



# Breakdowns of accountability in the face of natural disasters: The case of Hurricane Katrina



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## ABSTRACT

Hurricane Katrina, which struck the Gulf Coast of the United States at the end of August 2005, was one of the most costly and deadly natural disasters ever experienced by the United States. A breach of levees and the subsequent flooding of the city of New Orleans resulted in the displacement of more than 250,000 people. The death toll exceeded 1800 persons and total damages were estimated to exceed \$125 billion. The response to the hurricane by city, state and the federal governments has been severely criticized by many commentators. The purpose of this paper is to examine breakdowns in accountability during and after the storm which were manifested by a lack of communication between government officials and a failure on the part of officials to act responsibly on behalf of victims, many of whom were poor, black and elderly. We also examine whether the breakdown in accountability may be traceable to institutional racism embedded in the history and geography of the city of New Orleans. Following McKernan's (2012) argument, the paper reinforces the need to go beyond a "calculative accountability" toward "the potential of accountability to enhance levels of responsibility for the other" (p. 259). It is this moral aspect to the concept of accountability that was sorely lacking in the response of government officials to Hurricane Katrina.

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## 1. Introduction

The research question addressed in this paper is: "what can a major natural disaster tell us about accountability as that concept has been used in the accounting literature". The paper seeks to illustrate the ways that a natural disaster, like a hurricane, can lead to breakdowns in accountability. It is important to note that the hurricane did not cause the breakdowns in accountability; rather, the potential for breakdowns in accountability which existed prior to the storm were exacerbated by the stresses produced by the storm. The overall conclusion of the paper is that there was a lack of communication among different levels of government in the US federal system and a lack of compassion on the part of government officials who should have acted more responsibly on behalf of victims, who were primarily poor, black and elderly. The breakdowns in accountability led to thousands of deaths among citizens of the City of New Orleans and horrendous conditions for the

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survivors who were unable to escape the storm and the subsequent flooding. A further conclusion of the paper is that government officials relied to an excessive extent on a “calculative accountability” in making faulty decisions that were detrimental to victims. Instead of a calculative accountability they should have relied more on the “potential of accountability to enhance levels of responsibility for the other” (McKernan, 2012, p. 259). It was this moral aspect to the concept of accountability that was lacking in the response of government officials to Hurricane Katrina.

The organization of the paper is as follows. In Section 2, concepts of accountability in the prior accounting literature are discussed. Sections 3.1 and 3.2, review the idea of institutional racism and present a brief description of the complex geography and racial history of the City of New Orleans in order to illustrate the ways in which institutional racism set the stage for the breakdowns in accountability that took place during Hurricane Katrina. Section 4 presents a chronology of the events related to storm between 23rd August and 5th September 2005. Section 5 traces the multiple failures of communication and breakdowns in accountability at various levels of government including the City of New Orleans, the State of Louisiana, the US Army Corps of Engineers, and the US Federal Emergency Management Agency (FEMA). Section 6 summarizes and discusses the breakdowns in accountability in light of the prior literature, and Section 7 concludes the paper.

## 2. The concept of accountability in the prior accounting literature

The concept of accountability has been extensively addressed in the prior accounting literature (see for example: Medawar, 1976; Schreuder and Ramanathan, 1984; Roberts, 1991; Sinclair, 1995; Shearer, 2002; Neu, 2006; Cooper and Owen, 2007; Everett et al., 2007; McKernan, 2012; McKernan and McPhail, 2012). A special issue of *Critical Perspective on Accounting* edited by John McKernan and Ken McPhail, was devoted to various issues and problematics associated with the topic of accountability (McKernan and McPhail, 2012). One important point raised in this special issue was the need to make a distinction between “calculative accountability” and “narrative accountability” (Kamuf, 2007). A moral aspect to “narrative” accountability has also been discussed by Shearer (2002) and McKernan (2012).

By “calculative accountability” McKernan and McPhail (2012) mean the type of accountability that focuses on “objective facts”, hard evidence, and numbers that speak for themselves (Kamuf, 2007, p. 252). In contrast, “narrative” accountability deals with subjective feelings and the absence of hard objective evidence (McKernan and McPhail, 2012, p. 120). McKernan (2012) indicates that “the concept of accountability is reliant on responsibility, the very possibility of which is undermined by the exercise of accountability” (p. 181). He also stresses the need to bring “responsible caring for the other” into the concept of accountability.

In both corporate and governmental entities, a calculative accountability is the dominant form of accountability. Calculative accountability is not only defined by economic “facts”, but also by laws and regulations which establish the administrative structures that are intended to hold corporate managers and government officials accountable to the stakeholders and citizens of a particular entity. The actions of corporate managers and government officials are prescribed by laws and regulations which specify the steps they are required to take and those that they are prohibited from taking. Furthermore, elected government officials are often held accountable for their actions to the citizens of a political entity. Auditors, inspectors general, and special commissions are often established to scrutinize and hold managers and officials accountable; however, the legitimacy of these institutions often rests upon the appearance of independence and objectivity rather than true effectiveness in promoting accountability (Sinclair, 1995; Mulgan, 2000).

Neu (2006) has described the effects of calculative accountability in his study of how changes in funding, accounting and accountability practices prompted re-organization and re-ordering in the institutional field of school education in Alberta, Canada. In his study, Neu found that the introduction of new accounting and accountability mechanisms produced accounting information that could be used in democratic deliberations, but that the accountability mechanisms also restricted the groups that could participate in such discussions. He also found that while accounting has distributional consequences within institutional fields, accounting practices and accountability mechanisms were also constitutive of the public interest in institutional fields. “Thus while accounting may contribute to democratic deliberation it may also forestall the construction of an inclusive public interest by shattering the public into a series of isolated and competing interest groups” (Neu, 2006, p. 412). In fact, a shattering of the public interest into a series of isolated and competing interest groups appears to be exactly what happened in the City of New Orleans during Hurricane Katrina.

The problematic nature of systems of calculative accountability, along with efforts to bring about a more moral aspect to the concept of accountability, has been recognized in the accounting literature for some time. For example Roberts and Scapens (1985) indicated that:

“Systems of accountability embody a moral order: a complex system of reciprocal rights and obligations. The practice of accounting institutionalises the notion of accountability; it institutionalises the rights of some people to hold others to account for their actions. Viewed in this way, the practice of accounting can be seen to involve the communication of a set of values, of ideals of expected behaviour, of what is approved and disapproved. The practice of accounting involves communicating notions of what should happen, and it is only on the basis of these notions that sense is made of what has happened” (p. 448).

In this quote, Roberts and Scapens combined the concept of accountability as a relationship in which people are required to explain and take responsibility for their actions, with the notion of “trust” in the honest and competent behavior of the

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