



**Community Disclosures in a Developing Country: Insights from a Neo-Pluralist Perspective**

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## Community Disclosures in a Developing Country: Insights from a Neo-Pluralist Perspective

### Abstract

**Purpose:** We analyse changes in community disclosures by listed companies in Mauritius.

**Design/methodology/approach:** We carried out a quantitative and qualitative assessment of annual report disclosures over the period 2004-2010. In particular, we consider the influence of a corporate governance code and a government intervention to first persuade and subsequently mandate corporate social responsibility investment (known as a 'CSR Levy').

**Findings:** From a predominantly limited and neutral form of communication, narratives of community involvement morph into assertive and rhetorical statements, emphasising *commitment*, *permanency* and an *intimate connection* to the community, and a re-organisation of activities and priorities which seek to portray *structure and order* in the way companies deliver community interventions. Informed by Gray et al.'s (1995) neo-pluralist framework and documentary evidence pertaining to the country's social, political and economic context, we relate the change in disclosures to the use of corporate impression management techniques with a view to maintain legitimacy and to counter the predominant public narrative on the insufficient extent of community involvement by local companies.

**Research limitations/implications:** We find that community disclosures are not only legitimating mechanisms driven by international pressures but are also the result of local tensions and expectations.

**Originality/value:** This study provides evidence on forms of 'social' - as opposed to environmental - disclosures. Furthermore, it examines a unique setting where a government enacted a legally-binding regime for greater corporate social involvement.

**Keywords:** corporate social responsibility; community disclosures; legitimacy theory; stakeholder theory; classical political economy; developing economy.

**Article Classification:** Research paper

### 1. Introduction

The reporting of community activities typically relates to a company's involvement in the support of health, arts and education (Cowen et al., 1987; Patten, 1995; Parker, 2005; Campbell et al., 2006). In spite of the prominence of community-led projects initiated by companies, particularly in the case of developing countries (Sitkin, 2013; Belal et al., 2013; Sharmin et al., 2014), there have been very few attempts to study this specific form of corporate social disclosure (CSD). At the same time, an emerging body of work on CSD in developing countries generally reveals evidence of a significant increase in the volume, quality and breadth of disclosures (Belal and Momin, 2009; Belal et al., 2013). In addition, the motivations underlying CSD are still seen to be complex and multifarious (Spence, 2007), and are often associated to globalization imperatives and international pressures (Islam and Deegan, 2008; Belal and Momin, 2009) in view of an apparent corporate engagement with external and so-called 'modern' notions of accounting, accountability, corporate governance and corporate social responsibility (CSR). However, a key contention of our paper is that national factors and pressures can equally be relevant when CSD practices become embedded

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3 and part of the local corporate discourses. Relatedly, our focus on community disclosures in  
4 the context of developing countries is motivated by the fact that many such countries are  
5 grappling with issues relating to unequal wealth and income distributions, oppression of  
6 communities, lack of fairness in employment, absence of social justice and a realization that  
7 profit-making entities appear to be contributing little to societal development. Several of  
8 these factors have come to the fore in the case of Mauritius, a former French and British  
9 colony, following the introduction of a corporate governance code which recommended that  
10 companies fully engage with social responsibility and a subsequent debate and decision by  
11 the government to mandate, rather uniquely<sup>1</sup>, a fixed percentage of corporate social  
12 investment (known as a 'CSR levy'). In light of the above, our research questions are as  
13 follows: (i) What has been (if any) the change in the community disclosure behavior as a  
14 result of these events? (ii) What are the likely rationale(s) underlying the form and content of  
15 these community disclosures?  
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19 With reference to the second research question, the theoretical strands of organizational  
20 legitimacy and stakeholder management have been seen to dominate CSD studies in the  
21 accounting literature (Gray et al., 1995; Stanton and Stanton, 2002; Parker, 2005; Owen,  
22 2008; Monfardini et al., 2013; Chelli et al., 2014), and similar arguments have also emerged  
23 as prevailing explanations of CSD practices in developing countries (De Villiers and Van  
24 Staden, 2006; Mahadeo et al., 2011; Zheng et al., 2014). Several authors (e.g. Rahaman et al.  
25 2004; Belal and Owen, 2007; Islam and Deegan, 2008; Beddewela and Herzig, 2013;  
26 Buccina et al., 2013; Belal et al., 2013) also suggest that it is mainly the economically  
27 powerful stakeholders from overseas (e.g. multinationals, foreign investors, international  
28 agencies, donors and buyers) who are the 'relevant publics' being 'targeted' rather than the  
29 local stakeholders and governmental institutions. In this regard, CSD are seen to be less  
30 concerned with meeting local demands for social accountability towards, and engagement  
31 with, community actors, and more imbued with impression management features such as  
32 symbolic management and rhetorical manipulation (Merkl-Davies and Brennan, 2007; 2011;  
33 Soobaroyen and Ntim, 2013) aimed at a so-called 'sophisticated' audience located away from  
34 the developing country. At the same time, Belal et al. (2013) does recently acknowledge that  
35 specific local economic, political and social factors may have a predominant effect on  
36 corporate attitudes towards social disclosure practices.  
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40 Informed by the above, we contend that there has been an insufficient appreciation of the  
41 local social and political forces at play, how these can impact on business interests and how  
42 CSD in developing economies also contribute to the shaping of societal opinions, thereby  
43 ensuring the dominance of economic ideologies for the benefit of an organization's private  
44 interests. We address this point by drawing from a neo-pluralist perspective (Gray et al.,  
45 1995) which seeks to combine the 'classical' and 'bourgeois' variants of political economy,  
46 encompassing legitimacy, stakeholder and classical political economy, to study the form and  
47 content of community disclosures over the period of change (i.e. from 2004 to 2010) in  
48 Mauritius. Whilst previous studies have considered how and why Mauritian companies might  
49 engage in CSR initiatives and disclosure (Ragodoo, 2009; Gokulsing, 2011; Mahadeo et al.,  
50 2011), these have not focused on community disclosures as such. Methodologically, a  
51 significant number of CSD researchers adopt quantitative analyses of annual report  
52 disclosures (e.g. Campbell et al., 2003; Campbell et al., 2006; Belal and Momin, 2009) or  
53 rely on qualitative methodologies to uncover more insights and perspectives on the practice  
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57 <sup>1</sup> With the exception of legally-backed 'Zakat' systems which compel businesses in several Islamic countries to  
58 donate a given percentage of their wealth or profits to charitable foundations, the authors have no knowledge of  
59 other countries having implemented such as a 'compulsory' system of CSR that is managed by the State. .  
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of, and motivations for, CSR reporting (O'Dwyer, 2002; Rahaman et al., 2004; Kuasirikun, 2005). There is little use of mixed methodologies (Islam and Deegan, 2008; De Silva, 2010) and we thus rely on a quantitative (content analysis and classification of themes) and a discourse analysis of disclosures to develop a more comprehensive picture of the phenomenon (Tregidga et al., 2007).

In summary, our paper seeks to contribute to the literature by (i) examining the extent and nature of community disclosures on a longitudinal basis by locally-owned companies in a developing country context, (ii) demonstrating the usefulness of a neo-pluralist perspective and a mixed methods approach in developing a richer analysis of such disclosures. The remainder of the paper is structured as follows: a brief review of research in community disclosures is presented, followed by a discussion of the neo-pluralist framework. Subsequently, the research methods and context are outlined. The findings are presented and analyzed in light of the multi-theoretical perspective and we conclude with the broader implications for CSD in a developing country context.

## 2. Literature review

### *Community disclosures and CSD in developing economies*

Research specifically examining the extent of community disclosures is very limited. Campbell et al. (2006) is one of such studies and posits that the 'specificity' of such disclosures lies in the fact that they are not aimed at any narrowly defined stakeholder group (2006, p. 97). Based on a longitudinal study (1974-2000) of 10 UK companies from 5 industries deemed to have a high or low public profile, Campbell et al. (2006) found higher public profile companies (e.g. retailers, brewers and petrochemical firms) overall disclosed a significantly greater amount of community disclosures than the so-called lower profile ones (chemicals and aggregate), although notable differences were noticed between companies within the same sector. Whilst the general thrust of the arguments by Campbell et al. (2006) might hold true, there was little attempt by the authors to relate the disclosures to the broader context prevailing at the time in relation to specific sectors of the economy.

In relation to the case of developing countries, several studies highlighted the relative importance of this type of social disclosure in South Africa (Savage, 1994) and in Singapore (Tsang, 1998) but not so in the case of Bangladesh (Imam, 2000; Belal, 2001). Belal (2001, p. 286-287) contends that this low disclosure may be attributed to the presence of few organized social groups and low social awareness, whilst Iman (2000, p. 140) suggests that Asian companies have yet to accept the concept of social responsibility. The philanthropic and *ad-hoc* nature of community support in developing countries has also been documented in the business ethics literature and authors such as Jamali and Mirshak (2007) contend such practices lead to a 'low profile' or 'silent' form of reporting, as observed in Middle-East countries. Lastly, Ratanajongkol et al. (2006) reported that community disclosures were the second most important theme (after human resources) by Thai listed companies, particularly in the service and financial sectors and this was associated to the companies' attempts to restore their reputation after the Asian economic downturn. Yet, the influence of the economic downturn and the role played by community disclosures in this regard are not discussed in much detail. In summary, the limited evidence on the extent of community disclosures in developing countries has tended to be rather descriptive and in selected cases, the findings have been exclusively interpreted from a legitimacy or stakeholder management perspective. Furthermore, qualitative enquiries in developing countries (e.g. Belal and Owen, 2007; Islam and Deegan, 2008; Belal and Momin, 2009; Beddewela and Herzig, 2013) have emphasised the view that CSD is driven by the need to manage the perceptions of the

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3 powerful, and principally international, stakeholders such as multinational companies,  
4 international buyers and agencies. Contrastingly, Belal and Owen (2007) found little concern  
5 with meeting the wider social challenges of Bangladesh and there was comparatively less  
6 recognition and support of community and other civil society activities. Similarly, Beddewela  
7 and Herzig (2013) studied CSD practices in the Sri Lankan subsidiaries of multinational  
8 companies and found that the subsidiaries' disclosure behavior, (i.e. an absence of local  
9 social reports) were primarily motivated by the need to attain internal legitimacy (to the  
10 global headquarters) and less about providing accountability to local stakeholders (external  
11 legitimacy). In conclusion, CSD developments in developing countries certainly appear to be  
12 primarily inspired and influenced by international pressures. However, our contention is that  
13 such practices can also become embedded in local companies and can equally serve to  
14 manage or placate domestic concerns. We therefor argue that CSD could be part of an  
15 'arsenal' of corporate actions (e.g. which may also include political donations, corporate  
16 lobbying; media and press management; co-opting NGOs) that serve to protect or further the  
17 interests of business in light of local social and political imperatives and any changes thereof.  
18 It is in the light of the above that we consider the neo-pluralist conception of political  
19 economy.  
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#### 23 *A neo-pluralist perspective to the study of CSD*

24 In spite of the early exhortations by Gray et al. (1995), a multi-theoretical perspective to the  
25 study of CSD has only started to emerge in the literature (Chen and Roberts, 2010; Mahadeo  
26 et al., 2011; Merk-Davies and Brennan, 2011; Ntim and Soobaroyen, 2013). For example,  
27 Chen and Roberts (2010) analyse the conceptual overlaps between legitimacy, stakeholder,  
28 resource dependence and institutional theories and argue that a multi-theoretical view of the  
29 CSD can provide a better understanding of the relationship between organisation and society,  
30 thereby addressing an inherent lack of precision and vagueness as to how the process by  
31 legitimacy is achieved. Relatedly, by relying on Suchman's (1995) work on the different  
32 types and dynamics of legitimacy and legitimation, Soobaroyen and Ntim (2013) argue that  
33 stakeholder management is akin to the process of achieving or maintaining pragmatic  
34 legitimacy by way of meeting the expectations of its most immediate audiences (exchange  
35 legitimacy), by demonstrating an organizational responsiveness to a given stakeholder issue  
36 (influence legitimacy), and/or by signaling its agreement and commitment to a set of values  
37 shared by a given audience (e.g. local community, referred to as dispositional legitimacy).  
38 Overall, we note a close connection between stakeholder and legitimacy theories and Gray  
39 et al. (1995) also notes that the differences between the two theories are best seen "*as*  
40 *differences in levels of resolution of perception rather than arguments for and against*  
41 *competing theories as such*" (1995, p. 52).  
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45 One crucial assumption spanning both legitimacy and stakeholder perspectives is reflected in  
46 the notion of 'Bourgeois' political economy. Gray et al. (1995) contends that the bourgeois  
47 perspective underlying the organisation-society relationship is "*exercised by relationships*  
48 *between the interest groups of pluralism without explicit recognition of the way in which the*  
49 *forces of the system (capitalism) construct the self-interests as group interests*" (1995, p. 53).  
50 In effect, mainstream CSD studies tend to portray social disclosure as a mediating device  
51 between several parties and a response to pressures exerted by stakeholder groups or society  
52 at large. However, these studies either underestimate or ignore the underlying structure and  
53 historicity of the relationships between these different parties, such that corporate social  
54 reporting decisions and narratives may in fact be rooted in 'managerial capitalism', which  
55 paradoxically marginalises stakeholder and public interests (Merk-Davies and Brennan,  
56 2011; Spence, 2007). In this respect, Cooper and Sherer (1984) argue that a classical political  
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3 economy study should first consider the effects of accounting statements on the distribution  
4 of income, wealth and power and recognize the fact that these are unequally distributed in  
5 society. Such inequalities facilitate the control of the masses by well-defined elite(s) or are  
6 the source of conflicts between different social, political and economic classes (Burchell et  
7 al., 1980; Tilt, 1994). Hence, any form of 'social accounting' can be seen as a reflection of  
8 social conflicts (Tinker et al., 1980) but equally social conflicts can themselves be mediated,  
9 suppressed, mystified and transformed by CSD (Tinker and Neimark, 1987; Guthrie and  
10 Parker, 1990). Secondly, Cooper and Sherer (1984) expect that a classical political economy  
11 framework focuses on the specific historical and institutional environment of the society in  
12 which accounting operates. They single out the role of the State as a party that takes  
13 contradictory positions in supporting commercial interests as well as ensuring social harmony  
14 and its own legitimacy. Finally, a third feature of a classical political economy is an  
15 acknowledgement that people have various, and changing, interests that are not rooted in  
16 economic self-interest and that accounting (including CSD) has implications that are beyond  
17 the mere reflection of economic 'fact'. As an illustration, Adams and Harte's (1998) study of  
18 the low levels of disclosure on women employment in annual reports was interpreted from  
19 the classical political economy perspective, in terms of situating the role of capitalism,  
20 patriarchy and a resulting lack of importance attributed to women employment. Finally, from  
21 an impression management viewpoint, Merkl-Davies and Brennan (2011) contend that CSD  
22 can be "...used by managers to establish and maintain unequal power relationships in  
23 society in the way that they represent things and position people". (2011, p. 428).  
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28 Most of the above-cited work assigns a primacy (or exclusivity) to either the bourgeois  
29 perspective (i.e. legitimacy and/or stakeholder theories) or to classical political economy but  
30 as highlighted by Gray et al. (1995), the distinction and resulting dialectic is not necessarily  
31 useful when it comes to an interpretation of CSD data. Instead, Gray et al. (1995)  
32 builds on the neo-pluralist views put forward by Held (1987) to argue that there is a meeting  
33 place between these two perspectives with an agreed set of assumptions. In particular, there is  
34 the recognition of uneven power distributions, the conflict of interests and the possibility that  
35 CSD (as an example of organization-society interaction) may take place within a captured or  
36 controlled system (Gray et al., 1995). We contend that these are factors that have become  
37 more visible in developed countries post financial crisis and these are even starker in the  
38 context of fast growing developing economies. In this regard, and whilst we do not question  
39 Belal et al.'s (2013) view that human and material resource exploitation underlies the  
40 relationships between international 'forces' (e.g. multinationals, World Bank) and the people  
41 in developing countries, we contend that exploitation and its consequences (income  
42 inequality, poverty) do also persist due to long-standing 'home-grown' factors. In this light,  
43 the neo-pluralist conception of political economy is inherently a dynamic one in that it does  
44 not prescribe where power lies or what would be the dominant ideology of particular social  
45 groups. Furthermore, the neo-pluralist perspective implies that the interpretative power of  
46 legitimacy and stakeholder theories can be augmented by broader perceptions from classical  
47 political economy, thereby ending "*up with a set of observations which are persuasive at*  
48 *different levels of resolution*" (Gray et al., 1995, p. 55). In conclusion, we argue there is merit  
49 in considering the insights from classical political economy in addition to stakeholder and  
50 legitimacy theories in CSD research to address the implications of local factors. We therefore  
51 adopt this interpretive frame for our study, in light of the increasing 'local intervention' of the  
52 State in the CSR arena in Mauritius and the concurrent disclosure behavior of private sector  
53 companies. This has implied a deeper analysis of corporate disclosures by relying on a mixed  
54 methods approach which we now discuss.  
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### 3. Data and methods

The starting point of our research has been the development of a report on, and a code of, corporate governance in Mauritius. Published in 2004, the code came into effect in 2005 and included a section on CSR/CSD whose implications are elaborated in the next section. We focus on companies listed on the local stock exchange, the majority of which are locally resident. We analysed 275 annual reports<sup>2</sup> over a seven year period (2004-2010) which spans the changes relating to social responsibility. With the exception for 1 or 2 cases in the sample, all companies were locally established and are primarily owned and controlled by Mauritian shareholders.

The annual reports were first analyzed for the presence (frequency) of community disclosures as defined by Patten (1995) in relation to activities benefiting the community, health interventions, cash and in-kind donations (including employee involvement) and education/art projects. In view of the rather un-structured nature of the disclosures, a word count was then carried out since words lend themselves to a more objective analysis (Gray et al, 1995). The use of words as a unit of analysis is often subject to debate (e.g. Milne and Adler; 1999; Unerman, 2000) but is nonetheless employed in a number of studies (e.g. Wilmshurst and Frost, 2000; Islam and Deegan, 2008; Soobaroyen and Ntim, 2013). According to Campbell et al. (2006), a word count is capable of expressing the importance placed on a particular category of disclosure based upon a semiotic conception which suggests that the volume of disclosure signifies the importance placed upon the disclosure by the reporting entity. Furthermore, informed by prior work on the use of rhetorical statements (Merkl-Davies and Brennan, 2011) and the classification of disclosures on the basis of the type of information provided, we identify the number of companies that provide generic statements of support to community/social responsibility (interpreted as rhetorical statements) and statements of community actions broken down into the following categories (i) basic statements of community support/donations (amounts donated but no further information provided), (ii) extended statements of community actions (e.g. reference to names of stakeholders and beneficiaries) and (iii) finally statements referring to structured CSR programmes (e.g reference to CSR levy, specific percentage of profits committed to CSR activities).

There is admittedly a limit to the extent to which one can infer from a quantitative assessment of disclosures in that it fails to provide a deeper insight into how the information is communicated (Tregidga et al., 2007). For instance, an increase in CSD word count may be the result (i) of a significant review into how the company engages with CSR in response to societal and stakeholder pressures (a typical legitimacy- and stakeholder-based explanation), and/or (ii) of a change in CSR strategy and 'talk' to convey the 'positive' role of business ideologies in society (classical political economy), or (iii) it may be due to change in communication patterns favoring a detailed listing of CSR actions (i.e. 'more of the same') to satisfy shareholder demands for explanations (an agency-led interpretation). A qualitative assessment of the disclosures is therefore needed to ascertain the nature of the changes in the disclosures as initially revealed by the word count. In this regard, we are drawn to the method of discourse analysis (e.g. Fairclough, 1992; Livesey, 2002; Livesey and Kearins, 2002; Tregidga et al., 2007; Spence, 2007). Any discourse (written or spoken) can be seen as being at the same time a piece of text, an example of discursive practice and one of social practice (Fairclough, 1992). Although discourse analysis does not involve a given set of methodological procedures (Laine, 2005), it is usually acknowledged that one must consider

<sup>2</sup> The Stock Exchange of Mauritius has incorporated about 40 companies on the listed market. The slight fluctuations in the number of companies per year relates to companies merging or exiting from the market.

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3 three levels of analysis aspects, namely “(i) *language* (ii) *discursive practices related to*  
4 *production, distribution, and interpretation of texts, including certain formal features of*  
5 *texts; and (c) social (macro) discourse practices that provide the context for particular*  
6 *discursive events* (Livesey, 2002, p. 321). The relationship between text and context is seen  
7 as critical (Tedgidga et al, 2007, p. 9) since the discourse is uttered within a specific set of  
8 pressures and broader discourses, and (iii) the relationship between power, knowledge and  
9 truth. Considering that legitimacy, stakeholder or classical political economy perspectives can  
10 encompass how organisations use rhetorical strategies and disclosures as a means to mediate,  
11 suppress, mystify, and transform social conflict, we agree with Tregidga et al. (2007) that  
12 discourse analysis can be helpful in ‘framing’ how CSD practices are relied upon by  
13 companies.  
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16 Consistent with the approaches adopted by Livesey (2002), Milne et al. (2004) and Laine  
17 (2005), we therefore examine the disclosures to identify the prominent themes, metaphors,  
18 modes of expressions, argument structures, patterns in the language, and use of rhetorical  
19 statements that relate to words such as *community, grassroots, local*, and references to *health,*  
20 *education, donations, arts and sport*. The analysis is seen as an iterative process (Laine,  
21 2005) whereby the text is read several times<sup>3</sup> and considered in relation to the company’s  
22 own context and progress over time (Livesey 2002), to similar discourses uttered by similar  
23 companies (e.g. in terms of size or industry) and present in other documents of interest (e.g.  
24 local report and code of corporate governance, government announcements on CSR activities  
25 and the CSR levy decision). Finally, the absence of specific disclosures is also part of the  
26 analysis “...as leaving something out is as much a choice as taking something in” (Laine,  
27 2005, p. 402).  
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### 31 **Mauritius: social, economic and political context**

32 A key feature of the neo-pluralist perspective (Gray et al. 1995) is an understanding of the  
33 historical and institutional environment of the country. The following thus provides an  
34 understanding of the reasons underlying the demands and expectations of stakeholders, the  
35 changing societal attitudes and corporate responses to external pressures (whether  
36 international or local) in relation to CSR. A former French and British island colony in the  
37 Indian Ocean, Mauritius has a population of approximately 1.25 million and covers 719  
38 square miles (1,860 square kilometers). There is no recorded indigenous population and  
39 Mauritians are mainly descendants of (a) ‘Indentured’ laborers from India (b) Chinese  
40 workers and traders (c) African slaves, made to work in the sugar estates (Creoles) and (d)  
41 the European (mainly French) settlers - the latter two being traditionally affiliated to  
42 Christian-led denominations. Sharpley and Naidoo (2010, p. 151) reports that the population  
43 of Mauritius can be described as follows in terms of origin: Indo-Mauritians (68%, majority  
44 of which are of Hindu faith), Creoles (27%), Sino-Mauritians (3%) and Franco-Mauritians  
45 (2%).  
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48 Ethnicity and religiosity play a central role in Mauritian society and are not merely seen as  
49 personal or private matters. Beliefs, rules and discourses are frequently expressed along  
50 ethnic and religious lines and have a significant influence on debates in the political,  
51 economic and social arenas (e.g. Eriksen, 1997; 2004; Eisenlohr, 2004). Since independence  
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55 <sup>3</sup> Although the country’s official language is English, Mauritians are multi-lingual and in addition relatively  
56 fluent in French, Creole and Asian languages. Annual reports are predominantly written in English in light of  
57 the official nature of the document (formal / official correspondence and documentation in Mauritius are written  
58 in English) but many community disclosures still refer to terminologies or names in French or Creole. Where  
59 required, these are translated in English to assist the reader.  
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3 in 1968, political power has rested with the Hindu majority whilst the bulk of economic  
4 power and private business ownership has remained in the hands of the descendants of  
5 European settlers (Meisenhelder, 1997; Sharpley and Naidoo, 2010). A concentration of  
6 economic power and wealth amongst those seen as the successors of colonial masters is  
7 perceived as the most visible example of income and wealth inequality in Mauritius (e.g.  
8 Refer to Miles, 1999; National Committee on Corporate Governance, NCCG, 2004; Boswell,  
9 2006; Brautigam and Diolle, 2009) although other illustrations of economic inequality do  
10 exist beyond the historical dichotomy of the white sugar-baron (Srebrnik, 2002) vs. exploited  
11 non-white labor. For instance, there are established commercial elites drawn from the other  
12 Chinese, Muslim and Hindu backgrounds and a growing professional and well educated  
13 middle class constituency drawn from all backgrounds.  
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16 After a post-colonial decade marred by economic failures and high unemployment,  
17 successive governments partnered with the private sector to develop the economy from a  
18 predominantly agricultural (sugarcane) base to a diversified one (primarily in manufacturing,  
19 tourism, and financial services) with the overall aims of achieving economic growth and a  
20 modern welfare state (Meisenhelder, 1997: 281). As a result, Mauritius performed generally  
21 well<sup>4</sup> from the mid-1980s in terms of economic growth, education, health and living  
22 standards. During these periods of economic ‘good times’, Meisenhelder (1997: 286; refer  
23 also to Brautigam and Diolle, 2009) asserts that local politicians in government gained much  
24 legitimacy amongst the electorate whilst the local companies and their owners were able to  
25 generate significant returns on investment. In the recent years however, economic challenges  
26 have surfaced (refer to Sobhee, 2009), leading to attempts to develop other sectors, namely IT  
27 outsourcing, offshore financial services and more visibly, the expansion of the tourism sector  
28 and the creation of integrated property development schemes for foreign residents and  
29 investors (Sharpley and Naidoo, 2010). Whilst the unemployment rate has hovered from 7%  
30 to 8% over the recent decade (Statistics Mauritius, 2013), the GINI<sup>5</sup> coefficients and the  
31 household income distribution (2001/2 to 2011/12) have indicated a worsening trend in  
32 income inequality. For instance, the GINI coefficient has increased from 0.371 in 2001/2  
33 to 0.413 in 2011/12. The percentage of the total income derived by the highest 20% of  
34 households has increased from 44% to 47% and the ratio between the highest 20% of  
35 households and the lowest 20% of households has increased from 6.9 to 8.8 over the same 10  
36 year period.  
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41 Historically, the involvement by local companies in the community can be traced to the role  
42 played by sugar estates in Mauritius (e.g. Meisenhelder, 1997). Prior to the economic  
43 diversification policies, the sugar cane estates and factories were the main private employers  
44 on the island providing basic infrastructural facilities and supporting activities (e.g. school,  
45 health and religious events) within the so-called ‘factory area’. Companies decided what type  
46 of community support would best be provided and arguably focused on activities that would  
47 have ensured continued labor co-option and support. This was followed by a widespread  
48 practice of ad-hoc donations (locally referred to as sponsorships) by companies (Mauritius  
49 Employers Federation, 2011). A more formal approach to CSR and its associated discourses  
50 first emerged from the development of a corporate governance code in early 2002. The World  
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54 <sup>4</sup> According to the World Bank (2013), the Gross National Income per capita for 2013 was US\$ 9,300.  
55 Notwithstanding the effects of the recent economic crisis, Mauritius remains regularly highlighted as one of the  
56 more emerging ones in the Africa. The recent Africa Competitiveness Report (World Bank, 2013) ranked  
57 Mauritius as one of the top countries in Sub-Saharan Africa.

58 <sup>5</sup> The GINI coefficient is the most commonly used measure of income inequality, ranging from 0 (complete  
59 equality) to 1 (complete inequality).  
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3 Bank's Report on the Observance of Standards and Codes (Fremond and Gorlick, 2002)  
4 recommended that a corporate governance code be published with the primary purpose of  
5 improving shareholder returns (p. 15, 2002) with very little mention of CSR, and yet, the  
6 subsequent code provided a greater emphasis on the social issues affecting the country. For  
7 example, fair business and employment practices, concentrated ownership and  
8 ethnic/religious prejudices were acknowledged in the report and code (NCCG, 2004; e.g. p. 8  
9 and p. 113) as aspects that needed to be taken more seriously by companies. Furthermore, the  
10 relevance of community involvement as a stakeholder and the reporting of such activities are  
11 highlighted in the code (2004, p. 110-112). Effectively, the code, drafted by local company  
12 directors with the assistance of government officials and consultants, reflected a message that  
13 times are changing and that a clearer recognition of social responsibility was necessary  
14  
15

16 Within the above backdrop, the private sector has been, and remains, often portrayed as an  
17 economic 'villain' by politicians and trade unions, with unfair employment policies, opaque  
18 management practices and quasi-monopolies in certain industries/sectors (NCCG, 2004, p. 8).  
19 Political slogans (particularly during election periods or at times of national debates), often  
20 relying on ethnic, religious and class divides, are replete with messages of "fighting for our  
21 people" and ensuring the minority (i.e. owners of economic power) does "not exploit the  
22 majority" (of the working class and from a predominantly Hindu background). The Labour  
23 government was mainly elected in 2005 by campaigning on the need to 'democratize' the  
24 economy, and in seeking to maintain its legitimacy as a 'reforming' government, new  
25 policies and actions have ostensibly been about addressing quasi-monopolistic practices in  
26 specific economic sectors by encouraging the implantation of foreign firms and setting up a  
27 Competition Commission (law passed in 2007; institution established in 2009) to control  
28 anti-competitive behaviors by businesses. Since early 2006, a 'Commission for the  
29 Democratization of the Economy' was established by the government with a view to facilitate  
30 access to resources for all businesses, to review the business regulatory framework, consider  
31 historical issues of land ownership and ensuring that adequate social and community support  
32 is provided to the localities affected by private sector developments. This led to regulations  
33 defining the extent of social obligations before a development permit is granted (Budget  
34 Speeches<sup>6</sup>, 2006; 2007). CSR activities subsequently came under scrutiny and the following  
35 extract from the 2007 Budget Speech is one of the first official statements articulating  
36 concerns about the lack of 'sufficient' CSR:  
37  
38  
39

40 *"Most companies, though sensitive to the issue of Corporate Social Responsibility*  
41 *(CSR) do not have structured programmes of support. With the exception of a few*  
42 *companies, CSR is being carried out on an "ad hoc" basis and the areas for support*  
43 *are education and training, protection of the environment, sports and cultural*  
44 *activities...While we will remain committed to moving to the single rate and low tax*  
45 *regime, it is our conviction that there should be a concrete show of solidarity with the*  
46 *weak, the vulnerable and the poor. To this end, a number of firms in the corporate*  
47 *sector have agreed to voluntarily contribute at least 1 percent of their profits to CSR*  
48 *activities run by them. I make an appeal to companies that can afford it to contribute*  
49 *more."* (Par 184 & 185, Budget Speech, 2007)  
50  
51

52 Evidently, the wishes of the government do not appear to have been met and the CSR  
53 response and the implementation was in fact described as "uneven" (Par. 253, Budget  
54

55  
56 <sup>6</sup> The Budget speech is a key highlight of the social, economic and political calendar in Mauritius. The speech is  
57 presented by the Minister of Finance. Whilst economic forecasts of revenues and income, budgetary allocations,  
58 tax policies and welfare initiatives are the main items of information, the decisions are often presented and  
59 interpreted in political terms i.e. a budget which is either 'pro-business' or 'pro-worker'.  
60

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2  
3 Speech, 2009), with little indication of the evidence to support such a characterization. This  
4 assertion nonetheless appears to have paved the way for the introduction of a compulsory  
5 'CSR levy' by the government. From 2010, all companies were required to either 'donate'  
6 2% of their profits to a centralized CSR fund (National Empowerment Fund) or spend  
7 themselves this levy in government-approved CSR activities<sup>7</sup>, with any unspent amount paid  
8 to the tax authorities. This rather novel principle did not attract much controversy in public  
9 opinion and reflected a general concern as to the lack of sufficient private sector contributions  
10 to society but the decision attracted much criticism from private sector representatives (refer  
11 to comments MEF, 2012, p. 94, 99 & 118) in terms of being misguided, interfering and  
12 heavy-handed. In particular, the main issues of concern have been on the extensive  
13 definitions and parameters of CSR interventions, the types of approved projects and the  
14 registration of organisations eligible to receive CSR funds. These aspects are regulated by the  
15 National Corporate Social Responsibility Committee, which is effectively under the control  
16 of a government department. The corporate sector's response has been relatively mixed to  
17 this initiative particularly in terms of highlighting the fixed 'tax-like' nature of the CSR  
18 investment (and therefore an increase in CSR donations for some companies), a lack of  
19 guidance, unclear approval mechanisms and insufficient capacity to coordinate CSR activities  
20 (MEF, 2011).  
21  
22

23  
24 In summary, after a long period of 'coalition' forged with societal partners (Brautigam and  
25 Diolle, 2009) since independence, the corporate sector in Mauritius has recently been faced  
26 with an arguably a more 'hardline', social and political attitude at home. In our opinion, the  
27 above changes are reflective of a re-positioning of the relationship between the economic and  
28 the social/political as substantive changes (as opposed to mere political rhetoric) are  
29 gradually introduced thereby challenging the long established position of the business sector  
30 as a 'coalition' partner. Concurrently, a new attitude to CSR was reflected in the code of  
31 corporate governance but there has been a gradual shift to a 'compulsory' form of CSR six  
32 years thereafter. In response to the statements of intent included in the corporate governance  
33 code, and the CSR levy arising from the local political agenda, it remains to be seen whether  
34 (and if so, how) this has translated in particular patterns of community disclosure<sup>8</sup>.  
35  
36

## 37 **5. Findings and analysis**

### 38 *Quantitative analysis*

39 Table 1 provides evidence of the extent of community disclosures by listed companies and  
40 the changes thereof during the period under review. It is noted that there have been slight  
41 changes in the number of sampled and disclosing companies due to changes in the number of  
42 listed companies but the proportion of disclosing companies has remained fairly stable.  
43 However, an analysis of the word count reveals some notable changes from 2007. The  
44 relevant mean and standard deviations are also provided. Relative to the volumetric data in  
45 Campbell et al. (2006) and Ratanajongkol et al. (2006), the extent of community disclosure in  
46 Mauritius is significantly lower and only comparable to the UK sector with the lowest  
47 disclosure patterns (aggregates and mining, p. 108-109, 2006). In light of the significance  
48 increase in community disclosures only from in 2007, this does not appear to support the  
49 view that community expectations outlined in the corporate governance code had an  
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52

53  
54 <sup>7</sup> Refer to the CSR Committee's website (<http://www.csr.mu>) for a more detailed explanation of the new CSR  
55 levy and its administration.

56 <sup>8</sup> In contrast to several CSD studies in developing economies, there is no evidence that international social  
57 reporting guidelines (such as GRI: Global Reporting Initiative) have been adopted in Mauritius. To the best of  
58 our knowledge, GRI is only beginning to emerge in 2014 as a model of social reporting in the financial  
59 statements of some listed companies.  
60

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3 immediate and significant impact on corporate behavior<sup>9</sup>, although a higher proportion of  
4 companies provided community disclosures in 2005. The standard deviation also indicates  
5 that there exists a notable and greater variation in word count within the sample in the latter  
6 part of the period under review. In light of the previous comments by Campbell et al (2006)  
7 and Ratanajongkol et al. (2006) on differences between high vs. low public profile industries,  
8 a Kruskal-Wallis test indicated that only the listed companies in the transport, leisure, and  
9 commerce category appear to have disclosed more community information than those in  
10 banks, insurance and investment companies, albeit that this result is not consistent over all the  
11 years of analysis.  
12

#### 13 14 **INSERT TABLE 1 ABOUT HERE**

15  
16 Generally, the information disclosed ranged from brief information about a one-off charitable  
17 donation to longer statements explaining how the company is structuring its assistance to  
18 community activities. Table 2 provides a classification of the number of companies providing  
19 different types of disclosures.  
20

#### 21 22 **INSERT TABLE 2 ABOUT HERE**

23  
24 A number of changes can be noted from Table 2. Firstly, the use of generic statements has  
25 increased from 2007, highlighting a preference for more rhetorical discourses privileging the  
26 use of modern CSR jargon which we analyse further in the next section. Secondly, there has  
27 been a qualitative change in the type of disclosures relating to community actions from 2006,  
28 where the number of companies providing basic statements of amounts donated declined and  
29 these were replaced by an increasing number of more detailed statements of community  
30 actions and beneficiaries and finally superseded by narratives relating to structured CSR  
31 programmes (inclusive of references to a stated commitment to donate a given percentage of  
32 profits to specific CSR activities/beneficiaries and the CSR levy). Overall, the data suggests  
33 that there has been an overall increase in community disclosures from 2007, with some  
34 qualitative changes noted from 2006, with no particular sector significantly driving the  
35 change in disclosures consistently throughout the period. A difference in disclosure patterns  
36 across sectors is one of the central arguments in support of the legitimacy and stakeholder  
37 perspectives but we suggest that such a perspective only provides a limited explanation in the  
38 case of Mauritius. In our view, there is a broader (i.e. national) phenomenon that is at play  
39 and we examine in more detail the narratives guided by discourse analysis procedures.  
40  
41  
42

#### 43 *Discourses of community involvement*

44 We consider the information published in the earlier periods (2004-2006) annual reports<sup>10</sup>  
45 where we initially find a focus on factual disclosures relating to categories of community  
46 activities, although the term 'community' is not always present. Donations or sponsorships  
47 were commonly used terms to refer to such actions with no further information such as  
48 "During the financial year, donations were made to charitable and community institutions of  
49 an amount of Rs 75,525" (Happy World Foods Ltd, 2004). In a few cases, slightly more  
50 detailed narratives of the type (and multitude) of activities and recipients such as "The  
51 company donated and sponsored Rs 2.2M to various charitable institutions, political  
52 organisations, sports clubs and religious bodies amongst others" (Gamma Civic Ltd, 2004).  
53 A few of these companies prefaced their participation in such activities using generic  
54  
55

56  
57 <sup>9</sup> It has been observed that other types of disclosures (i.e. environment, health and safety and ethical) have  
58 increased but not to the same extent (volume) as the ones relating to community disclosures.

59 <sup>10</sup> Refer to Appendix 1 for selected examples of disclosures for the same company in 2004, 2007 and 2010.  
60

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3 statements of intent such as *“The company is actively involved in the community and social*  
4 *development of the region where it is situated”* (Naiade Resorts Ltd, 2004) but these are  
5 drawn from the hotel sector, which is usually located in smaller and coastal agglomerations.  
6 Hence, in 2004 to 2005, we observe consistent references to the type (and diversity) of  
7 community activities - specifically in sports, education and culture - and this tallies with an  
8 *ad-hoc*, and sponsorship-minded, form of community intervention. Companies mention, but  
9 on rather limited and factual basis, their role as community sponsors. There were only two  
10 cases where there was a very extensive reporting of a structured CSR programme (New  
11 Mauritius Hotels Ltd and Sun Resorts Ltd, 2004), which can be again related to the nature of  
12 the business activity (tourism) and its sensitivity towards maintaining stakeholder relations  
13 with localities in which they operate and the foreign customers they seek to attract. For 2005,  
14 the first year following the implementation of the code, we do not find a very significant  
15 change in the nature of the discourses and in fact the number of companies providing only  
16 basic factual disclosures actually increased compared to 2004.  
17  
18

19  
20 In 2006, we find the gradual introduction of new terminologies and what we describe as  
21 rhetorical statements in the community disclosures of listed companies. Although the overall  
22 volume of disclosures may have marginally decreased in 2006, statements such as *“The*  
23 *company's aim is to create value for all stakeholders in a manner that is responsible and*  
24 *contributes meaningfully to the social and physical environments in which it operates. The*  
25 *company is committed to sustainable growth, development and constructive interactions with*  
26 *communities”* (Mauritius Union Assurance, 2006) become more visible in the annual reports.  
27 In fact, the words *“committed”* or *“commitment”* is used by many companies when referring  
28 to community involvement thereby conveying a sense of solidity to the pledge that is being  
29 made but paradoxically with little information on how this pledge was (or will be) met. For  
30 example, one company disclosed that *“The company commits itself to a set of principles of*  
31 *CSR: conducting business in a socially responsible and ethical manner, supporting human*  
32 *rights, and engaging, learning from, respecting and supporting the communities and cultures*  
33 *within which it operates”* (Belle Mare Holding Ltd, 2006)” but does not report any further  
34 information on the actual actions it is engaged in. This is in a similar vein to Milne et al.'s  
35 (2004) and Laine's (2005) analysis that an emphasis on vague principles enables businesses  
36 to rely on rhetorical statements to deflect attention on the absence of more (or appropriate)  
37 concrete actions. We also note the introduction of modern CSR jargon such as *“corporate*  
38 *citizen”* (Harel Freres Ltd, 2006) or *“sustainable”* (Mauritius Commercial Bank, 2006) by  
39 larger organizations and a more widespread mention that the company has a *“long history”*  
40 or a *“long standing”* or *“ongoing”* role in communities or that it has been involved socially  
41 for *“decades”*. These comments reinforce an impression of the timeless and uninterrupted  
42 nature of the company's interventions in society but there is no specific information to  
43 confirm whether the company's involvement has indeed been a long standing one. In fact, the  
44 use of such expressions is fairly consistent in all subsequent years and is seen as a way to  
45 reinforce an underlying message of having been always active in the community and social  
46 arena.  
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50  
51 Furthermore, several cases revealed a different perception as to what was seen as a  
52 community intervention. One example related to a major betting company (Automatic  
53 Systems Ltd, 2005) which stated that it *“shall contemplate such social actions that will*  
54 *contribute positively to the betterment of the community”* and underlined this by referring to  
55 the fact that *“...the introduction of new outlets has benefited the localities through indirect*  
56 *employment”*, leaving unsaid the negative social implications of providing more gambling  
57 opportunities throughout the island. A second case (Mauritius Stationery Manufacturers)  
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3 associates community support to employment by stating that the “...*company employs more*  
4 *than 500 persons hence playing an important social role*” and this was a new statement in  
5 replacement of the 2004 one which stated that the company has “*maintained its responsibility*  
6 *towards the community through donations for sport, education, culture and hardship*  
7 *alleviation*”. Similarly a financial institution (Mauritius Union Assurance Ltd) in 2004  
8 considered that its contribution to the community could be met by providing affordable  
9 housing loans to people in deprived regions. However, this action was replaced in 2006 by a  
10 rhetorical statement and information on a number of donations to various voluntary  
11 associations. Hence, this illustrates the changing attitudes of how companies communicate  
12 their social role in society.  
13

14  
15 From 2007, disclosures by an increasing number of listed companies began to emphasize  
16 emotive-led discourses such as: “*The company is committed to promoting projects aimed at*  
17 *uplifting the lives of the communities in which it serves. The commitment arises from the*  
18 *strong belief that success comes from recognising the interdependent nature of companies*  
19 *and communities in which they operate*” (Air Mauritius, 2007) and “*The company is*  
20 *committed to the betterment of communities..... Its community programmes support human*  
21 *services and civic initiatives by helping build strong, healthy communities to further enrich*  
22 *the lives of citizens*” (Harel Mallac & Col. Ltd, 2007). There is talk of “...*engaging, learning*  
23 *from, respecting and supporting the communities and cultures within which it operates*”  
24 (Belle Mare Holdings Ltd, 2007) or of working with organisations that are focused “... *on the*  
25 *education of the underprivileged youth and children*” (IPRO Growth Fund Ltd, 2007). As  
26 reflected in Tables 1 and 2, there is an increased volume of disclosures both in terms of  
27 generic statements (such as those mentioned above) and more detailed statements of  
28 community actions. Explicit references are made to concerns about poverty and the wider  
29 impact of corporate activities for the country such as “*The company has kept working*  
30 *towards the advancement and welfare of its employees and the socio-economic development*  
31 *of the island*” (Mauritius Eagle Insurance Ltd, 2007) and “*The company believes that it has a*  
32 *duty to contribute to the welfare of the population and more particularly to those in society in*  
33 *greater need of support*” (Rogers & Company Ltd, 2007). As reported in the studies by  
34 Livesey (2002) and Livesey and Kearins (2002), a corporation can use metaphors of ‘care’ to  
35 demonstrate an attachment or a bond thereby seeking to re-construct or re-shape the nature of  
36 its relationship with individuals, communities and society. In parallel, there is an increasing  
37 mention of the need to work with non-government organizations and other stakeholders, and  
38 references to named organisations and institutions, such as “*The company donated and*  
39 *sponsored Rs 3.5 M to various charitable institutions, political organisations, sports clubs*  
40 *and religious bodies. The projects supported and sponsored include Real Club basketball*  
41 *team, Camp Levieux Government School under the ZEP programme, Union sportive de*  
42 *BeauBassin/RHill, The Mauritius Wildlife Foundation and APEIM*” (Gamma Civic Ltd,  
43 2007)  
44  
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48  
49 In addition, two further changes in the nature of, and information relating to, community  
50 actions are noted. Firstly, the increase in the volume of disclosures can be attributed to  
51 information on the setting up of new formal structures (e.g. Funds, Foundations, Trusts) to  
52 manage the company’s community and other social responsibility activities. Although these  
53 were cursorily mentioned by two companies in previous years as an indication of future  
54 plans, the 2007 and 2008 annual reports provide a more detailed presentation of the new  
55 arrangements such as:

56 “*The company devoted around 1% of group profits to CSR. An appropriately*  
57 *structured fund was established under the stewardship of a newly appointed CSR*  
58  
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3 *manager who made recommendations to a CSR committee in terms of objectives and*  
4 *resource allocation and reported regularly to the Board” (Harel Freres, 2007)*  
5

6 *“The company gives back what it received from the country by investing 1.5% of the*  
7 *benefits after tax in CSR activities aiming at improving the life of Mauritian people*  
8 *and also granted Rs 2.5M to the Charles Telfair Institute. The company decided to*  
9 *increase the CSR budget to 1.5% of its attributable profits as well as form a CSR*  
10 *Committee to deal with issues such as health, education, sport, environment*  
11 *amongst others.” (Ireland Blyth, 2008)*  
12  
13

14 There are also other cases where companies are specifying their areas of intervention and  
15 stating their commitment to spend a fixed percentage of profits (usually 1%) to CSR  
16 activities. In light of the comments of the 2007 Budget Speech on social responsibility where  
17 the Minister of Finance outlined a need for a higher level, and more structured social  
18 responsibility engagement by companies, it appears that companies have been led into  
19 defining a quantum of CSR involvement to counter the criticism of not being sufficiently or  
20 adequately involved in societal activities. One additional interesting aspect of these newly  
21 created funds is the use of rhetorical appellations such as the *Foundation for Hope and*  
22 *Development*, the *Foundation for a New Outlook*<sup>11</sup>. In other cases, the name of the corporate  
23 founder or the company’s name was used. Such strategies can be seen as part of a business-  
24 oriented ‘branding’ exercise to heighten the impact of its community activities and linking  
25 this new initiative to the company’s identity and history. This contributes to the claim that  
26 this is a new approach to CSR and community support which, by extension, would be of  
27 greater benefit to society.  
28  
29

30  
31 Therefore, there has been a stronger message of community activities being structured,  
32 managed and integrated in a ‘business-led’ fashion e.g. more efficiency in the use of funds,  
33 ensuring these are in line with organizational objectives and a gradual abandonment of ad-  
34 hoc sponsorship practices. This message is reinforced by a ‘mantra’ (as previously set out in  
35 the code of corporate governance) that community support is critically dependent on the  
36 company’s economic activities. However, the dissatisfaction by the government in 2007  
37 appears to have led to disclosures with more rhetorical statements expressing the integral  
38 nature of social responsibility within corporate activities. For example:  
39

40 *“Corporate Social Responsibility is an integral part of the day-to-day life at the*  
41 *company. CSR relates to the company's societal responsibility to establish real*  
42 *partnerships for sustainable human and community development in the country at*  
43 *large.” (Omnican Ltd, 2009)*  
44

45 *“The company has always had the interests of the community and the environment*  
46 *at heart and since its foundation in 1838, the company has been involved in*  
47 *activities designed to contribute to the welfare of the society” (Mauritius*  
48 *Commercial Bank, 2009)*  
49

50  
51 In parallel, we note the increased use of detailed narratives of community actions with an  
52 emphasis on the name of the beneficiaries (e.g. voluntary association, school, village or  
53 orphanage), the type of activity (funding a sports day, contribution to a building project,  
54 paying for teachers or medical treatment) and the financial implications thereof. For example:  
55  
56

57 <sup>11</sup> Translated from the French appellations used locally i.e. *Fondation Espoir et Developpement, Fondation*  
58 *Nouveau Regard*,  
59  
60

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3       *"... the company supports sport activities and in view of promoting sports and team*  
4 *spirit, the group has participated in the sponsorship of Curepipe Starlight Sports*  
5 *Club In sport, the company continues its sponsorship to the "Federation*  
6 *Mauricienne des Sports Corporatifs" and under education it has set up*  
7 *"l'Association Mauricienne de Lecture" in view of promoting reading and text*  
8 *comprehension. Moreover, under health the company has been one of the main*  
9 *sponsors of PILS. During the year, it financially supported this pro-active NGO."*  
10 *(Phoenix Beverages Limited, 2009)*  
11

12  
13 We interpret the above as part of a strategy of showing how substantively involved  
14 companies have been within the community. There is thus an attempt to *subliminally*  
15 associate the company to a multiplicity of social institutions to demonstrate how its actions  
16 are being accepted or welcomed by social stakeholders. In particular, supporting the  
17 education of pupils, helping to alleviate the plight of disadvantaged children and supporting  
18 people with disabilities are recurring areas of intervention. Whilst these are admittedly  
19 legitimate areas of intervention, what have been of note are the explicit mention of the names  
20 of beneficiary organisations. The latter can be interpreted as being akin to a discursive  
21 practice of 'name-dropping', whereby the names of organisations are used as a means to  
22 convey familiarity and closeness with the organisations and impress upon an audience.  
23

24  
25 Following the formal implementation of the CSR Levy in 2010, and whilst there has been  
26 very little change in the rhetorical statements from previous years, more detail as to how  
27 companies have responded to the government intervention emerge from the disclosures. This  
28 mostly related to the creation of Foundations (i.e. Trusts), as a special fund/vehicle, to  
29 manage the funds collected in relation to the 2% levy and highlighting the key areas where  
30 the funds have been and will be spent. For example,  
31

32  
33       *"The company created the Swan Group Foundation to manage its own projects. In*  
34 *reckoning its social responsibility and the significance of broadening its role to*  
35 *areas not directly connected with its operations, the group, as a corporate citizen,*  
36 *contributed to the development of a number of organisations in the educational and*  
37 *social fields..." (Swan Insurance Company Ltd, 2010)*  
38

39  
40       *"The company contributed to many CSR initiatives during the year under review.*  
41 *The company manages its own projects and funds through the ENL Foundation. In*  
42 *2010, the company has contributed an amount of Rs 476,000 to ENL Foundation*  
43 *and this sum represents the CSR levy to the tune of 2% of profit after tax imposed by*  
44 *Government on all companies as from June 2009. ENL Foundation has also*  
45 *contributed to the Charles Telfair scholarship program targeting underprivileged*  
46 *young students wishing to pursue tertiary education. Furthermore, it has sponsored*  
47 *selected initiatives undertaken by NGOs at national level in the field of social*  
48 *integration, promotion of youth health, arts & culture and preservation of the*  
49 *environment." (ENL Commercial Ltd, 2010)*  
50

51  
52 A key aspect mentioned by almost all the disclosing companies in 2010 was the fact that they  
53 would be managing their own projects and funds. This comment related to the regulations  
54 underlying the CSR levy whereby companies have the flexibility to pay the levy to a  
55 centralised CSR institution (National CSR Committee) which would then use the funds to  
56 spend on any CSR-related activity instead of being engaged directly in such activities. This  
57 suggests that companies have been keen to communicate their intention to retain control of  
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3 the funds, to be invested in their own Foundations/Trusts, rather than relinquish them to a  
4 government-controlled authority. Whilst the MEF report (2011) highlighted a mixed opinion  
5 by companies on the implementation of a CSR levy by the relevant authorities, it was  
6 interesting to note from the survey that almost half (46.1%) of the responding companies  
7 agreed that “*CSR can be used as a way of improving image and competitiveness of the*  
8 *enterprise*” (2011, p. 13) and one of the key recommendations from the report that was that *it*  
9 *is essential to maintain the flexibility of enterprises to freely manage and spend their CSR*  
10 *funds*” (p. 14). Arguably therefore, the disclosures imply an intention by the companies to  
11 retain the funds to allow them to have the flexibility to decide where to invest the resources  
12 and to communicate the fact that they are best placed to ensure the resources are properly  
13 invested, particularly when the quantum of CSR investment would be expected to increase - a  
14 key point highlighted by some private sector representatives (MEF, 2012). Furthermore,  
15 given the concerns by government that previous social responsibility actions were carried out  
16 on an ad-hoc basis, the community disclosures also seek to convey the message that there is a  
17 structured and well-managed approach to the actions being undertaken by the companies.  
18  
19

20  
21 Lastly, we acknowledge that a minority of listed companies have not significantly changed  
22 their disclosures and continue to provide only basic information on the value of donations or  
23 ‘boiler-plate statements’ that have barely changed over the seven year period. This may be  
24 interpreted in two ways. On one hand, this may reflect a substantive lack of community  
25 involvement and in the absence of any active CSR involvement, the CSR levy would be *de*  
26 *facto* payable to the tax authorities. On the other hand, this may be associated to the possible  
27 existence of a ‘disconnect’ between actual community involvement and the need to make use  
28 of disclosures. Jamali and Mirshak (2007, p. 255) contend that the philanthropic / altruistic  
29 emphasis of CSR activities in developing countries is characterized by ‘silent’ CSR whereby  
30 little or no information is provided. However, we do not find this to be the predominant  
31 corporate behavior in Mauritius where there has been a concurrent increase in rhetorical  
32 statements and in detailed information about community actions.  
33  
34

### 35 *Discussion and analysis*

36 In considering the disclosures of community involvement over this seven year period, we  
37 contend there has been a gradual use of an assertive language and modern CSR jargon by  
38 companies to construct a new ‘story’ of *commitment* (i.e. a promise), *permanency* (i.e. being  
39 always there, integral to its activities), *intimate connection* (to the community) and  
40 *structure/order* (in the community-led actions). This has superseded a corporate behavior  
41 characterized by the use of factual and limited disclosure of community activities and by an  
42 *ad hoc* approach to the type of community interventions. In view of the issues highlighted in  
43 the country context section, we can gradually observe changing discourses and the changes in  
44 community disclosures as an attempt to communicate to society, to a variety of local  
45 stakeholders and at the same time to respond to expressed political concerns (refer to  
46 summary Table 3 below).  
47  
48

### 49 **INSERT TABLE 3 ABOUT HERE**

50  
51  
52 The policies followed by the new government since its election 2005 can be interpreted as a  
53 gradual unravelling of the social contract (Brautigam and Diolle, 2009) devised between the  
54 government and the private sector (led primarily by large companies owned by a small  
55 business elite), whereby the private sector would be provided with the flexibility to operate  
56 with little intervention as long as sufficient resources would be channeled to the State (mainly  
57 in the form of taxes and other levies) and people (salaries, wages and benefits). In this  
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3 respect, the thrust of the disclosures may be seen as a reminder of the past and current  
4 involvement of companies in the community and as a response to the ‘mainstream’ narrative  
5 put forward by the state and its agents to justify changes to the economic status-quo i.e. the  
6 portrayal of the private sector as an exploitative and profit- focused private sector with no or  
7 little social involvement. As a result, at one level, companies appear to have adopted a  
8 reactive strategy in line with legitimacy and stakeholder arguments as in the case of Belal and  
9 Owen (2007) and Islam and Deegan (2008), with a bid to respond to the social issues  
10 pertaining to wealth inequality and social injustice highlighted previously.  
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13 Furthermore, we argue that the ensuing political climate significantly raised the bar as various  
14 regulatory constraints were being discussed and introduced with tangible and direct negative  
15 implications for companies. The private sector also stood accused of not being sufficiently  
16 involved in social responsibility, thereby resulting in the CSR levy. We also observe that the  
17 changing discourse in later years is supported by a review of priorities and activities to be  
18 undertaken by companies and a change in the structuring of community involvement as more  
19 evidence of government pressure and likely intervention became apparent (refer for instance  
20 to MEF 2011; 2012). In analyzing the disclosures, we therefore also see, at another level, the  
21 increased use of rhetorical statements and disclosure of community actions as an attempt to  
22 build a counter-narrative of how companies have, and continue to, engage closely with the  
23 community. Demonstrably, companies used expressions to suggest that companies have long  
24 (or always) been involved in the community conveying an impression that it is not up for  
25 debate whether the company contributed sufficiently to societal needs. This is consistent with  
26 Merkl-Davies and Brennan’s (2011) concept of retrospective rationality and sense-making to  
27 convey an impression of rationality to past corporate actions. One particular glaring example  
28 of retrospective rationality was the case of the Mauritius Commercial Bank (see Appendix 1),  
29 which changed the time period it stated it has been involved in community actions (*ongoing,*  
30 *for decades* and finally *since its creation in 1838*)<sup>12</sup>. From the classical political economy, we  
31 contend that disclosures characterised by retrospective rationality are not only an attempt at  
32 seeking dispositional legitimacy or stakeholder support but are also reflective of an attempt to  
33 re-shape the historical and present role of companies in community involvement. Since the  
34 government eventually introduced a regulatory constraint (CSR levy) to ensure that  
35 companies invest to a satisfactory extent in social activities, we acknowledge that these  
36 corporate attempts to re-define the mainstream narrative to thwart further government action  
37 have been largely unsuccessful. As suggested by Livesey (2002), it is likely that narratives  
38 which convey a ‘regime of truth’ emerge transitorily before being overshadowed by a  
39 competing, and in this case, a more powerful political discourse set out by the government  
40 and its agents (politicians).  
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45 Whilst the underlying discourse of *commitment, permanency* and *intimate connection* does  
46 continue in the final years of analysis, the disclosures also become more focused on the  
47 *structure and order* of community actions through the communication of the creation of  
48 programmes, schemes, Foundations and clearer delineations of policies/areas of intervention.  
49 At one level of analysis, this can be interpreted as the communication of substantive  
50 (concrete) action on the ground which is aimed at demonstrating a logical, efficient and  
51 rational approach to CSR activities and hence drawing influence and exchange legitimacy  
52 and continued support from stakeholders. However, at another level of the analysis, it cannot  
53 be ignored that the *structure and order* discourses reflected in the disclosures are also the  
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57 <sup>12</sup> This case is a particularly illustrative one since it has been documented that many of the slave owners of  
58 French descent, who were compensated after the abolition of slavery in 1835 by the British government, became  
59 investors in the bank (Boswell, 2006, p. 27).  
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3 result of the direct intervention of government in the CSR arena. Whilst there is no specific  
4 disclosure guidance with regards to the CSR levy, most of the disclosing companies have  
5 emphasized that they have set up appropriate structures to manage the funds themselves  
6 rather than transfer the funds to a centralised body (refer also to the 2010 disclosures of  
7 companies #6 & #7 in Appendix 1). From the classical economy perspective therefore, we  
8 would argue that the communication of *structure and order* can be viewed as an attempt to  
9 shape the parameters, conditions and agenda upon which community involvement will be  
10 practiced by the disclosing company and thus determine the extent of the power relations  
11 between the company and the government in the CSR agenda. From the context section, we  
12 reported that the government was critical of the *ad hoc* nature of corporate interventions in  
13 areas that were deemed of lesser importance. As a result, the recent government decision did  
14 not merely specify a compulsory contribution rate but also determined a list of approved CSR  
15 priorities, activities and recipient organisations (e.g. NGOs), thereby explicitly asserting its  
16 role as the new ‘purveyor’ of CSR/community funding. However, this has been resisted by  
17 the corporate sector as typified by the comment by private sector representative that “*Surely*  
18 *it cannot be a good thing when Government interferes with a heavy hand in an area which*  
19 *free enterprise has so overwhelmingly undertaken for decades to take into its good care*”  
20 (MEF, 2012, p. 69) and one key recommendation set out in the MEF report (2011) stating  
21 that “*It is essential to maintain the flexibility of enterprises to freely manage and spend their*  
22 *CSR funds*” (2011, p. 14). From this insight and the relevant disclosures, it can be inferred  
23 that companies are engaged in a power struggle with the government in terms of seeking to  
24 retain control over the funds raised by the CSR levy and avoiding it from being ‘captured’ by  
25 government.  
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## 29 30 **6. Conclusion**

31 We sought to examine changes in community disclosures and the contributory factors leading  
32 to such changes in a developing country in view of the relatively lack of empirical research in  
33 this category of social disclosure. Mechanisms of corporate social accountability in  
34 developing countries are often seen to be heavily influenced by, or drawn from, Western-  
35 based practices (e.g. Global Reporting Initiatives, corporate governance codes). However,  
36 whilst we do not find a straightforward quantitative link immediately between the  
37 introduction of the code of corporate governance and the extent of community disclosures,  
38 there were indications of a qualitative change in the disclosures that is consistent with the use  
39 of rhetorical statements and the introduction of more sophisticated terminologies and  
40 language in some of the companies’ annual reports.  
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43 Crucially however, we argue that a subsequent leap in the quality and quantity of disclosures,  
44 principally from 2007, had little to do with concerns about international pressures. Instead,  
45 they have arisen because of the changes driven by local factors. We show how the local  
46 political economy, which has traditionally been typified by a coalition of business and  
47 government, has been put to the test following political developments with the government in  
48 2005 keen on taking a more active role in challenging the economic ownership status quo. As  
49 part of these developments, the nature and extent to which companies contribute to charitable  
50 and community activities became part of the local debate. We see this as a key factor in  
51 explaining the changes in the corporate discourses of community involvement as companies  
52 sought to re-orient the discourse and the nature of their involvement and dispositions towards  
53 society and stakeholders with a view to maintain their legitimacy; a conclusion which chimes  
54 with the ‘Bourgeois’ notion of political economy. Yet, at the same time, Gray et al.’s (1995)  
55 pluralist conception of political economy does allow for the additional, and yet important,  
56 inference that classical political economy-led motivations are at play given the recent  
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3 political and regulatory changes. More specifically, after a period of shared power through a  
4 coalition with the private sector, the political elite sought to alter the dynamics of economic  
5 control using its *democratization of the economy* agenda and the CSR levy, as a means to  
6 'capture' the companies' CSR budget through the implementation of the levy. The changing  
7 corporate discourses sought to construct a new corporate narrative, possibly as a way to  
8 counter such imposition, but this eventually failed to convince the government (and its  
9 politicians) that companies have been committed, long standing, intimate and structured  
10 supporters of the community. The disclosures immediately following the implementation of  
11 the CSR levy in 2010 reflected a key message that companies have been re-structuring their  
12 community support activities to comply with the new levy and requirements but at the same  
13 time, were explicit in ensuring that the resources/funds would be retained under their control  
14 and not 'outsourced' to the government-established National CSR Committee.  
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18 Overall, this paper has contributed to the literature by providing empirical evidence on the  
19 extent, nature and motivations of community disclosures in a developing economy using the  
20 dual conceptions of 'Bourgeois' and 'classical' political economy. Our contribution lies in  
21 the finding that modern CSR jargon appears to have been 'internalised' by local companies in  
22 a developing economy not primarily to 'parrot back' to international audiences but instead,  
23 these were gradually relied upon to address local pressures and factors arising from the  
24 historical 'organisation-society' relationship in Mauritius and the changes brought about by  
25 the government of the day. Hence, whilst modern 'CSR jargon' and related disclosures are  
26 nominally and admittedly 'Western-oriented' conceptions, it does not necessarily mean that  
27 they have no or little place in the local developing country arena, whether as a means to  
28 deliver social accountability or as in this case, as a means to manage local impressions and  
29 act as a counter-narrative. In this regard, we would assert that it is rather problematic for  
30 researchers to continue to contain themselves purely to a 'Bourgeois' reading of CSD where  
31 organisations and their audiences are conceptualized as entities involved in a process of  
32 communication in isolation of the historical nature of the relationships and the power  
33 imbalances existing between the involved parties.  
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37 As suggested by Tregidga et al. (2007), the use of discourse analysis has helped to uncover  
38 richer qualitative insights on the changes in community involvement and disclosure. This has  
39 been possible due to the use of a mixed methods approach and a reliance on triangulation to  
40 assess more closely the links between the empirical data, contextual events, and theoretical  
41 constructs from the literature. Whilst we acknowledge that the use of a variety of data sources  
42 does not lead in itself to a more focused and theoretically precise view of a phenomenon, our  
43 reading of many studies in the CSR/CSD arena is that they appear to give too much credence  
44 to quantitative assessments of disclosures or do not refer to the wider social and political  
45 issues, thereby leading to a reliance on legitimacy as the 'definitive' theoretical explanation  
46 (Adams and Harte, 1998). Informed by the outcomes of our study, we would certainly  
47 encourage greater engagement with the context and the use of mixed methodologies,  
48 inclusive of interviews, to understand how and why companies in developing countries use,  
49 and communicate, corporate social responsibility.  
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<b>number of annual reports accessed</b>		<b>Word Count of Community Disclosures</b>	
<b>Year</b>	<b>Number of listed companies reporting community disclosures (%)</b>	<b>Total</b>	<b>Mean (SD)</b>
<b>2004 (N=40)</b>	<b>33 (83%)</b>	1,614	48.9 (43.2)
<b>2005 (N=41)</b>	<b>36 (88%)</b>	1,561	43.4 (34.1)
<b>2006 (N=41)</b>	<b>33 (80%)</b>	1,355	41.1 (30.9)
<b>2007 (N=42)</b>	<b>36 (86%)</b>	2,826	78.5 (53.4)
<b>2008 (N=39)</b>	<b>32 (82%)</b>	2,041	63.8 (40.3)
<b>2009 (N=36)</b>	<b>30 (83%)</b>	2,845	94.8 (61.2)
<b>2010 (N=36)</b>	<b>31 (86%)</b>	2,724	87.9 (59.8)

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<b>Year (no. of companies)</b>	<b>Generic statements of support to community actions</b>	<b>Basic statement (donated amount)</b>	<b>Extended statements of community actions</b>	<b>Explicit statements referring to structured CSR programme (including CSR levy)</b>
2004 (33)	14	21	10	2
2005 (36)	13	27	7	2
2006 (33)	12	16	15	2
2007 (36)	24	11	15	10
2008 (32)	22	8	16	8
2009 (30)	21	4	12	14
2010 (31)	20	4	11	16

Table 3 - Community Disclosures: Summary of Key Findings

Periods of analysis	Critical events/drivers	Form and extent of community disclosure
2004 to 2006	<ul style="list-style-type: none"> <li>• Corporate governance code implemented (2005)</li> <li>• New government elected and expression of a '<i>democratisation of the economy</i>' agenda (2005/2006)</li> </ul>	<ul style="list-style-type: none"> <li>• Initially, limited and factual in nature, reflecting ad-hoc forms of community intervention.</li> <li>• Gradual use of new terminologies (e.g. <i>commitment, corporate citizen, sustainable</i>) and expanded statements of intention but with little detail of what is actually being done.</li> </ul>
2007 to 2009	<ul style="list-style-type: none"> <li>• Policies to address anti-competitive practices as per the '<i>democratisation of the economy</i>' agenda.</li> <li>• Government concerns about the lack of CSR by companies and suggestion to spend 1% of profits on less ad-hoc projects (Budget Speech, 2007)</li> <li>• Enactment of the CSR Levy (Budget Speech, 2009)</li> </ul>	<ul style="list-style-type: none"> <li>• Significant increase in the volume of community disclosures, covering both rhetoric/generic and substantive statements.</li> <li>• '<i>Commitment</i>' and '<i>care</i>' statements use by more companies, together with more information of community actions, and gradual identification/mention of recipient organisations (intimate connection).</li> <li>• Detailed disclosures on the creation of formal CSR structures (e.g. Foundations), with some responding to governmental suggestions to commit a given percentage of profits to community/CSR activities.</li> <li>• Disclosures emphasise the long term / historical role (<i>permanency</i>) of companies to community development, and the decision to adopt a structured approach to resolving social and community issues (less ad-hoc activities; <i>structure/order</i>).</li> </ul>
2010	<ul style="list-style-type: none"> <li>• Implementation of the CSR Levy and its administrative apparatus (e.g. approval of projects)</li> </ul>	<ul style="list-style-type: none"> <li>• More companies disclosing rhetorical statements, details of their community activities and connections to organisations ('name dropping').</li> <li>• Companies responding to the mandatory CSR levy and highlighting the creation of formal structures to own and manage their own CSR funds.</li> </ul>

Appendix 1: Examples of Community Disclosures (Listed Companies) in 2004, 2007 and 2010		
2004	2007	2010
<p><b>1. Transport (Air Mauritius Ltd)</b> The company strives to promote activities related to education, sports and cultural events. It sponsored several events like the Indian Ocean Games and AGOA meeting. The company made a donation of Rs 179, 240 during the financial year</p>	<p>The company is committed to promoting projects aimed at uplifting the lives of the communities in which it serves. The commitment arises from the strong belief that success comes from recognizing the interdependent nature of companies and communities in which they operate. The company contributed to several charities in the form of free rebated tickets, community fundraising ventures and other promotional activities other promotional activities. A donation amount of Rs 167,600 was made by the company.</p>	<p>The company continued to provide support in the form of rebated tickets and promotions to social organisations. Donations made by Air Mauritius amounted to Euro 595</p>
<p><b>2. Investments (Belle Mare Holdings Ltd)</b> No donation was made during the financial year</p>	<p>The company has a policy on Corporate Social Responsibility, which commits it to the following set of principles: conducting business in a socially responsible and ethical manner, supporting human rights, engaging, learning from, respecting and supporting the communities and cultures within which it operates. The Company is party to the establishment of a Consolidated Social Fund, which will be involved in a number of specific projects in the fields of education, women's empowerment, cultural integration and promotion, and environmental and health protection. No donation was made during the year</p>	<p>The company has a policy on Corporate Social Responsibility, which commits it to the following set of principles: conducting business in a socially responsible and ethical manner, protecting the environment and people's safety, supporting human rights, engaging, learning from, respecting and supporting the communities and cultures within which it operates. The company has its own projects and manages them through Fondation Constance. The company has contributed to the Constance Group's corporate social fund, which is involved in a number of specific projects in the fields of education, women's empowerment, cultural integration and promotion, and environmental and health protection.</p>
<p><b>3. Industry (United Basalt Products Ltd)</b> The company made a donation amount to Rs 637,201 during the financial year</p>	<p>The policies and practices of the company in terms of social aid translates mainly into financial assistance to various school projects and sport federations besides sponsorship to children of employees for school and tertiary training courses. The company sponsored the primary school of Camp Levieux being one of the ZEP schools. At Trianon, books and computers are donated to the 'Centre Municipal de Pellegrin'. At Tamarin, the company has supplied products for the renovation of the floor of the 'Paille en Queue' day nursery and has sponsored an Art education programme for L'association 'La Pointe Tamarin'. A donation of Rs 746,045 was made during the year</p>	<p>The policies and practices of the company in terms of social aid translate mainly into financial assistance to various school projects, sport federation and arts culture. The company manages its own funds and projects. The company has embarked in various projects in the educational field, one of which concerns the New Bambous Geoffroy Govt. School where a photocopier was donated to the school. Besides, the company provided financial support for arts &amp; culture through help to artists and sponsorship of events. The group donated Rs 3,120,660 during the year.</p>

**Appendix 1 (Continued) Examples of Community Disclosures (Listed Companies) in 2004, 2007 and 2010**

<p><b>4. Leisure and Hotel (Sun Resorts Ltd)</b> The community development committee set up by the company, had the following objectives: reinforce the social responsibility initiatives, enhance relations with team members, guests, partners and shareholders, enhance company's reputation and standing in the community and create long-lasting goodwill. A donation of Rs 2,667,000 was made during the year. 1% of the Group's attributable earnings will be made available for community development. Sectors for CSR are: Education, Children, Health, Environment and Culture. Following the Tsunami disaster in South East Asia, the company contributed Rs 1 Million to the International Red Cross and UNICEF along with that an amount of Rs 107,000 was donated to people in affected areas together with a container of non-perishable items.</p>	<p>The company has decided, with effect from 2008 to increase its CSR budget to 2% of net profit. The company made a contribution to the Jean Paul Varlet Cancer Trust Fund amounting to Rs 2 M. The purpose of the fund is to assist children under 14 years of age suffering from cancer, and proper networking with NGOs, medical partners and the Health authorities. 25% of the CSR budget will go to this fund annually. Donation made during the year are: local communities, organisations and association Rs 876,000, National level - Rs 535,000, internal workforce - Rs 50,000 and Trust Fund - Rs 2,000,000</p>	<p>The company is committed towards corporate social responsibility programmes at both local and national levels and it has proved to be a very powerful tool in bringing improvements to local communities and disadvantaged sectors of the population. The company helped a dozen children and their families in their fight against cancer. Corporate Social Responsibility donations made by the group during the year amounted to Rs 3.9 million and political donations amounted to Rs 3,350 000.</p>
<p><b>5. Sugar (Harel Freres Ltd)</b> The directors of the company are fully aware that, while they are ultimately responsible for the proper management of the company and are answerable to its shareholders, long term performance and success are inextricably linked to the sustainable development of the community within which the company operates. The company provided an ongoing support and guidance to small planters within the factory area. The company took part in the JEC's scheme and provided financial assistance to ZEP. Financial assistance is also provided to "Lizie dans la main" through education, sports, mobility and handicraft. The company also supports a number of NGOs and charitable organisations engaged in the care of orphans, disabled and in rehabilitation programmes. The company donated Rs 0.1 Million during the year.</p>	<p>The directors of the company recognise that, while they are ultimately answerable to shareholders, it is in the company's long-term economic interest to conduct itself as a responsible corporate citizen in order to move forward towards a better society and future growth. The company devotes around 1% of group profits to CSR. An appropriately structured fund is also being established under the stewardship of a newly appointed CSR manager who will make recommendations to a CSR committee in terms of objectives and resource allocation and report regularly to the Board. Harel Freres Ltd provides financial support to the ZEP programme and also financial assistance to "Lizie Dan La Main". During the year the company donated Rs 1.4 M to 21 recipients</p>	<p>Social actions are of paramount importance to the company. The company contributed in many areas such as poverty alleviation and sport. The group contributed Rs. 7.3 M under Corporate Social Responsibility during the year. The group officially launched Fondation Harel Frères and intervened in various areas such as education and training, poverty alleviation and health care, environment, heritage and sport. The Fondation continued to assist, accompany and act with some Non-Governmental Organisations and also committed itself to the ZEP schools national project. In the field of education and training, the Fondation contributed to Association of Disability Service Providers (ADSP), a NGO founded in 2003 to cater for the welfare of physically and mentally disabled children in the vicinity of Long Mountain and the northern region, Collège Technique St Gabriel and Lizie dan la main amongst others. In respect of poverty alleviation and health care, the Fondation sponsored La Fraternité des Malades et Handicapés for the purchase of a special van equipped with a handicap lift.</p>

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**Appendix 1 (Continued): Examples of Community Disclosures (Listed Companies) in 2004, 2007 and 2010**

<p><b>6. Commerce (Harel Mallac &amp; Co. Ltd)</b>                  One of the priorities of the company is to support charitable associations. The company also helped in combating poverty, social exclusion, social discrimination and disease. It also helps in the promotion of culture and sports, education and childcare in the country. A donation of Rs. 429, 000 was made during the financial year</p>	<p>The company is committed to the betterment of communities where its employees work. Its community programmes support human services and civic initiatives by helping build strong, healthy communities to further enrich the lives of citizens. It helped in the fight against Chikungunya by creating awareness of the disease and educating children specifically in prevention measures. The company also educated children and the population at large on road safety measures. It supports NGOs and charitable organisations which cater for the needs of children and economically disadvantaged families. Harel Mallac organised a Christmas party for 22 children at L'Hopital du Nord. The Company made a donation of Rs 958,000 to 41 recipients</p>	<p>During the year, the company provided financial support amounting to Rs. 3.3 million to various projects in the field of education, as well as for ecological projects. The Fondation Harel Mallac was created to manage the Funds and Projects. Education and Training/Social: The company contributed to educational opportunities for underprivileged and handicapped children. Moreover, as indicated on page 29, the company funded the salary of the liaison officer of two ZEP schools and supported other valuable projects which they considered beneficial to the 650 pupils of these institutions. Besides, in terms of assistance to the handicapped, the company provided the educators of APDA at Eau Coulée with special education materials. Donations made by the company under corporate social responsibility amounted to Rs 842,000. Support to NGOs: APDA; ANFEN centres; Atelier Mo'Zar; Centre Technique de St Monfort; English Speaking Union; Curepipe Starlight Sporting Club; S.O.S Patrimoine en Péril; Mouvement pour le Progrès de Roche Bois.</p>
<p><b>7. Banks and Insurance (Mauritius Union Assurance)</b>                  The company made a donation of Rs 8500 during the financial year</p>	<p>During 2007, the company maintained its Corporate Social Responsibility policy which is part of its business. Support is given to SOS Femmes and Etoile d'Espérance. Charitable donations made by the company during the year to 15 recipients amounted to Rs. 479,300. The Company also continued to support the T1-Diams Group (children suffering from T1 diabetes) and the ZEP Scheme (Zone d'Education Prioritaire)</p>	<p>The company recognises that it operates within a social and economic community and as such is committed, when taking decisions and carrying out its activities, to take into account not only the economic viability but also the social implications. The company created Fondation Mauritius Union Ltd to create and manage its own projects. The company continued and reinforced social actions undertaken in 2009 and during the year, actions were centered on the fight against poverty. The initiatives taken were in the areas of sports, health, PAWS and Trust Fund for Excellence in Sport. Charitable donations made by the company during the year amounted to Rs. 1,243,067.56.</p>

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## Disclosures in a Developing Country: Insights from a Neo-Pluralist Perspective

### Response to AAAJ Editor and Referees 1 & 2

We thank Professor Parker and the two referees for the positive comments and taken note of the paper's acceptance subject to minor comments made by Reviewer 1. The responses (in bold) to the comments are as follows:

#### Referee 1

1. *Are the data in the Appendix verbatim quotes or paraphrases? Sometimes it seems they are one; sometimes the other. I think both can be used, but it should be made clear what, if anything, is a direct quote.*

**Thank you for this comment. We have double-checked our data with regards to Appendix 1 and can confirm the community/social-related narratives are direct quotes and not para-phrases.**

2. *What is "semiotic" about the conception discussed on p. 6, line 27?*

**'Semiotic' typically denotes the study of signs and symbols (including language), their interpretation or meaning they seek to convey. For example, one likely 'semiotic' interpretation of a high volume of disclosure is that the author of the narrative attaches great importance to the subject of the narrative.**

3. *On p. 8, line 13, is it a "pejorative" dichotomy or an unfair one?*

**We agree that this is a not useful qualifier. We removed the term 'pejorative', and instead refer to the dichotomy as being historical in nature.**

4. *In the first full paragraph on p. 9, line 19: who is it that "often portrays" the private sector as a villain? You mention political slogans that portray the private sector as villainous, but I think you need to add a word or two about where they are coming from. The description of the Labour government victory as being "In this respect" (line 26) is confusing. Do you mean that the slogans were persuasive to a majority of voters? Is this the first time a Labour government was elected? It sounds like it is.*

**Slogans against the private sector are often made by politicians (whether in government or not) and trade unions. We have added a clarification as to who utters such slogans. The corporate governance code document cited on the same page (line 20) acknowledges that 'prejudicial behaviour patterns', including 'lack of fair employment', have occurred in local companies. Furthermore, we have removed the implication of 'in this respect' and instead emphasise the electoral commitment of the '*democratisation of the economy*' which was relatively novel and well received. For information, this is not the first time a Labour government was elected but since losing power at the beginning of the 1980s, it had been in opposition for nearly 15 years, and thereafter has not been able to hold on to office for more than one mandate, and only secured two consecutive mandates in 2005 and 2010.**

5. *I'm not sure what your point is in saying that the implementation of CSR (pp. 9-10) is characterized as "uneven," "with little indication of the evidence to support..." Is there evidence that counters this characterization?*

**There is no specific evidence to that effect. At the same time, the point we were trying to make here is that the government did not appear to have gathered any data (or at least did not publicly mention it) to justify the policy change (introducing the CSR levy). This is why we refer to it as an 'assertion' in the next sentence.**

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6. I don't see how an "explicit mention" (page 15, line 21, and the examples in lines 3-12 on the same page) of initiatives is part of an effort to "subliminally associate the company..." (emphasis in original).

**It is the explicit mention of the names of the organisations rather than the initiatives that we are referring to as part of the subliminal association. We have amended the sentence accordingly.**

7. Do the companies explicitly or implicitly state that they would rather manage their own donations rather than pay the government levy? It seems implicit in the paper, but lines 6-8 on p. 18 imply that this is explicitly stated.

**Several companies in their 2010 annual report associated the creation of their own Foundations to the need to manage their own CSR projects. The examples can be noted in Appendix 1 (last two companies, 2010 disclosures), and the last two quotes on page 15.**

8 & 9 Typographical mistakes: corrected.