Department went through three stages of transformation from 1979 onwards. From 1980 it lost responsibility for postal services, becoming solely a telecommunications department. Then, in 1992 it became a state-owned enterprise, namely SLT Corporation. In 1996–97, it became a publicly-traded company, but with Nippon Telegraph and Telephone Corporation (NTT) holding 35% of the shares (Kelegama, 2006; SLT, 2022). The Government chose NTT as it had occasionally assisted the Department since 1962 and could provide resources and expertise needed for rapid technological advancement (Ratwatte, 1995a, 1995b).

However, legal changes are one thing, but changes to its form of business, let alone its socio-political nature, are quite another. This is exemplified in a telling quote in the SLT 1999 Annual Report (available from SLT, 2022) detailing its related party status vis-à-vis the Government, which then held 61.5% of its shares:

SLTL provides telecommunication services to the Government of Sri Lanka...
However, the amounts due from the Government for these services have been outstanding for long periods. The policy to disconnect telephones for late payment is not uniformly applied to Government departments. (p.50)
The Government’s influence extended to appointing SLT’s chairman and other board members and regulating SLT through the Telecommunications Regulatory Commission of Sri Lanka (TRCSL), as established in 1991 (Kularatna and Dhilawala, 1998). Besides, the statutory form which state-owned enterprises take in Sri Lanka involves little more autonomy in operations and decision making than applies to government departments. Thus, the transformation from Department to SLT Corporation did not change the organisation’s basic administrative and financial dependence on the Government. Indeed, when we conducted our interviews more than a decade after words such as “enterprise” and “company” were initially invoked, SLT plc was still in the upheaval of attaining the status of a private competitive business. This was despite services agreements (1997–2007) with NTT to provide technical and management expertise. Wickramasinghe et al. (2004) note conflicts associated with cultural, economic and political factors between executives supplied by NTT and Government appointed directors. The conflicts led to a rapid turnover of Government-appointed chairmen and NTT-appointed chief executives, at least during the first five years of agreements. Moreover, the last agreement’s expiry coincided with the sale of NTT’s stake to Global Telecommunications Holdings. According to the 2010 annual report (available from SLT, 2022), the new shareholder appointed a chief executive officer with the remit of transforming SLT into a customer-centric, market-focused business, striving for customer service excellence.

Alongside the above, 2003 marked the milestone when SLT’s non-Government shareholders first held a majority of shares and shares were first traded on the stock exchange. In addition, competitor organisations which had begun appearing in 1985, expanded into the landline, broadband and mobile markets, and the markets for mobile devices and other information communications technology (ICT) which was “going global” (Kularatna and Dhilawala, 1998; TRCSL, 2019).

### 4.2 Translation

Focal actors enticed and enrolled other actors as the process of translation occurred. The overt focal actors, those with aspirations of restructuring telecommunications in Sri Lanka, comprised people well-placed in the Government (see Table I for examples). Their view was that commercially orientated competitive business models should be introduced, replacing state-controlled businesses, the state itself being part of the problem rather than part of any solution (cf. Öniş and Şenses, 2005). However, behind the scenes, focal actors included officials, policies, and donation and loan conditions of supranational organisations (Deshapriya, 1989; Heeks and Stanforth, 2015; SLT senior manager interviewee; Wickramasinghe et al., 2004). Other researchers (e.g., Craig and Amernic, 2004; Jacobs, 2009) have attributed the use of accounting measures to the needs of these organisations, and as primarily a persuasive tool deployed to legitimise privatisation and to serve political ends.

In the 1970s, focal actors utilised the Government’s political power to communicate the need for an industry restructuring programme to networks of other actors, such as the public, subscribers, employees and trade unions. For their benefit, the focal actors constructed a socio-past of telecommunications as inadequate under the Department. Among alleged longstanding accounting-related shortcomings were a lack of formal accounting practices, poor operating efficiency and being totally dependent on the Government for capital investment spending to develop and extend the network and keep up with technology (Kularatna and Dhilawala, 1998).

To define a situation and construct meanings in their favour, the focal actors controlled information flows to supporters and potential supporters. Their selectivity regarding accounting, auditing and accountability included unfavourable information about costs of
connections and services, internal operating efficiency and productivity, employee performance, revenue assurance, profitability, human capital, quality of services and customer relations. The focal actors used spokespersons who looked impartial and informed. These were from universities, professional bodies and non-government organisations who performed particular occupational roles, including engineering professionals, development workers, chartered accountants, economists and other specialist policy advisors. Examples of these means of persuading actors and changing their perceptions are exemplified in newspaper articles, including even lengthy supplements, some government sponsored. These were aimed at customers and the public in general (e.g., Adikari, 1991; Daily News, 1989; Fernando, 1990; Gunasekera, 1991b, 1991c; Pethiyagoda, 1996; Ratwatte, 1995a, 1995b; Samarasinghe, 1991). Similar use was made of local leaders, such as school principals, priests of religious institutions and heads of business and youth organisations.

Other studies have similarly found that, during restructuring programmes of state-owned enterprises world-wide, using accounting issues has been a common practice in rationalising and controlling resistance from the public and employees (e.g., Knyazeva et al., 2013; Levi-Faur, 2003; Shaoul, 1997). Thus, concepts were invoked such as elimination of inefficiencies in government investment, costs of connection, pricing, measuring and improving performance (e.g., waiting lists for connection, dealing with faults), profitability and dividend payments. More general shortcomings related to too much bureaucracy, control, and political interference, and inadequacies of vision, service quality, sense of duty to customers and the public, and ability to respond to rapid changes in the telecommunications industry (Balasooriya, 2008; Kularatna and Dhilawala, 1998; Wickramasinghe et al., 2004).

These deficiencies were alluded to in goals set in 1992 for the new state-owned enterprise:

- to increase productivity; to achieve and maintain international quality standards;
- generation of funds to meet capital investment; maintain adequate level of profitability;
- achieve a rate of return of 15% on re-valued fixed assets. (SLT, 1992, p.2)

These goals reflect the focal actors’ alternative of telecommunications being organised as a commercial entity and to convince the public and employees that privatisation would eliminate the issues experienced under government ownership. Thus, they raised previously unconsidered possibilities, involving private ownership, for-profit business methods and workplace organising practices, and competition.

The opponent networks were uncertain and apprehensive about proposals from focal actors to change the ownership of the Department. The possibilities which focal actors were advancing as solutions were contrary to some of their tacit knowledge and behaviours (Busco et al., 2006). However, the focal actors overrode obstacles from actors resisting restructuring, their associations with government giving them power advantages over supporters and opponents alike. They convinced enough of those who mattered about the veracity of their case for a mutually desirable stable outcome, and so differing interests were aligned, allegiances were changed and opponents were vanquished.

The focal actors also held “customer forums” around the country to address public and subscriber resistance. At these, SLT’s top management, including the chief executive officer, met with groups of customers in both urban and rural areas, to gauge the level of satisfaction and to address their concerns and issues. However, the evidence traced from government publications suggests that these forums were essentially used to communicate SLT’s strategies to the public and align participants with its agenda. Two senior managers claimed that keeping
the customers satisfied was vital for SLT to survive in what began to be a highly competitive market once mobile telephones came on the scene and private providers emerged.

Employees and their numerous trade unions (around 100) were perhaps the best placed actor-networks to question the problems and solutions constructed by the focal actors. Interviewees confirmed that many stayed part of the actor-network which opposed the focal actors, but others changed their minds. These mind changes were because they too were a target of the selective information spread by focal actors in favour of their cause and because of direct benefits introduced to counteract their resistance to restructuring. For example, they were offered advantageous voluntary retirement packages (Kelegama, 2006), a stake in the employee share ownership plan, better pay and conditions and promotions. The latter is evidenced in the increase in the number of executive positions from about 250 in 1997 to 578 in 2007, while the total number of employees reduced from approximately 8,000 to 7,000. Interviewees related that the restructuring settlement negotiated by unions for the many employees who remained in the newly styled organisation included remuneration packages better than in the public sector and equivalent to private sector employees’ salaries, allowances, conditions of employment, recreation facilities and welfare provisions. Furthermore, they retained benefits enjoyed by government servants, such as railway warrants and a government pension for over 10 years’ service, retentions not offered to employees of other privatised departments.

The focal actors used internal communication channels, including notice boards and internal newsletters. For example, an internal newsletter in 2005 reported that the change in ownership had dramatically improved performance in terms of customer satisfaction and workforce productivity (e.g., the number of lines per employee, which is a key measure of telecommunications productivity, had improved by 300%). One senior manager interviewee claimed that these communications were a successful strategy, including to gain support of trade union members.

Similarly, the focal actors convinced managers and supervisors of occupational groups to inform their subordinates about the changes. An example implicating accounting involved the revenue from charges for international calls. Senior managers informed employees that these revenues were a lucrative and increasing revenue source. While SLT was a government department, this revenue was under Government control, meaning that the Department needed executive-legislative approval to use it to meet increases in variable costs or to finance new infrastructure, whereas in a corporatised Department, this would change, thus benefitting telecommunications, the organisation and its employees. This example was also communicated to the public by the Minister of Posts and Telecommunications through a newspaper article. He juxtaposed the lack of autonomy which the Department had in managing funds with the autonomy a state-owned enterprise would have:

The yielding revenue of the Department running into millions at present is absorbed by the Treasury... However, […] a corporation] will have the power to decide on its priority in the development while remitting an agreed amount to the Treasury. (Adikari, 1991, p.6)

This minister saw the regulations and decision-making process of a state-owned enterprise as more suited to a growing modern business than those governing a government department. These same matters were alluded to by two engineers, as reported in newspapers (De Alwis, 1988; Island, 1991). They claimed that better service performance, including sufficient internally generated funds for renewal and investment, could be achieved by establishing a national telecommunications policy and bestowing greater financial and administrative
autonomy on a state-owned enterprise. The first of two presidential committees on liberalisation of telecommunications, established in 1984, recommended that the Department be changed to a state-owned enterprise.

However, this specific proposal and restructuring in general were still much questioned. Indeed, opposing actors and other sceptics criticised Departmental senior managers for falsifying information to policymakers. For example, contrary to what these sources claimed and to reasons given later for needing NTT to become a shareholder in SLT, a leader of the Telecommunications Engineers’ Union told a newspaper (De Alwis, 1988) that the Department was one of the best telecommunication service providers in Asia. Its technology was already state-of-the-art, and its staff and technicians were highly skilled. Government allegations of poor operational inefficiencies were largely unfounded. Any inefficiencies which did occur mostly arose from unnecessary political involvement, lack of a national telecommunications policy and a poor administration structure. Even so, up to 1988, the Department had not made any losses. Other opponents also questioned claims by senior managers about losses (e.g., “the Department is making a loss of LKR 400,000 per day”)—losses made during the late-1980s were ascribed to civil unrest prevalent in the country during 1987–1989, during which the telecommunication network infrastructure suffered significant damage (Deshapriya, 1989).

Four of our interviewees raised a further aspect about costs and profits under the Department, namely employing excess workers in minor operational employment categories. This is reflected in trade unions opposed restructuring because of the country’s high level of unemployment. They did not want to see this added to by retrenching labour in state-owned enterprises and other governmental organisations. They argued that offers of supposedly advantageous voluntary retirement packages were not acceptable as an offset to this retrenchment. Deshapriya (1989) accused the Government of ignoring the suggestions made by the trade unions to improve the efficiency of operations. Indeed, it appears that focal actors and their supportive actor-network took little interest in the Department overcoming its various shortcomings while remaining a state-owned entity, let alone a government department. Thus, it appears that privatisation was the ultimate goal, including reductions in the power of unionised employees and engineering specialists vis-à-vis modern managerial methods and customers. Indeed, an advisor to SLT’s chief executive officer told us that although the Department had enough technically and professionally skilled staff, the Government subcontracted certain projects to foreign companies at unjustifiably high costs.

When the change from Department to Corporation occurred in 1992, not all the actor-networks which had supported this wanted to carry on to privatisation of SLT and other businesses being admitted into the industry. Indeed, some actors who supported the Department becoming a state-owned enterprise now opposed privatisation, including because they judged it as a failure in, for example, the Ceylon Leather Corporation, Ceylon Porcelain and Ceylon Transport Board. Thus, focal actors regrouped behind their cause and continued invoking accounting things:

Public enterprises are collectively run at a loss in Sri Lanka …. [they] impose budgetary burdens on the government… and have led to serious misallocation of resources. This has imposed financial obligations on every person who has to sacrifice. (Ratwatte, 1995a, p.8, emphasis added)

This sort of message ignores the inappropriateness of evaluating the effectiveness of structures of state-owned enterprises using a few selected common standards (Craig and Amernic, 2004; Gendron and Breton, 2013; Shaoul, 1997). The strong opposition to privatisation among
members of the public and employees was grounded on the recognition that state-owned enterprises operate with an objective of ensuring the interests of the public at large, rather than maximising the private wealth of a few individuals, so the objectives of the different types of ownership are contradictory (Jacobs, 2009; Wickramasinghe et al., 2004).

Following this re-alignment of some actors, the focal actors took other steps to assemble an actor-network in support of their cause. At the time of corporatisation, connection to and use of telecommunication services were still concentrated geographically and among the wealthy (Kularatna and Dhilawala, 1998), because most people could not afford the high costs of initial connection and call charges. However, the focal actors appealed to customers and potential customers among the wider populace to garner support. They re-designated telecommunication users from subscribers to customers. In newspaper pronouncements and through spokespeople, they argued that privatisation would have major benefits for a growing number of customers. They drew attention to possibilities of reductions in cost-based connection costs and call charges, and shorter waiting times to obtain new connections, as well as new teleshops and computerised bill payment systems, and overall improvements in operational effectiveness. They also used the argument that the state-owned enterprise structure could not respond to the rapid advances taking place in telecommunications technology and the global industry.

Intriguingly, the envisioned favourable financial outcomes for customers among the benefits just outlined were paired with references to eliminating excess staff, and to employees being motivated to work harder and be more productive, as the state would no longer guarantee their jobs. This appears to be an example of duplicity, or using information in a localised way, supplying it to one group (in this case, the public) but not to another (the employees), or even contradicting it to the others. It is ironic therefore that the tactics used to disparage public opponents of privatisation included describing fears of privatisation among the public as unfounded and based on unreliable information (Gunasekera, 1991c).

For their part, not only did opposing actors continue criticising the amount spent on propaganda by the Government, but also they continued claiming false information was being used. For example, regarding prices, they referred to the price of telecommunications services in England having risen after privatisation. They expressed concern that private companies would maximise their profits by limitlessly increasing prices (De Alwis, 1988; Jayakody, 1996). Besides, some engineers, including some we eventually interviewed, pointed out that the reasons for many improvements in telecommunication services, as well as increases in their availability and reductions in their costs, were only incidental to changes in ownership forms. Instead, they were the result of what was technologically possible following the rapidly evolving science and engineering of telecommunications and ICT (cf. Samarajiva, 2000). Focal actors on the other hand were somewhat selective in acknowledging global trends, attaching to their cause the argument that Sri Lanka should follow other countries which were adopting competition orientated reform policies around telecommunications (e.g., see Gunasekera, 1991a).

Newspaper correspondents at various times (e.g., Deshapriya, 1989; Jayasekara, 1994) warned that the public could not accept the justifications the focal actors were putting forward for privatisation. They pointed to the previous privatisation programmes enumerated above having failed to safeguard the public interest, as indicated by job losses and product price increases. These previous programmes impugned the notion that privatisation leads to elimination of political interference and corruption, because, after their transformation, political authority was still influencing senior manager appointments.
The public and employees showed their opposition to restructuring through mass protests. These were so severe that the Government of 1977 to 1994 was obliged to re-imagine its programme as “Peoplisation”. This referred to the public being able to purchase shares in the new organisation. However, as newspaper correspondents pointed out (e.g., Deshapriya, 1989; Jayakody, 1996; Jayasekara, 1994), buying shares in companies was not something very many people in Sri Lanka could afford, even if they wanted to. Therefore, any locally held public shares in the so-called “peoplised” enterprises would mainly be held by the wealthy. There was also every likelihood that many shares would be purchased by foreign investors (as eventually occurred).

The economic and political implications of such purchases were also questioned. Although there was an initial inflow of foreign currency, it was followed by a steady outflow of Sri Lankan currency. The political implications came to a head in 1996, when the 1977–1994 Government, by then the Opposition party, opposed selling shares in SLT to NTT. Its view was based on safeguarding the interests of the country from foreigners and protecting consumers and employees (Hansard of September 1996).

However, the Government of 1994–2001 authorised this share sale anyway, under the theme “Privatisation with a human face”, and so a further step occurred in privatising telecommunication services and SLT. Its action was particularly controversial because during its successful 1994 election campaign it had promised to do otherwise. Backing up our surmise of supranational organisations being focal actors, this policy U-turn was attributed by some commentators (e.g., Island, 1998; Jayakody, 1996) to supranational organisations making downsizing of the public sector a condition of providing financial and other aid to the new Government. However, to deflect criticism, the Minister of Telecommunications claimed that the Government had committed itself in its election manifesto to making telecommunication services available to people in rural areas at reasonable prices. Assembling the past conditions and linking them into the present and future, the Minister rationalised the privatisation, claiming that:

As we approach the 21st century, … moving towards the emerging “Global Information Society”, where [the] telecommunications … industry continue[s] to develop … at a vastly accelerating pace… In this changing environment, Sri Lanka cannot afford to remain in isolation and be left out from reaping the benefits of these revolutionary changes. (Hansard of September 1996, p.956)

This appeal is a further example of how opposition to privatisation was overcome, despite the arguments, protests and other forms of resistance. Among parallel measures the focal actors enacted was a strengthening of the powers of the regulator, TRCSL, compared with when it was established in 1991 (see Samarajiva, 2000). This was justified on the grounds that, although corporatised as SLT (and later privatised), there was (in the 1990s) still something close to a monopoly in telecommunications (Kularatna and Dhilawala, 1998). Thus, to ensure an efficient, dynamic, technologically innovative industry with cheaper and better-quality services to accommodate the interests of a wide range of stakeholders, an effective regulatory body was necessary (Gunawardana, 2007).

Another tactic focal actors used was to involve willing trade union leaders and employees directly in several rounds of discussions about SLT’s development. Even so, some focal actors continued bad-mouthing trade unions. A spokesperson from the Ministry of Telecommunications blamed unions for disturbing the “excellent progress” which had been made in the telecommunications sector and damaging investor confidence. The spokesperson
said their action “prevents the public [from] enjoying the benefits of the successful policies” (Sunday Observer, 1999, p.17). Thus, focal actors exploited a negative perception the public had of trade unions at the time. Similarly, they implied that opponents of restructuring were from operational level employees or labourers. As such, they were more likely to be trade union members and under the influence of union representatives, and less likely to possess technical knowledge appropriate to recognising the benefits of restructuring—this was despite opponents being engineers, such as De Alwis (1988), or coming from other professional and managerial ranks.

Another attempt focal actors made to build public and employee trust was establishing the second presidential committee, namely the Public Enterprise Reforms Commission, in 1996, giving the impression that the privatisation programme was neutral rather than part of a political agenda. For instance, a representative from the Ministry of Telecommunications claimed that “The persons appointed to the Commission have the highest professional qualifications and are persons of integrity” (Sunday Observer, 1999, p.17). This commission claimed that the Government had insufficient capital available to develop infrastructure because its budget deficit increased during the 1990s, and so private capital was needed if the waiting time of aspiring telecommunication subscribers was to be reduced and the waiting list made manageable.

However, a former director of a previous state-owned enterprise countered:

Ministry officials who constitute the majority of the committee are the Minister’s appointees and are beholden to him. No representative from public or the trade unions were appointed to these committees and the process of privatisation became seriously flawed. (Island, 1998, p.8)

Three interviewees also claimed that the Commission was concerned less about public support than about increasing employee support, as it was this which was seen as most crucial to the success of the process.

By the mid-1990s, according to an engineering union member among the interviewees, engineering staff had come to favour privatisation. Given this support, the focal actors enrolled the engineering union to lead the negotiations between the trade unions and the Government. To counter the resistance from other trade unions, it was the engineers who communicated to them the benefits of privatisation. The engineers also negotiated terms in the restructuring settlement, leading to the direct benefits for continuing employees outlined earlier. A related strategy was to give trade union leaders training abroad, which provided opportunities to witness the benefits of privatised telecommunication industries in developed countries. According to the engineering union interviewee, these actions increased the support of other trade unions for restructuring, except for trade unions which were politically motivated.

From the time of its formal involvement in 1997, NTT became a focal actor. For the next 10 years, it provided the three top managers cum executive directors. These actors tried to replace bureaucratic management controls inherited from the Department with Japanese management practices and controls (see Dassanayake and Hori, 2005). They also changed the training regime, according to a senior manager. Whereas previous training programmes were mainly designed to improve the technical capabilities of employees, the focus under NTT was on improving management and soft skills, to change customer perceptions of services provided to them.
The restructuring appears to have been derailed and delayed during the first services agreement with NTT. Wickramasinghe et al. (2004) found the changes to management controls led to encumbering conflicts involving TRCSL, as well as Government-appointed board members. However, by 2004, things seemed to be getting back on track, as indicated retrospectively by our interviewees. Three operational-level employees claimed that the introduction of new Japanese management practices (e.g., TQM, 5S) improved the quality of the services provided to customers and the productivity of operations. Ten others claimed that they were culturally transformational, with the lethargic, bureaucratic style of operations and administration being replaced with dynamism, thus producing a challenging, performance orientated and profit-driven work environment. These effects generally garnered the approval of middle and lower level employees for the changes, and their enrolment (or renewal of enrolment) in the supportive actor-network.

To effect a strong black box which would cement the new circumstances in the minds of the public and employees, and beyond the reach of opponents, focal actors continued to use newspapers and related means. The idea of SLT being a successful private company was rationalised. Common terms used included “successful sale”, “a new era in the telecommunications industry in Sri Lanka”, “cost-efficient service for customer” and “assurance of public interest” (e.g., Daily News, 2004; Sunday Times, 1998; Sunday Observer, 1999). A representative from the Ministry of Telecommunications (Sunday Observer, 1999, p.17) claimed “citizens will certainly reap the benefits of a well-managed company” which is accountable to the citizens and the workers.

These claims were supported with various accounting and related measurements. For example, the United Nations (2004) reported that the investment made by NTT was the largest foreign direct investment ($236 million) in the country as at December 2002 and made a significant difference in the telecommunications sector. This was juxtaposed to the notion of SLT no longer being dependent on the Government, with SLT’s chairman stating in the 2000 annual report (available SLT, 2022) that it had not needed a single rupee from the Government for capital investment since privatisation. According to Gunawardana (2007) and to Jayasuriya and Knight-John (2000), the entrance of new operators after privatisation and the deregulated value-added telecommunications services which ensued resulted in call rates becoming lower, or more competitive. The initial cost of connections also reduced. This made Sri Lanka one of the most competitive markets among developing countries in the Asia-Pacific region. Other measures, such as quality of service, customer relations and internal operational efficiency were reported as having improved significantly alongside privatisation (Balasooriya, 2008; Jayasuriya and Knight-John, 2000). SLT’s board was shown to have a majority of highly qualified professionals with extensive international experience. These matters are reflected in the improvement in appearance and extended coverage and rhetoric of the company’s annual reports since 1999 (see SLT, 2022).

In contrast, a senior manager countered that comparing performance before and after privatisation and attributing all improvements to the change of SLT’s ownership form was unreasonable. As noted above, many changes were consequences of advances in the science and engineering of telecommunications and ICT. This interviewee was aware that the Government had not evaluated the potential for expanding capacity or improving efficiency of operations or administration without privatising. Thus, the restructuring still had sceptics, critics and opponents. For example, commenting on the promises made by the Government at the point of privatisation, David (2007) claims that, following dramatic global price reductions, the monthly rentals and call charges which consumers in Sri Lanka were paying were among
the highest in southern Asia as well as the rest of the world. Supporting these claims, Gunewardene (2004), the deputy speaker of parliament, claimed that the intended objective of popularising telecommunications services for the benefit of the public was not achieved as SLT had increased its prices to increase its revenues. Indeed, David accused the Government of deliberately keeping the public in the dark by being selective in the information it made available. It was letting the public assume that the rising cost-based tariffs even after privatisation were due to factors beyond SLT’s control.

4.3 Stability according to ANTi-history

The strong black box has seemingly put beyond the reach of opponents of the restructuring and anyone else the issue of whether telecommunications comprise products to customers supplied by privately-owned business capitalised by investors in pursuit of profit, compared with being a public service to subscribers and run along bureaucratic lines. This stability resonated among our interviewees, as did the inevitability and unproblematic progress of change once the organisational separation of telecommunications from postal services had been made. Among things they asserted were impressions of a past of inadequacies to which a return was inconceivable. These assertions were widespread, despite only five interviewees having actually worked for the Department and only a few more having been around when SLT was a state-owned enterprise. Thus, they were relying on what was communicated by senior management, policy implementers and similar among the focal actor’s network in reinforcing retrospective constructions of the socio-past. They believed the government controls in place in the 1970s and 1980s were unsupportive of efficient and timely investment decision-making. They perceived Department employees as inefficient, as restricted in obtaining and exercising discretion over funds, and as susceptible to irregularities. A senior manager related that the Department had lacked strategic vision and that strategies were formulated based on political influence, not on the potential of rapid evolution of technology in telecommunications. They also believed that the state-owned enterprise lacked capital in the 1990s to invest in infrastructure and so respond to the demand coming from aspiring customers, a belief in line with the views of the presidential commission of the time. They also claimed that these resource constraints meant the country’s telecommunication system had been inadequate technologically to be able to handle the increasing number of calls, and so a high number of “traffic jams” had occurred. A related longstanding issue they were convinced had existed was the Government deeming the cost of installing lines and equipment to potential subscribers in outlying areas of the country to be uneconomical. This included that lines, if installed, would likely have very low public usage levels, even as traditional populations became integrated through social and economic development and political union. Thus, most interviewees were clear that changes to administrative procedures and organisational culture inherited from the Department had been required.

Most interviewees claimed that privatisation of the Department involving NTT had ameliorated or even solved the apparent problems of poor performance and inefficient decision making, giving rise to better quality telecommunication services. Indeed, simply referring to SLT as a “company” gave rise to a positive image. They generally perceived that the administration and operational procedures became more efficient after privatisation. For example, two interviewees claimed that the investments made, and accounting systems introduced in the newly established revenue assurance division ensured timely collections, and accurate and detailed information about the revenue collection process. All senior managers interviewed claimed that the new performance-based system encouraged all executive staff to achieve a higher level of excellence. Moreover, three interviewees claimed that the newly introduced
employee welfare facilities were helping to gain the trust of employees, particularly from the operational level, in contrast to dissatisfaction with the previous welfare facilities. Most interviewees were of the opinion that increased levels of competition in the telecommunications industry incentivised SLT to tackle inefficiencies, waste and corruption in order to retain its customer base. Some operational level interviewees in particular thought that a difference in attitudes and perceptions of employees was evident in the contrast between the appearance, technology and physical layout of the old office premises and the present-day modern office spaces, the modern technology now used in day-to-day operations, and the better recreational facilities now available.

4.4 Selectivity Revisited

From examining documentary sources, especially ones from before the 1980s, we noticed various contradictions with focal actors’ histories and the accounting they mobilised (or ignored). For instance, contrary to the claim of a lack of formal accounting practices, supposedly because the Department was a colonial administrative unit under the supervision of the Treasurer and Auditor General, its colonial era officials had a duty to maintain financial controls, keep accounts and report to the Colonial Secretary. It is evident in Administration Reports and the like that governmental and commercial accounting practices were present and use was made of accounting information from the outset. Furthermore, the colonial practices of administration in general and accountings in particular are evident through and after independence. This legacy was for as long as the Department existed, albeit with modifications, such as when the context demanded, or when consultants or aid organisations introduced international methods, processes and other technologies.

Furthermore, documents we examined showed reporting occurring within the Department and externally. Estimates and analyses were performed of organisational cash receipts, revenues and expenditures, and balance sheet items. Pricing and costing were also performed for special projects. The commercial accounts were reconciled with the governmental accounts, as the latter used a cash basis. Details were provided of inventories and of technical performance. The latter included mileage of wire in use; volume and value of services provided, analysed into types of services; maintenance activities; delays in transmission, number of interruptions, and average time of interruption per mile of wire; expansions of the network; and number of new offices. Information about human resource development was also provided (e.g., performance of individual employees; continuous training and promotion of local engineers; development of local engineers’ technical knowledge and skills). Any mismanagement or misappropriation of resources was also reported.

Documents also revealed changes after political independence and as the business of the Department expanded. By 1965, more internal controls had been implemented, including tight budgetary controls, policies to safeguard assets, financial regulations and setting boundaries to delegate management of funds at the operational level. Furthermore, according to the 1991 annual corporate plan, the Board of Directors acted to improve financial control and management. Internal audit activities continued from the Department period.

This accounting and performance information implies that performing efficiently was important in operations of the Department. This contrasts with claims of focal actors and beliefs of many employees we interviewed. Indeed, the information is shown as serving various managerial functions. These included planning, decision making, operational and employee performance evaluation, control, and revenue and quality assurance. Terms used in the Administration Reports in relation to technology, such as “the cheapest in the long run”, imply
that Department officials were concerned about minimising operating costs. They invested in the most advanced telecommunication technology of the day and paid attention to long term performance. Administration Reports in the 1940s and 1960s made such claims as: “[the] reliability of the country’s overseas radio telegraph links was improved by the incorporation of automatic error correction equipment”, and “the Department made efforts to provide the public with better high-quality communication links”. This is consistent with a focus even from the early days on introducing high quality services at a low cost.

Furthermore, linked to indications of the Department being concerned about the quality of its operations, the Administration Reports reveal it continuously acted to keep employees up to date with the ever-changing technology. This contrasts with claims made by focal actors about a lack of skilled employees. For example, in the 1920s the expatriate Chief Telegraphic Engineer promoted local engineers and developed their technical knowledge and skills by organising forums. Employee performance evaluation was mainly used to facilitate recommendations for annual salary increments. Despite aspersions which focal actors made about the Department’s workforce, SLT’s Corporate Plan of 1992 attributed the planned profitability of the state-owned enterprise to having a technically skilled and dedicated workforce. This workforce was equipped with a broad infrastructure and advanced technology. The plan further claimed that the state-owned enterprise had the capacity to meet any national demand with support from the Government.

Regarding auditing, the Administration Reports do not use the actual term “auditing” before the early 1940s. However, they imply that most checks and investigations termed “auditing” nowadays were performed from the inception of the organisation. The report of the Postmaster General included a section describing the nature of fraud, actions taken for individuals who were found guilty, and reasons for irregularities. Investigations in this regard were carried out by the Investigating Inspector of the Department. From 1942, details regarding surprise visits and other inspections carried out by the Audit Examiner were reported in the Administration Reports.

The reports we examined indicated that, until at least the 1960s, little significance was given to pricing decisions. However, in contrast to our interviewees’ belief that a lack of pricing strategies before privatisation was because the Department simply overlooked them, the reason was that telecommunication services were mainly considered as basic infrastructure. This was vital to other economic and administrative activities of the country, and so profit orientated pricing was far less important than just getting as many people connected as possible.

This evaluation demonstrates that, as is not unusual for people making sense of the past, the interviewees evaluated the Department’s past through their present-day lens of a commercial telecommunications service provider. The original purpose of the telegraph was a communications infrastructure network there for official purposes of the Colony Government and to support colonial activities. Only afterwards did it come into wider public use, and then only gradually, initially among political, commercial and social élites, many of them expatriates. This remained so for a while after political independence, and only from about the 1970s did the wider populace aspire to having landlines (which have now been largely replaced by mobiles). The telegraph was originally a novel and very limited technology to improve administrative efficiency, and so represented a change in the make-up of administrative costs. It is now a many-faceted commercial service in universal use.

Reasons for the more powerful focal actors deliberately leaving out the above matters include them detracting from their cause, which was to have a privatised industry in which they and
their political supporters could invest and reap the profits. One reason for opposing actors and their network ignoring these matters could be them not knowing or being uninterested in the history bequeathed them by the colonial power, or even perceiving accounting as a vehicle of oppression and exploitation (cf. Dixon and Gaffikin, 2014).

5 Concluding Discussion

This study advances knowledge of accounting as performing roles, being part of schemes and comprising purposeful activities. It illustrates an ideological and political process unfolding in the context of the Sri Lanka telecommunications industry. Drawing on empirical materials from and about SLT, we show how retrospectively constructed historical accounts of the monopoly organisation were used by focal actors to problematise its existence. This led to the emergence of a restructuring programme involving privatisation. Controversies pertaining to privatisation were addressed by the focal actors and the actor-network in support of the programme. These actors closed these controversies and overcame obstacles to the programme, including those put up by actors and actor-networks characterised by opposition, scepticism, cynicism, doubt, resistance and dissent.

Each of the actor-networks, with contrasting ideologies and different power, produced and reproduced accounting artefacts as evidence in various phases of this ideological and political process (Busco et al., 2006; Durepos and Mills, 2011; Hammersley, 2003; Mourtis and Thrane, 2006; Myrick et al., 2013; Preston et al., 1992). The accounting applications were disparate, complex and opaque. However, the ANTi-history approach shows connections among accounting applications and the people mobilising them, who came from various sides of the political arena. This approach and the ontological assumption of black-boxed history, as a narration about a past which is ideologically, spatially and temporally located, allowed us to appreciate this as a political process of production and reproduction of multiple historical accounts. These accounts are fragile in nature and able to conceal contradicting knowledge objects in closing a controversy (Munslow, 2012). The ANTi-history approach facilitated our collecting evidence and otherwise tracing both physically visible and invisible structures and dynamics which were involved in human and non-human network relations. It is through these relations that the ascendant history, in favour of the focal actors and their actor-network, was constructed. This included them silencing alternative discourses, actions and interpretations (Alcadipani and Hassard, 2010; Humphries and Smith, 2014; Latour, 2005; Law and Mol, 1995; Myrick et al., 2013; Robson and Bottausci, 2018). Thus, the dominant actor-network achieved changes aligned to its interests, including changing the actions of others (Christensen et al., 2019; Durepos and Mills, 2011; Latour, 2005; Modell et al., 2017; Mol, 1999; Preston et al., 1992).

The evaluation of the translation process demonstrates that the focal actors with high levels of power were able to problematise the existence of the Department and its context, thus marginalising or silencing the rival networks. Multiple realities about the past of the Department disappeared and other actor-networks were enticed to legitimise the restructuring programme and then enrolled in carrying it through (Alcadipani and Hassard, 2010; Altheide, 2008; Callon, 1986; Durepos and Mills, 2011; Durepos et al., 2021; Hammersley, 2003; Miller and O’Leary, 2007; Peräkylä and Ruusuvuori, 2011; Quattrone and Hopper, 2005). Thus, focal actors constructed a socio-past in furtherance of their cause. This cause was absorbed and interpreted by the other networks, some of whom now saw their interests re-aligned with those of the Government and policy implementers, thus making the privatisation possible. Even though not all other actors accepted the socio-past as the proponents constructed it, and so remained opposed to the restructuring programme, their now depleted network had insufficient
power and influence to withstand the actor-network assembled by the focal actors. Furthermore, the proponents, through their continuous production of knowledge and interpretation, closed the controversies that had emerged and achieved the outcomes they thought were the best.

Four further matters are illustrated in this study. First, the negative memories built by the public about government structures, and trade unions and their actions in the past were supported by the dissemination of standardised accounting measures and norms problematising the Department (Craig and Amernic, 2006; Jacobs, 2009; Justesen and Mouritsen, 2011). Even though Government ownership was incommensurable with private ownership, the power possessed by the Government in selecting the type of accounting measures to evaluate the effectiveness of the alternatives enabled the focal actors to conceal contradicting views and make it seem that the comparison could be measured (Cooper et al., 2017; Durepos et al., 2021; Justesen and Mouritsen, 2011; Latour, 2005; Llewellyn and Northcott, 2005). Diverse actors opened the black-boxed history, and interpreted and assigned meanings to retrospectively constructed accounting measures and multiple frames of references in making sense of the present circumstances. However, this sense-making was subject to their limited observations, experiences and personal interests regarding the structures of the Department (Justesen and Mouritsen, 2011; Latour, 2005; Myrick et al., 2013; Rowlinson et al., 2014; Walker, 2016). Specifically, perceptions among the other actor-networks of the non-existence of accounting before privatisation empowered the proponents and enabled them to make comparisons between the two incompatible alternatives (Christensen et al., 2019; Laguecir et al., 2020).

Second, the spokespeople used their roles, the names of their organisations and their designations to imply that they were experts in specific fields. This empowered them to define boundaries, attaching meanings or criticising the actions of rival networks (Alcadipani and Hassard, 2010; Altheide, 2008; Callon, 1986; Laguecir, 2020; Latour, 1987; Llewellyn and Northcott, 2005; Myrick et al., 2013). Especially, claims made by actors who could be perceived as politically motivated were always backed by actors with technical expertise, and so whose claims seemed more credible and appropriate for promoting acceptable norms. Proponents referred to spokespeople of opponents as a loose aggregate of individuals. Thus, they could assign negative attributes and marginalise divergent perspectives by letting the audience assume that the opponents’ claims were less credible and lacked expert knowledge (Altheide, 2008; Llewellyn and Northcott, 2005). Taken for granted memories among the public and the employees reinforced notions of private companies having superior structural traits compared to public sector organisations. The reputation of Japanese management practices supported the view that privatisation was the best available option and re-imagined the future of the new ownership positively (Busco et al., 2006; Craig and Amernic, 2006; Gendron and Breton, 2013; Jacobs, 2009; Mouritsen and Thrane, 2006).

Third, in addition to formal internal communications, informal and oral communications played an important role in enticing and enrolling employees, and in shaping how other actors perceived the past (Durepos and Mills, 2011; Hall, 2010; Quattrone and Hopper, 2005). Specifically, the increased number and roles of executive and management staff facilitated the enticement of new members through informal communications. Similarly, they assigned a new identity to users of telecommunications: customers. This implied a higher worth than was accorded to the subscribers to the telecommunications services of the governmental entity. They maintained continuous personal communications with customers, as made increasingly possible by texting. All these enabled the proponents to maintain the durability of the
transformation (Callon, 1986; Latour, 1987; Rowlinson, 2014). The high level of access to financial and media resources by the proponents provided an advantage over the rival networks.

Fourth, the engagement of employees in implementing newly introduced Japanese management practices, coupled with the power possessed by the proponents to continuously produce justification claims by means of accounting evidence during the post-privatisation period, enabled the proponents to differentiate the case of SLT from other failed privatised institutions and portray a positive image about the restructured SLT (Callon, 1986; Christensen et al., 2019; Durepos et al., 2021).

As in other countries (e.g., see Major and Hopper, 2005; Sharma et al., 2014), the public policymakers in Sri Lanka claimed that privatisation of SLT would benefit the telecommunications industry, customers and the country as a whole. However, Gendron and Breton (2013) claim that these justifications in favour of privatisation are based on the assumption that private companies are superior to alternatives and that privatisation is imperative to eliminate the obvious inefficiencies in state-owned enterprises. A more socio-political view is that focal actors had ideological and economic motives, and the promise of greater efficiency and better services for the public was incidental.

Thus, this study contributes to extant accounting literature by demonstrating how strong networks working as one (in this case, using accounting in combination with other disciplinary areas and institutional structures) gain advantage over others when there are incompatible alternatives (Christensen et al., 2019; Laguecir et al., 2020). What was black-boxed as the “past” of the Department by the proponents was the dominant outcome of a social and political process maintaining and sustaining a singular interpretation of the past. This served the interests of the Government by problematising the Department’s existence, in order to entice and enrol other actors into the proponents’ network (Durepos and Mills, 2011; Laguecir, 2020; Myrick et al., 2013; Rowlinson et al., 2014). However, the ways in which the actor-networks read and interpreted the accounts produced by other actors, and their constructed memories about the past, produced multiple histories, heterogeneous meanings and fragile identities. The variety and fragility were despite the implied objectivity of accounting representations, the power possessed by the actors who retrospectively produced them, and the context in which they were produced (Andon et al., 2007; Busco and Quattrone, 2018; Cooper et al., 2017; Dechow and Mouritsen, 2005; Laguecir et al., 2020; Lowe and Koh, 2007).

Despite the implied objectivity in accounting representations, they are also fragile realities. As shown in extant studies on privatisation (e.g., Craig and Amernic, 2006; Jacobs, 2009), accounting representations have played a major role in problematising the existence of state-owned enterprises by letting powerful actants establish knowledge objects about their poor performance and close contradicting views from the past (Laguecir et al., 2020; Llewellyn and Northcott, 2005). Orally communicated accounting information allows managers to adapt accounting information to suit a particular situation and set the context for further discussion on meanings and implications (Hall, 2010). Therefore, in future, researchers could examine other instances and contexts in which knowledge about the past is re-written or interpreted by powerful actants in order to draw the attention of other actants involved in the controversy (Rowlinson et al., 2014).

References


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<th>Role</th>
<th>Actors</th>
<th>Basis of Classification</th>
<th>Relative interests</th>
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<tr>
<td>Focal</td>
<td>Governments of Sri Lanka 1977–1994 and 1994–2001 Government politicians and officials</td>
<td>Degree of controllability of information Ability to establish the problem, define identities and interests of other actors, shape the behaviour of opponents/supporters</td>
<td>Restructure the Department by problematising past and present Enrol actors</td>
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<td></td>
<td>(e.g., Minister of Posts &amp; Telecommunications, Adikari (1991); Secretary to the Minister,</td>
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<td>Engineers</td>
<td>Ability to shape the behaviour of opponents/supporters</td>
<td>Make the opponents’ views look weak</td>
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<td>Managerial professionals (e.g., Managing Director of Sri Lanka Business Development Centre,</td>
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<td>Ratwatte (1995a, 1995b))</td>
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<td></td>
<td>Supranational organisations (e.g., Asian Development Bank, World Bank, International</td>
<td>Ability to establish the problem Degree of controllability of information Dependence of Government on loans, donations, expertise, political legitimacy</td>
<td>Make restructuring a condition for donations and loans</td>
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<td>Telecommunication Union, World Trade Organisation)</td>
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<td>Nippon Telegraph and Telephone Corporation (from 1997)</td>
<td>Ability to shape the behaviour of opponents/supporters</td>
<td>Continue commercially orientated competitive business model Enrol actors</td>
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<td>Subscribers/Customers</td>
<td>Degree of support for translation</td>
<td>Cheaper rates and better quality of service</td>
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<td>Engineers</td>
<td>Ability to shape the behaviour of opponents/supporters</td>
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<td>Higher-ranked employees</td>
<td></td>
<td>Restructure the Department as a commercially orientated competitive business Enrol actors Better remuneration and welfare</td>
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<td>The Public</td>
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<td>Job security and employee welfare Assurance of the public interest</td>
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