Stakeholder engagement in the field of sustainability in Malaysia

Adura Ahmad

A thesis Submitted for the Degree of
Doctor of Philosophy in Accounting

Essex Business School
University of Essex

March 2017

Declaration

I declare that this thesis is my own work and has not been submitted in any substantial parts to any other institution or organisation for the award of a higher degree.

Dedication

I dedicate this thesis to my beloved husband, Ahmad Hafizal Mahadzir, my beloved children, Afiq Mahadzir Ahmad Hafizal, Alisa Ahmad Hafizal and Afnan Mahadzir Ahmad Hafizal who have always been by my side to cheer me up when I was down and have filled me with true happiness during this journey. A big thank-you for their endless love, sacrifice and encouragement. I also dedicate this thesis to my late mother, Rasimah Abdullah and my late father, Ahmad Yusof, and my late sister, Norehan Ismail (who passed away during this journey).

Acknowledgements

Shukr Al-hamdu-lillah
All the praises and thanks be to Allah

This PhD journey would not have been possible without the help and support from many people and organisations.

My sincere gratitude goes to my supervisors, Professor Dr Iqbal Khadaroo and Dr Mohamed Fadzly for their invaluable advice, continuous support, encouragement and motivation. I sincerely appreciate their encouragement and motivation, advice and guidance as well as their emotional support, supervision, constructive criticism and academic leadership, which have all contributed to the completion of this journey. Without their remarkable support, patience and sincere interest, this thesis would not have been completed.

I express my sincerest gratitude to all my research participants for their time and for providing me with their great insight, knowledge and perspectives on sustainability practices in Malaysia. I am also indebted to my niece, Mimi Asmira Mohamad and my friends, Rosmaliza Shoaib and Nor Jehan Abu Bakar for their hospitality and support during my fieldwork.

A very special thanks goes also to my sponsor, the Ministry of Higher Education, Malaysia and my employer, Universiti Utara Malaysia, for this doctoral studies opportunity and financial support (especially the support I received from Professor Dr Mahamad Tayib, Professor Dr Nor Azizi Ismail and Professor Dr Kamil Md. Idris).

Additionally, I would like to thank all the academics, administrators, especially Juliet Sexton, colleagues and friends, especially Saidah, Sue Chern, Maha, Dominic, Eki, Zubair and Ali at the Essex Business School for their kind support, advice and encouragement.

My deepest gratitude also goes to my parents-in-law, Mahadzir Bab and Che Aini Din, my siblings, Azizah, Ramlah, Rashidah, Norehan, Nural Azhan and Anita, and my brothers- and sisters- in-law and the rest of my family for their unconditional love

and support throughout my life. Thank you for all the prayers and for their faith in me. Last but not least, I am grateful to all of my friends in Colchester, xKT88, xA'LEVEL/MCHE, xSMH, Constantina Fotiou, Fairuz Addnan and others for every word of encouragement, advice and prayers.

To my husband and children, thank you again for their unconditional love, support, and encouragement. This PhD journey was not an easy journey to complete and I would not be able to reach the finish line without their great understanding and sacrifice.

Abstract

This study is concerned with sustainability and stakeholder engagement practices in the palm oil and mining sectors in Malaysia after they received accumulated pressure from dominant stakeholders, such as NGOs and the local community. It considers how the companies in the two sectors strategically adopt and follow stakeholder engagement practices through alliance and collaboration with the state so as to secure their legitimacy. The study also highlights the role of power differentials among the companies, the state and civil society in enforcing the companies' sustainability behaviour change. As such, it provides an in-depth analysis of the organisational practice of stakeholder engagement by looking at the political economy and social context.

This study takes an in-depth case study approach using 45 interviews with companies, the state and the civil society, supported by analysis of publicly available information. Through a Bourdieusian theoretical lens, this study explores the sustainability field in Malaysia to understand the stakeholder engagement from multiple viewpoints in addressing the stakeholders' conflict and power dynamics. The sustainability field in this research is an arena of social practice wherein key actor such as the company, the state and civil society are positioned with certain interests. All forms of social engagement in this field are analysed in terms of their particular logic of practice.

The study found that the stakeholder engagement made by the companies with the support of the state sought to naturalise the view that the companies' operation is not harmful to the environment and the society. The companies collaborate and ally with the state to promote their economic interests. The companies gain power and

domination conferred by the state through these partnerships in achieving economic benefits, which then, create symbolic violence. As a result, stakeholder engagement does not seem to solve the sustainability controversy.

Table of contents

DECLARATION III

DEDICATION V

ACKNOWLEDGEMENTS VII

ABSTRACT IX

TABLE OF CONTENTS XI

LIST OF TABLES AND FIGURES XVII

LIST OF APPENDICES XIX

CHAPTER 1 INTRODUCTION 1

1.1 INTRODUCTION 1

1.2 RESEARCH MOTIVATION 5

1.3 RESEARCH OBJECTIVE 7

1.4 RESEARCH QUESTIONS 7

1.5 THEORETICAL FRAMEWORK 8

1.6 RESEARCH APPROACH 9

1.7 RESEARCH JUSTIFICATION 11

1.8 RESEARCH CONTRIBUTIONS 12

1.8.1 Theoretical contribution *13*

1.8.2 Empirical contribution *14*

1.8.3 Policy contribution *16*

1.9 ORGANISATION OF THIS THESIS 17

1.10 CONCLUDING REMARKS 21

CHAPTER 2 STAKEHOLDER ENGAGEMENT IN SUSTAINABILITY ACCOUNTING PROCESS: A REVIEW OF THE LITERATURE 23

2.1 INTRODUCTION 23

2.2 THE CONTESTED NOTION OF SUSTAINABILITY 23

2.3 UNDERSTANDING THE STAKEHOLDER ENGAGEMENT IN SUSTAINABILITY ACCOUNTING PROCESS. 32

2.3.1 What is stakeholder engagement? *38*

2.3.2 Who they engage? *41*

2.3.3 How and why they engage? *47*

2.4 SUSTAINABILITY AND STAKEHOLDER ENGAGEMENT IN EMERGING AND DEVELOPING COUNTRIES 54

2.5 GAPS OF INTEREST IN THE LITERATURE 57

2.6 CONCLUDING REMARKS 60

CHAPTER 3 A BOURDIEUSIAN THEORETICAL FRAMEWORK FOR UNDERSTANDING STAKEHOLDER ENGAGEMENT 63

3.1 INTRODUCTION 63

3.2 THE BOURDIEU'S THEORETICAL FRAMEWORK 64

3.2.1. Habitus 64

3.2.2 Field 67

3.2.3 Capital 68

3.2.3.1 Cultural capital 70

3.2.3.2 Social capital 71

3.2.3.3 Symbolic capital 72

3.3 HABITUS, FIELD, CAPITAL AND POWER RELATIONSHIP 74

3.3.1 'Feel for the game' in the field of power 76

3.3.2 The State, symbolic power and symbolic violence 79

3.4 BOURDIEU'S THEORY IN ACCOUNTING RESEARCH 82

3.4.1 In general 83

3.4.2 In sustainability accounting 88

3.5 JUSTIFICATION FOR USING BOURDIEU 89

3.6 CONCLUDING REMARKS 95

CHAPTER 4 RESEARCH METHODOLOGY AND METHODS 97

4.1 INTRODUCTION 97

4.2 RESEARCH PARADIGMS 97

4.2.1 The critical paradigm 99

4.2.2 Justification for choosing critical theory 100

4.2.3 Alternative paradigms that could have been used 102

4.3 RESEARCH METHODS 105

4.3.1 Secondary data collection 106

4.3.2 Justification for using secondary data 107

4.3.3 Semi-structured interviews 108

4.3.4 Identification of interviewees and justification 110

4.3.5 Design and pilot testing of interview questions 115

4.3.6 The interview process and ethical issues 116

4.3.7 Data analysis 119

4.4 VALIDITY AND RELIABILITY 122

4.5 CONCLUDING REMARKS 123

CHAPTER 5 THE SUSTAINABILITY FIELD IN MALAYSIA 125

5.1 INTRODUCTION 125

5.2 THE CASE STUDY CONTEXT 126

5.2.1 The state: Malaysian government, politics and economy 126

5.2.2 The palm oil sector 133

5.2.3 The mining sector 137

5.3 FIELD OF SUSTAINABILITY: KEY PLAYERS AND THEIR ROLES 140

5.3.1 Overview of sustainability practices in Malaysia 141

5.3.2 Transnational actors and their influence on sustainability 150

5.3.2.1 The State: federal and state government 150

5.3.2.2 International agencies 152

United Nations 152

Global Reporting Initiative (GRI) 154

5.3.2.3 Global societies 156

International NGOs 156

European community 158

5.3.3 National actors: regulators, professional bodies, industry and national societies 159

5.3.3.1 Regulators 159

Malaysia Stock Exchange (Bursa Malaysia) 159

Securities Commission Malaysia (SC) 160

Other regulators 162

5.3.3.2 Professional bodies 163

ACCA 163

Institute of Internal Auditors (IIA) 165

5.3.3.3 Palm oil and mining: Industrial actors 165

Palm oil sector 165

Mining sector 168

5.3.3.4 National societies: the local community, activists and NGOs 169

5.3.4 Companies and their immediate stakeholders; internal and external actors 171

5.3.5 Summary of Malaysia's sustainability field 173

5.4 HOW DO STAKEHOLDERS PERCEIVE THE CONCEPT OF SUSTAINABILITY? 173

5.4.1 Regulators, professional bodies and local communities 174

5.4.1.1 Regulators 174

5.4.1.2 Professional bodies 175

5.4.1.3 Industry stakeholders in the palm oil and mining sectors....177

5.4.1.4 Local community, activists and NGOs....178

5.4.2 The companies....180

5.4.2.1 Palm oil sector....180

5.4.2.2 Mining sector....184

5.4.3 Other stakeholders....186

5.4.4 Summary of perception of sustainability....187

5.5 CONCLUDING REMARKS....188

CHAPTER 6 THE STAKEHOLDER ENGAGEMENT IN SUSTAINABILITY PROCESSES ……..191

6.1 INTRODUCTION....191

6.2 HOW MALAYSIAN COMPANIES (IN THE PALM OIL AND MINING SECTORS) ENGAGE WITH THEIR STAKEHOLDERS....192

6.2.1 Stakeholder engagement in palm oil sector – Gold Berhad....193

6.2.2.1 The internal engagement mechanism....200

6.2.1.2 The external engagement mechanism....205

6.2.1.3 Summary of stakeholder engagement in Gold....210

6.2.2 Stakeholder engagement in mining sector – Silver Sdn Bhd....211

6.2.2.1 The engagement mechanism before 8 March 2011 – no pressure from stakeholder

....216

6.2.2.2 The engagement mechanism after 8 March 2011 – with pressure from stakeholders

....221

6.2.2.3 Summary of stakeholder engagement in Silver....228

6.2.3 Summary on stakeholder engagement....229

6.3 THE POWER AND DOMINATION AMONG THE STATE, COMPANIES (GOLD AND SILVER) AND CIVIL SOCIETY IN ACHIEVING SUSTAINABILITY....230

6.3.1 The state (Malaysian government)....231

6.3.2 The companies (Gold and Silver)....241

6.3.3 The civil society....246

6.4 CONCLUDING REMARKS....256

CHAPTER 7 DISCUSSION.... 259

7.1 INTRODUCTION....259

7.2 SUSTAINABILITY OF THE PALM OIL AND MINING SECTORS IN MALAYSIA'S SUSTAINABILITY FIELD ……260

7.2.1 The sustainability field in Malaysia as a 'field of struggle'....260

7.2.2 The understanding of the contested notion of sustainability.....263

7.3 CAPITAL AND SYMBOLIC VIOLENCE IN STAKEHOLDER ENGAGEMENT.....265

7.3.1 Stakeholder engagement as 'feel for the game'.....265

7.3.1.1 Palm oil sector - Gold Berhad.....266

7.3.1.2 Mining sector - Silver Sdn Bhd.....269

7.3.1.3 Summary of stakeholder engagement as 'feel for game'.....273

7.3.2 Symbolic violence in stakeholder engagement.....274

7.3.2.1 Palm oil sector.....274

7.3.2.2 Mining sector.....282

7.3.2.3 Summary of symbolic violence in stakeholder engagement.....288

7.4 CONCLUDING REMARKS.....288

CHAPTER 8 CONCLUSION..... 291

8.1 INTRODUCTION.....291

8.2 SYNTHESIS OF EMPIRICAL FINDINGS.....292

8.3 LIMITATIONS OF THIS STUDY AND DIRECTIONS FOR FUTURE RESEARCH.....296

8.4 CONCLUDING REMARKS.....299

REFERENCES..... 301

APPENDICES.....349

List of Tables and Figures

Figure 1.1 Structure of the thesis.....18

Figure 2.1: Interconnectedness of organizational decisions on the three spheres of sustainability.....32

Figure 3.1: Reproduction of social structure – power and domination 74

Table 4.1: The list of interviewees 115

Table 5.1: Legislations to regulate the Malaysian palm oil industry.....135

Figure 5.2: Sustainability field: key players in palm oil and mining sectors 149

Figure 6.1: Representation of players in the palm oil sector within the sustainability field.....197

Figure 6.2: Group's corporate sustainability governance structure 201

Figure 6.3: Gold's social, cultural and symbolic capital 210

Figure 6.4: Representation of the key players in the mining sector within sustainability field.....214

Figure 6.5 Silver's social, cultural and symbolic capital.....228

Table 7.1: Double standards under the Australian proposal compared to plant in Malaysia.....271

Figure 7.2: Capital and symbolic violence in the palm oil sector 281

Figure 7.3: Capital and symbolic violence in the mining sector 287

List of Appendices

APPENDIX 1: INTERVIEW GUIDE – MANAGERS 349
APPENDIX 2: GOVERNMENT OF MALAYSIA 352
APPENDIX 3: GOLD – ENVIRONMENT, WILDLIFE & BIODIVERSITY PROJECTS353
APPENDIX 4: SILVER – CHRONOLOGICAL EVENTS 355
APPENDIX 5: SILVER – SOCIAL MEDIA: TWITTER AND FACEBOOK 359

List of Abbreviations & Acronyms

ACCA	Association of Chartered Certified Accountants
AELB	Atomic Energy Licensing Board
AIM	Alternative Investment Market
ASM	Academy of Sciences Malaysia
BADAR	Anti Rare Earth Authority Action
BCAC	Ban Cyanide Action Committee
BORA	Borneo Rhino Alliance
CCCP	Coalition of Concerned Citizens of Perak
CEO	Chief executive officer
CERES	Coalition for Environmentally Responsible Economies
COAC	Centre for Orang Asli Concerns
CSR	Corporate social responsibility
DASN	National policy on the environment
DEIA	Detailed environmental impact assessment
DOE	Department of Environment
DWNP	Department of Wildlife and National Park Peninsular Malaysia
ECR	Export Credit Refinancing
EIA	Environmental impact assessment
EIS	Environmental Impact Statement
EPF	Employees Provident Fund
ESG	Environmental, social and governance
ETP	Economic Transformation Program
EU	European Union
FDA	Food and Drug Administration
FDI	Foreign direct investment
FELDA	Federal Land Development Authority
FIC	Food information to consumers
FIR	Food Information Regulation
FOE	Friends of the Earth
FOL	Full operating stage licence
GDP	Gross domestic product
GHG	Greenhouse gas
GLCs	Government-linked Companies
GLICs	Government-Linked Investment Companies

GRI	Global Reporting Initiative
HCS	High Carbon Stock
HCV	High conservative value
IAEA	International Atomic Energy Agency
ICMM	International Council on Mining and Metals
IIA	Institute of Internal Auditors
IPM	Integrated pest management
ISEA	Institute of Social and Ethical AccountAbility
JOAS	Indigenous Peoples Network of Malaysia
KWAP	Kumpulan Wang Persaraan
LEAP	Land Empowerment Animals People
MARDEC	Malaysian Rubber Development Corporation
MaSRA	Malaysia Sustainability Reporting awards
MCCG 2012	Malaysian Code on Corporate Governance 2012
MCOM	Malaysian Chambers of Mines
MESRA	Malaysia Environmental and Social Reporting Awards
MIDA	Malaysian Industrial Development Authority
MNA	Malaysia Nuclear Agency
MNC	Multinational company
MNR	Ministry of Natural Resources
MOSTI	Mineral and Ministry of Science, Technology and Innovation
MPOA	Malaysian Palm Oil Association
MPOB	Malaysian Palm Oil Board
MPOC	Malaysia Palm Oil Council
MSPO	Malaysian Sustainable Palm Oil Standard
NDP	National Development Policy
NEP	New Economic Policy
NGOs	Non-profit organisations
NKEA	National Key Economic Areas
OSA	Official Secrets Act 1972
PEIA	Preliminary Environment Impact Assessment
PLC	Public listed company
PNB	Permodalan Nasional Berhad
POTA	Prevention of Terrorism Act 2015
R & D	Research and development

RAN	Rainforest Action Network
RIA	Radiological impact assessment
RSPO	Roundtable on Sustainable Palm Oil
SC	Securities Commission Malaysia
SEDCs	State economic development corporations
SMSS	Save Malaysia Stop Silver
SPC	Special parliamentary committee
Tahabas	Sarawak Natives Customary Rights Land Network
TH	Tabung Haji
TOL	Temporary Operating Licence
UDA	Urban Development Authority
UMNO	United Malays National Organisation
UNEP	United Nations Environmental Programme
WWF	World Wide Fund for Nature/World Wildlife Fund

Chapter 1 Introduction

1.1 Introduction

Stakeholders' engagement has been increasingly hailed to appraise accountability among organisations (Unerman and Bennett 2004; Unerman *et al.* 2007). This stakeholder engagement makes it possible for managers to build up their understanding of their stakeholders' expectations of good corporate governance and accountability (Unerman and Bennett 2004). Hence, they know where to focus on when addressing these economic, ethical, social and environmental issues in their sustainability reports (Thomson and Bebbington 2005). This is to ensure the organisation is 'in sync' with stakeholder expectation to weave social ties so as to have a responsible and sustainable business. Stakeholder engagement is a mechanism with which an organisation can discharge its accountability and responsibility towards stakeholders (Gray 2002b; Greenwood 2007). It is no longer sufficient for organisations to just interact with stakeholders; they need to involve, recognise and respect the way sustainability activities may affect one another (Noland and Phillips 2010). Studies in academic literature have noted the importance of the role of stakeholder engagement in social accountability mechanisms (Gray *et al.* 1997; Owen *et al.* 2001; Andriof J *et al.* 2002; Burchell and Cook 2006; Bebbington *et al.* 2007; Foo 2007; Boesso and Kumar 2009; Noland and Phillips 2010; Manetti 2011; Barone *et al.* 2013; Connolly *et al.* 2013; Bebbington and Larrinaga 2014; Dawkins 2014) which is able to change an organisation's practices (Burchell and Cook 2006).

Previous studies have focused on the understanding of the perceived demand of specific stakeholders such as the community pressure groups and non-governmental organisations (NGOs) (Tilt 1994; O'Dwyer *et al.* 2005a; Deegan and Blomquist 2006) for social and environmental disclosures, they have studied the reaction of a company to these demands (O'Dwyer 2002; Cormier *et al.* 2004) and the stakeholder influence strategies (Elijido-Ten 2008; Elijido-Ten *et al.* 2010). Thus, the issue of sustainability has been scholarly discussed and the demands are increasing for an organisation's behaviour to be consistent with sustainability. However, there is still *"little research into sustainability[…] processes"* (Adams and Frost, 2008, p. 288). Furthermore, most studies are primarily Western-centric and have focused on developed countries such as the United States, the United Kingdom, Australia and New Zealand (Elijido-Ten *et al.* 2010). Relatively little attention has been given to sustainability practices in developing countries (Belal and Cooper 2011) and especially in Malaysia (Elijido-Ten *et al.* 2010).

Some stakeholders such as governments, academics, NGOs, the media, and the sustainability industry can put pressures on companies so as to adopt sustainability behaviour (Adams and Whelan 2009) and they are able to collaborate with the company to induce change (Deegan and Blomquist 2006) and establish a dialogic form of engagement (Thomson and Bebbington 2005; Bebbington *et al.* 2007; Georgakopoulos and Thomson 2008). However, stakeholder dynamics are arguably underspecified in the social and environmental accounting literature (Adams and Larrinaga-González 2007; Bebbington *et al.* 2007; Georgakopoulos and Thomson 2008) and further understanding of the actions of stakeholders in becoming change agents of the organisational change (Georgakopoulos and Thomson 2008) is

required. It is also important to address the tension between the role of multinational companies and local governments in addressing social justice and environmental degradation issues, especially in less developed countries (Adams and Larrinaga-González 2007). It is also noted that sustainability accounting and accountability and organisational processes, structures, behaviour and dynamics in stakeholder engagement are not adequately discussed in the literature (Thomson and Bebbington 2005; Burchell and Cook 2006; Adams and Larrinaga-González 2007; Bebbington *et al.* 2007; Dawkins 2014). At the same time, theorising in sustainability accounting and accountability research, and especially in the accounting for sustainable development strand of research, has been dominated by rather broad versions of stakeholder and legitimacy theories (Deegan 2002; Deegan and Unerman 2011; Bebbington *et al.* 2014; Deegan 2014; Rinaldi *et al.* 2014; Unerman and Chapman 2014) for quite some time. There has been insufficient explicit theoretical discussion on the potential of engagement and engagement processes to bring about substantive emancipatory change (Bebbington *et al.* 2007; Brown 2009; Brown and Dillard 2013a; Unerman and Chapman 2014; O'Dwyer and Unerman 2016).

This study seeks to fill the research gaps identified above and to contribute to the sustainability accounting literature by providing knowledge on the dynamics of stakeholder engagement processes. This is pursued by considering the institutional framework, human agency and power dynamics in the context of Malaysia. This study explores how the concept of sustainability has been practiced by the companies in the palm oil and mining sector in Malaysia in order to achieve the understanding of their stakeholder engagement. An analysis of stakeholder engagement relating to the

issue of sustainability has been undertaken with the pattern of engagement made to explore how sustainability and stakeholder engagement are being socially constructed. This study focuses on understanding the 'stories' of sustainability which are created from the stakeholder engagement practices in the palm oil and mining sector in Malaysia. This study brought the elements of power and domination that implicitly (or explicitly) guide the business conceptions of stakeholder engagement and which emerge from the above examination. It needs to open up the 'black box' to take into account how both the internal and external environment of the companies intermingle in shaping their responses to stakeholder pressures. Stakeholder engagement is seen as a form of managerial control (Owen *et al.* 2000) and social construction (Livesey and Kearins 2002) which undermines the purpose of having this stakeholder engagement (Greenwood 2007).

A Bourdieusian framework highlights the tacit nature of the roles played by the dominant stakeholders such as the state and civil society in narrating how the companies in palm oil and mining sectors in Malaysia realise their sustainability actions and behaviour. This study uses the relational concepts of Bourdieu that are less commonly applied in the accounting literature (Malsch *et al.* 2011; Killian 2015; Killian and O'Regan 2016). With these concepts; habitus, field and capital, this study applies Bourdieu's idea to a new setting and context and this gives rise to *"development of a certain gap between the original idea and its adaptation in the importing field"* (Malsch *et al.* 2011, p.196). As observed by Malsch *et al.* (2011) and Golsorkhi *et al.* (2009), relatively few studies employ a comprehensive integration of Bourdieusian theory and, therefore, fail to fully exploit its potentialities. Thus, this

study tries to utilise all three of Bourdieu's main concepts; field, habitus and capital, in a more holistic way.

1.2 Research motivation

This study is focusing on sustainability issues relating to the complex ways in which stakeholders are engaged. The word of sustainability has emerged as a result of significant concerns about the unintended social, environmental, and economic consequences of rapid population growth, economic growth and consumption of our natural resources (Unerman and Chapman 2014). Sustainability is based on a simple principle: Everything we need for our survival and well-being depends either directly or indirectly on our natural environment. Sustainability creates and maintains the conditions under which humans and nature can exist in productive harmony that permits fulfilling the social, economic and other requirements of present and future generations. Sustainability is important in order to make sure that we have and will continue to have, the water, materials, and resources to protect human health and our environment.

The social problem concerning sustainability issues is seen to be created by companies; the engine room of economic activity (Hopwood *et al.* 2010; Bebbington and Larrinaga 2014). The economic activities made by these companies may cause ecological disaster such as Cleveland's oil massive chemical leak and subsequent contamination in Bhopal, India and Exxon Valdez oil spill. These disasters had affected the normal living of the societies in the area which they were operated. For

example, the Deepwater Horizon spill had altered the ecosystem and the environment of the Gulf South and hence damaged the marine life and developed serious health consequences to the residents of the region. In concerning this matter, the state also plays a part in legalising the operation of a company (Archel *et al.* 2009) in which these ecological destruction may occur. For example, in developing countries, the state is the one who gives permission to a big company, such as a multinational company, to enter the local market.

In emerging markets, like that of Malaysia, there is conflict between the development decisions made by state to advance the economy and its aim to maintain sustainability (Archel *et al.* 2009). This leads some stakeholders to be inclined to see legislation or soft government regulation put in place for the multinational companies (either local or foreign-based companies) as the answer to all ills and damages to the environment and society (Adams and Whelan 2009) and as a way of 'ticking the box' in relation to stakeholder engagement. The worst case scenario is that the government is constrained by political pressures and its own aim to wealth maximization.

With regard to sustainability issues, society has now become more concerned and expects companies to be more transparent and to be heavily regulated and forced to provide information about how their activities affect the environment. Sustainability issues have now become more prominent on the agenda of governmental and non-governmental organisations which are tremendously putting pressures on companies to incorporate sustainable practice into their business operations. In Malaysia, there is more awareness on sustainability issues, which has

opened up avenues for the civil society to react and take actions against unsustainability behaviour of the both the companies and the state. For example, during the writing up of this thesis, there have been a few local communities walking from the east coast (Red2Green walk started on March 12 is a 254km journey to the Parliament) to hand over a memorandum to ministers and lawmakers in parliament as an act to protest against the mining activities in their area (Jamil 2016; Tang 2016).

As such above motivations, this study is looking at this matter in how the companies engage with their stakeholders when their economic activities give positive and negative impacts on the societies and environment they are permitted to operate within.

1.3 Research objective

This study provides the understanding of sustainability accounting and accountability process focusing on the complex ways in which stakeholders are engaged in palm oil and mining industries in Malaysia. The main objective of this research is to understand the way companies in palm oil and mining industries engage with their stakeholders.

1.4 Research questions

To achieve this objective, the thesis seeks to answer the main research question: *How do Malaysian companies (in the palm oil and mining sector) engage*

with their stakeholders? For a better explanation, this research aims to answer the main research question above by looking into the following sub-research questions:

1. How is the field of sustainability in Malaysia structured?

2. How do the key stakeholders (i.e. regulators, corporations and community/NGOs) in Malaysia perceive the concept of sustainability?

1.5 Theoretical framework

This study responds to the call in Unerman and Chapman (2014, 386) to confer *"greater attention to the development and refinement of focused, novel theoretical framings"* by using the Bourdieusian relational concepts. Bourdieu's theory, which are not commonly applied in work on sustainability as noted by Malsch *et al.* (2011), provides insights into the rationale for the stakeholder engagement in sustainability accounting and accountability to stakeholders. Bourdieu's research paradigm presents *"a fine critical yet reflexive vista from which to better view the organisation"* (Everett 2002, p.56). Through this Bourdieusian theoretical lens, this study explores the sustainability field in Malaysia to understand the stakeholder engagement from multiple viewpoints in addressing the stakeholders' conflict and power dynamics. The sustainability field in this research is an arena of social practice wherein key actor such as the company, the state and civil society are positioned with certain interests. All forms of social engagement in this field are analysed in terms of their particular logic of practice. This logic of practice is portrayed through the use of Bourdieu's notion of field, habitus, capitals and symbolic violence.

The study frames the engagement mechanism (struggle for accumulation of capitals) used by the companies as strategies called 'feel for the game'. 'Feel for the game' is a situation where the agents make use of strategies based on their interest to *"understand what is to be done in a given situation"* (Friedland 2009). By accumulating the stories from multiple stakeholders and weaving their actions in stakeholder engagement process, this social practice creates symbolic power *"that invisible power [that] can be exercised only with the complicity of those who do not want to know that they are subject to it, or even that they themselves exercise it"* (Bourdieu 1991, p.164). Elements of Bourdieu's theory, in this case; the accumulation of capital to gain symbolic power creates domination that structure the stakeholder engagement practice in Malaysia. *"Domination, even when based on naked force, that of arms or money, always has a symbolic dimension, and acts of submission, of obedience, are acts of knowledge and recognition which, as such, implement cognitive structures capable of being applied to all the things of the world, and in particular to social structures"* (Bourdieu 2000, p.172).

1.6 Research approach

This study is primarily informed by a qualitative methodology through 45 in-depth interviews and qualitative content analysis. Four companies from the palm oil sector and three companies from the mining sector are selected and grouped under the heading of extraction industry. This industry is chosen due to its operating activities having a direct impact on the environment and society. Hence, these companies are able to provide useful insights into how sustainability is realised in practice of the stakeholder engagement. From seven companies selected, only two companies are

depicted thoroughly on their strategies in stakeholder engagement. These two companies, in researcher view, can give 'sense of déjà vu' in realising the phenomena of stakeholder engagement process. A qualitative analysis of sustainability reports of the seven selected companies, together with interviews with their senior managers, provide insights into the internal views on sustainability and stakeholder engagement practices in Malaysia. The in-depth semi-structured interviews allow for flexibility, expression and reasoning in the communication process (Silverman 2011). The study also considers the view of external stakeholder groups such as journalists, NGOs and regulators. This is to discover whether the companies actually 'walk' their 'talk'.

This research uses a critical approach. This enables the researcher to challenge the status quo of the sustainability issue in their stakeholder engagement. The information obtained from the annual reports and interviews are then analysed thematically and compared to each other. These themes enable the interpretation of the stakeholder engagement phenomenon in this industry and could uplift the views of the society as a whole. Observations of meetings and demonstrations, and a review of documents are carried out and triangulated so as to examine the engagement in practice. Observation of meetings and demonstrations entail gathering evidence of face-to-face engagement, a common means of stakeholder engagement. In addition, any sources of information such as websites, press releases/statements/news, social networks, information presented on leaflets, pamphlets and other related media is reviewed as part of the process of gathering evidence of the way in which stakeholder engagement is intended and practiced. These multiple sources are referred to in broadening out more evidence or wider arguments in generating reliable empirical information to understand the true picture of sustainability activities and, particularly,

stakeholder engagement practices in the extraction industry, here the palm oil and mining sectors.

1.7 Research justification

Sustainability is practised to a varying degree throughout the world, but this has been mobilised as a managerial capture used by companies to pursue their own agendas (Gray *et al.* 1997; Adams and Larrinaga-González 2007). However, previous research suggests that, compared to the abundant literature describing and explaining social and environmental issues (Gray *et al.* 1997; Larrinaga-González *et al.* 2001; Adams 2002; O'Dwyer 2002; Ball 2005; O'Dwyer 2005; de Villiers and van Staden 2006; Adams and Larrinaga-González 2007; Adams and McNicholas 2007; Adams and Frost 2008; Adams and Whelan 2009; Aras and Crowther 2009; Burritt and Schaltegger 2010; Cho *et al.* 2010; Schaltegger and Burritt 2010; Cho *et al.* 2012a; Cho *et al.* 2012b; Malsch 2013; Tregidga *et al.* 2014; Cho *et al.* 2015; Correa and Larrinaga 2015), there is very little looking into the internal process that enhanced the social, environmental and ethical accountability of companies (Adams and Larrinaga-González 2007; Correa and Larrinaga 2015). Thus, more calls for in-depth, sustained and engaged fieldwork (Gray 2002b; Thomson and Bebbington 2005; Adams and Larrinaga-González 2007; Bebbington *et al.* 2007; Fraser 2012; Brown and Dillard 2013a; Correa and Larrinaga 2015) focus at *"delving into the complexities of accounting [practices] in action"* (Hopwood 2009b, p.802). This study aims to fill this gap in sustainability research in developing country, Malaysia by providing the practice of stakeholder engagement in palm oil and mining sectors through engagement research with the companies practicing sustainability. The urge for

further research on engaging with the company is needed to identify how sustainability accounting and accountability are realised in reality. This engagement research enables the researcher to investigate the sustainability accounting and accountability at the level of the organisation, and interaction with other organisational processes, organisational structures and other aspects of organisational behaviour, organisational dynamics and institutionalisation processes (Larrinaga-González *et al.* 2001; Adams 2002; O'Dwyer 2002; O'Dwyer 2003; Adams and Larrinaga-González 2007; Correa and Larrinaga 2015).

A considerable amount of recent research into stakeholder engagement and sustainability practice in developed countries has also concentrated on attempting to understand or interpret this practice, in many instances using particular theoretical perspectives (Noland and Phillips 2010; Barone *et al.* 2013; Dawkins 2014; Killian and O'Regan 2016). However, there has been no prior detailed study of stakeholder engagement practice in emerging economies and particularly Malaysia. This study aims to fill this gap in sustainability accounting research by providing an account of and an understanding of stakeholder engagement practice using Bourdeusian perspective. The use of 45 in-depth interviews of managers and stakeholders – civil society and state, moves beyond much of the previous research seeking to expound this stakeholder engagement practice, therefore advancing knowledge in this field of research.

1.8 Research contributions

The study seeks to contribute to the literature in a number of ways.

1.8.1 Theoretical contribution

This study has also contributed to the literature in term of the theoretical framework used. While previous studies on sustainability often used theories of stakeholder, legitimacy and institutional to consider the social demands from numerous stakeholders, all these theories seem to give little weight on the importance of historical and institutional structures, corporate power, social and systemic pressures and the role of state in the capital market. This study contributes to the literature by providing explanation based on Bourdiuesian perspective in examining the stakeholder engagement practice. It brings the *"critiques of those systems within which we are trapped"* (Simon 1971, p.192) into the fore by unmasking the taken-for-granted power relations. The concepts of habitus, field, capital and symbolic violence are used to uncover the practical reasoning of the reciprocity between structure and agency in examining stakeholder engagement within political economy. To the best of the researcher's knowledge, there is very little prior research in the sustainability accounting literature that utilised Bourdieu's framework (Malsch *et al.* 2011; Killian and O'Regan 2016) and no research has been found in the context of developing countries.

At the same time, this study has made contributions to the extant literature on sustainability accounting and Bourdieu's framework in the context of Malaysia. A call for exploring the usefulness of Bourdieu's relational concepts in sustainability was made by Malsch *et al.* (2011) and this study has answered this call. In doing so, this study brings the Bourdieusian notion of symbolic violence to the fore so as to uncover the transferring of power from the state to the company which is done with

the aim of achieving the economic wealth. This symbolic violence *"develops not only when subordinate agents internali[s]e the discourses of dominant agents as natural, but also when dominant agents come to perceive their own domination as natural"* (Malsch *et al.* 2011, p.212).

1.8.2 Empirical contribution

The paucity of research in emerging and developing economies in general, and Malaysia in particular, has made Malaysia as the case for this research. By examining a broad research on the field of sustainability for the practice in stakeholder engagement in Malaysia, an important contribution could be made to enrich the literature. Therefore, this study has contributed to knowledge in empirical research for developing countries; it is added to the existing literature of sustainability accounting (Belal and Owen 2007; Azizul Islam and Deegan 2008; Elijido-Ten *et al.* 2010; Islam and Deegan 2010; Amran and Haniffa 2011; Belal and Cooper 2011; Islam and Dellaportas 2011; Amran *et al.* 2013; Beddewela and Herzig 2013; Momin and Parker 2013). Albeit an increasing volume of literature has been developed in sustainability reporting and practices in developed countries (Gray *et al.* 1997; Gray and Collison 2002; Gray and Milne 2002; Gray 2006b; Adams and Frost 2008; Bebbington *et al.* 2008; Gray 2008; Bebbington 2009; Hopwood 2009a; Gray 2010; Bebbington and Larrinaga 2014; Spence and Rinaldi 2014), little research was conducted on stakeholder engagement practices in developing countries and specifically in Malaysia. Few prior research studies done within the context of stakeholder engagement in Malaysia (Elijido-Ten 2008; Elijido-Ten *et al.* 2010; Lai Cheng and Ahmad 2010; Othman and Ameer 2010; Amran *et al.* 2013), but are just exploratory studies which looked at environmental disclosure as a tool for stakeholder

engagement, an understanding the company's stakeholder relationship and a framework for the local community empowerment. To the best of researcher knowledge, no prior study was carried out in Malaysia looking into the dynamic process of stakeholder engagement, the power differential among the dominant stakeholders and symbolic violence. Thus, this is the first comprehensive study on the practice of stakeholder engagement which provides a detailed political economy and social analysis. More, this analysis contributes to the literature by providing explanation on the existence of symbolic violence in this stakeholder engagement.

It is common to have empirical studies in the literature that look into the reasons for the presence of sustainability reporting and relating this practice to the economic/sustainability performance. However, studies that provide further insights into the issues surrounding engagement are scarce in the literature of both developed and developing countries (Bebbington *et al.* 2007; Brown 2009; Brown and Dillard 2013a). Correspondingly, research studies which explored the processual dynamics of the stakeholder engagement, rather than just criticising the lack of recognition or engagement, are relatively limited in both the developed and the developing countries literature. This study adds to the empirical sphere that gives attention to the dynamic process in relation to the stakeholders (Gray *et al.* 1997; Owen *et al.* 2001; Unerman and Bennett 2004; Foster and Jonker 2005; O'Dwyer *et al.* 2005a; Deegan and Blomquist 2006; Gao and Zhang 2006; Gray *et al.* 2006; Bebbington *et al.* 2007; Cooper and Owen 2007; Boesso and Kumar 2009; Brown 2009; Noland and Phillips 2010; Barone *et al.* 2013; Brown and Dillard 2013a; Brown and Dillard 2013b; Connolly *et al.* 2013; Rinaldi *et al.* 2014). This study offers a deep understanding of

the stakeholder engagement practices, with date from the views of the actors themselves acquired through in-depth interviews with the key agents and supported with the available published information in the palm oil and mining sectors. This grants the researcher the potential to comprehend the phenomena under study in totality rather than to depend on secondary information alone. In addition, this would then add to the body of knowledge in sustainability by giving an insight as to how social pressures shape the stakeholder engagement practices and how the companies and the state react toward these pressures.

1.8.3 Policy contribution

In reality, the practice of stakeholder engagement in Malaysia is just to 'tick the box'; it does not really involve any consulting the stakeholders, especially the local community. This study recognises the importance of providing greater space for stakeholders' voices and their participation in the agenda-setting debates. The state through its agencies should play an important role in providing awareness, especially to the community, of their rights and capacity to have a sustainable living and should act as an effective change agent. This would give greater visibility to the currently marginalised voices in the field and would take the current debates into the civil society sphere. The state should acknowledge and support an effective public participation and power imbalances in society would be recognised. The state should make sure the public exercises its right to information and the right to be heard, these are rights which are currently not exercised. This is a matter of the fact that *"issues affecting the disorgani[s]ed and disenfranchised"* are not well attempted and *"big structural problems and imbalances of power"* (Schmitt 2005) are not given priority by the state. Hopefully, this study will aid the civil society to *"see the world the way*

environmentalists do, as an interconnected system in which global economic trends, corruption, ideology and values, political participation, etc. are all related to the fundamental goal of a just and sustainable society" (Schmitt 2005). Then, with that kind of view in practice, it can pave the way for the formation of strategy to be used so as to make improvements.

1.9 Organisation of this thesis

As the figure below shows, this thesis consists of a total of eight chapters.

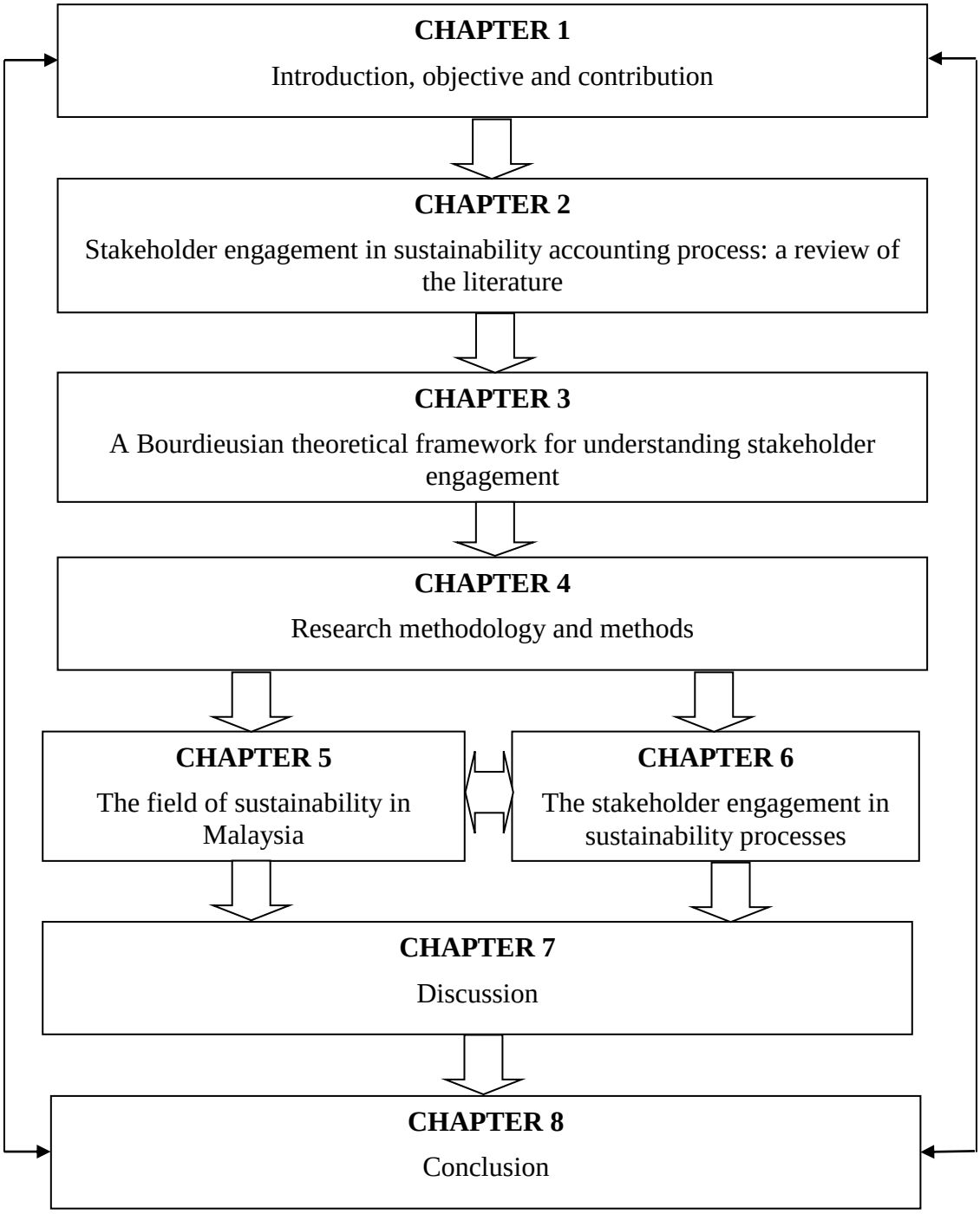


Figure 1.1 Structure of the thesis

Chapter 1 provides an overview of the study, it highlights the importance of the study and the issues confronted in the thesis.

Chapter 2 examines the previous studies pertinent to this research with a particular focus on the understanding of the murky concept of sustainability. It also provides the understanding of the stakeholder engagement in the sustainability accounting process which accentuates the concept of engagement, the identification of stakeholders, engagement mechanism and the motivation for the engagement. This chapter outlines the prior studies in developing countries and then pinpoints the gaps from the literature that this study addresses.

Chapter 3 follows next with the theoretical framework adopted in this study. This chapter presents the Bourdieu's concepts of field, habitus and capital that were developed for the purpose of analysing and explaining the research data. Bourdieu's relational concepts explain how the symbolic capital and power turn into symbolic violence once power and domination are exercised in the stakeholder engagement.

Chapter 4 introduces the research design and methods that are used in this research. This research is conducted from a social constructionist view under the critical approach using Bourdieu's framework to comprehend how the interaction of structure and agency shapes sustainability practices through stakeholder engagement processes.

Chapter 5 represents the outline of sustainability field in Malaysia that give overall understanding on sustainability. It explains the overall structures of sustainability practices in Malaysia by considering the historical, political economy and social structures. These findings are a reflection of the data gathered in the annual/sustainability reports together with other secondary data such as news cutting, website and blogs, as well as interview data. The chapter also concentrates on the understanding of the concept of sustainability among the managers and the stakeholders.

Chapter 6 focuses on the explanation of the mechanism of stakeholder engagement made by the companies in two mini case studies. It then further explains the power differentials between the company, the state and the civil society which create power and domination.

Chapter 7 discusses the research findings previously noted in Chapter 5 and 6. This chapter discusses how the field of sustainability is structured in the palm oil and mining sectors. It gives a detailed discussion on the stakeholder engagement in the palm oil and mining sector in Malaysia through the lens of Bourdieu's framework with the use of the three concepts, field, capital and habitus.

Chapter 8 concludes the thesis and provides a synthesis of the empirical findings. The chapter also reviews the research contributions, discusses its limitations and provides directions for future research.

1.10 Concluding remarks

This chapter marks the prologue of an expedition to discover the practices of sustainability and stakeholder engagement in Malaysia. This study is qualitative in nature and it uses interviews and available published information as its empirical data. It employs Bourdieu's framework to understand the sustainability concept among the stakeholders' views and how the companies engage with their stakeholders. This study examines how the dominant stakeholders, such as NGOs and the local community, give pressures to the multinational companies in the palm oil and mining sectors, and analyse the companies' (un)sustainability actions and behaviour from the way they engage with their stakeholders. In extending the focus of this study beyond the company to include the stakeholders who are reported upon, this study explores how both parties' involvement – the company and the state – uses symbolic power and violence to create company legitimacy. In the analysis part, this study pays *"greater attention to the development and refinement of focused, novel theoretical framings"* by using the relational concepts of Bourdieu which are not commonly applied to work on sustainability accounting (Unerman and Chapman 2014, p.386). The concepts of field, habitus, capital and symbolic violence are useful in explicating the implicit nature of complex relationships between the companies and their stakeholders.

Chapter 2 Stakeholder engagement in sustainability accounting process: a review of the literature

2.1 Introduction

This chapter reviews the relevant sustainability literature and the current state of sustainability and stakeholder engagement. The review explores various empirical issues raised by other scholars in previous studies. This chapter not only provides the literature review of this thesis, but also positions this thesis within the existing literature. This chapter is divided into five further sections. Section 2.2 explores the concept of sustainability. Section 2.3 focuses on the understanding of stakeholder engagement in achieving sustainability. This section discusses the concept of stakeholder engagement, the stakeholders, the engagement mechanism and the motivations for engaging the stakeholders. Section 2.4 reviews the prior studies in sustainability and stakeholder engagement in developing countries. Section 2.5 explains the gaps of interest of this study. Section 2.6 concludes this chapter.

2.2 The contested notion of sustainability

Sustainability has been discussed not only in the accounting discourse but also in other disciplines such as agriculture, law, sociology, management, politics and philosophy (McManus 1996; Bongiovanni and Lowenberg-Deboer 2004; Ratner 2004; Godden 2005; Salzmann *et al.* 2005; Lauwo 2011). This shows that sustainability is an essential development in every corporation. The variety of discussions on sustainability also provides a better understanding of it and gives useful insights into the evolution of sustainability issues.

Social and environmental accounting evolved during the 1970s and has since been a topic of discussion (Unerman *et al.* 2007; Gray 2010; Manetti 2011; O'Dwyer *et al.* 2011; Cho *et al.* 2015; Correa and Larrinaga 2015). It can be understood as narratives of local events articulating the relationships of organisations with their stakeholders and/or their immediate substantive environment, also known as corporate responsibility. Then in the 1990's, a linguistic turn into sustainability accounting was noted and many companies adopted and acknowledged this new ideology or concept. Even though the terms used were different, most of them show that corporations claimed to be socially responsible in the three dimensions; economic, social and environmental (Elkington 1997; Unerman *et al.* 2007). Sustainability on social and environmental matters is increasingly demanded by the stakeholders (Cho *et al.* 2010) and it is essential for making an organisation's decision (Thomson and Bebbington 2005; Cho *et al.* 2010).

Despite so many discussions on sustainability in the literature (Gray 1992; Gray *et al.* 1996; Bebbington and Gray 2000; Bebbington and Gray 2001; Gray 2002a; Gray and Collison 2002; Gray and Milne 2002; Gray 2006b; Adams and McNicholas 2007; Hopwood 2009a; Gray 2010; Unerman 2011; Ussahawanitchakit 2011; Cho *et al.* 2012b; Bebbington and Larrinaga 2014; Deegan 2014; Spence and Rinaldi 2014; Cho *et al.* 2015), many scholars still struggle to grasp the meaning and concept of sustainability. A wide variety of explanations on the indefinable (Aras and Crowther 2009) concept of sustainability have been offered and adopted in previous studies. However, there is no coherent illustration of what sustainability would look like (Bebbington 1997; Bebbington 2001; Unerman *et al.* 2007). In other words, sustainability is still a vague, elusive concept.

Gray (2010) views sustainability as ‘fairy tales’ and ‘powerful fictions’ which do not really represent the actual sustainability put in practice when an organisation issues a sustainability report. Despite their mystifying and contestable meaning, the terms of ‘sustainability’ and ‘sustainable development’ are widely recognised and have become popular and appealing among organisations (Laine 2010). Many organisations have started to realise their so-called sustainability activities in annual reports and even produce a stand-alone report notwithstanding whether this is voluntarily or mandatory (KPMG, 2011). Many would say that sustainability is crucial for the long term success and survival of a business or corporation in managing its public impression (Cho *et al.* 2010). The term of sustainability is very commonly used in business as a trend. This apparently emasculates the real meaning of sustainability which becomes merely rhetorical. Thus, because of its repetition, sustainability is regarded to be the same as social responsibility or environmental management and this means that there is no difference as one or the other (Gray 2010).

There are several organisations engaging in sustainability such as SustainAbility, Rio+20, Dow Jones sustainability Index and The Institute of Chartered Accountants in England and Wales (ICAEW). The definitions of sustainability given in their organisations’ websites are given below.

> *“the capacity to endure...is about the future of our society...the mandate to transform businesses to respect environmental limits while fulfilling social wants and needs... To do this in a way that ‘meets the needs of the present without compromising the ability of future generations to meet their own needs’, we will need new ways of doing*

> *business .... Above all, for tomorrow's enduring businesses, sustainability will be about making money by meeting real and fundamental human needs." (SustainAbility 2013)*
>
> *"Sustainability calls for a decent standard of living for everyone today without compromising the needs of future generations." (Rio+20 2013)*
>
> *"Corporate sustainability is a business approach that creates long term shareholders value by embracing opportunities and managing risks deriving from economic, environment and social development." (Dow Jones Sustainability Index 2013)*
>
> *"Operating a sustainable business goes right to the core of your strategy. It includes all the practices you and your employees use in day-to-day operations. It's about examining the way you work and taking the long-term view of how your business can flourish now and in the future. A sustainable business: includes environmental and social performance and takes into accounts their connection with financial results; prepares itself for the future, making it more resilient to risk; searches for new opportunities by considering environmental, social as well economic issues; realises that being sustainable is just good business."(ICAEW 2013)*

These numerous attempts to define sustainability are rooted in the definition of an ideal sustainable development as defined by the Brundtland Report (United Nations World Commission on Environment and Development 1987):

> *"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."*

Hence, sustainability relates to sustainable development when its meaning is discussed and sustainable development has stimulated the desirability and even the necessity of sustainability (Bebbington and Gray 2001). Laine (2005, p. 398) mentions that sustainable development is "*presented as a sort of a holy grail, which will simultaneously endow society with further economic growth, environment protection and social improvement, with little or no trade-offs*". While Cohen *et al.*

(1998, p.352) do not regard sustainable development as a scientific concept but as a contested term in an essentially political discourse about human activities and behaviour (Cohen *et al.* 1998, p.352). This understanding of sustainable development leads to the concept of sustainability. Development and growth in the economy is needed but, at the same time, with little or no trade-off in relation to endangering the people and environment. Bebbington (2001, p. 129) argues that sustainable development is a concept that has been used to mean *"different things to different people in different contexts"*. The same goes for the concept of sustainability. Gray (2010, p.56) contends that sustainability is a contested concept and *"clearly no single sustainability that can be known or accounted for"*.

According to Gray (2006a, p.67), the sustainability concept is a notion generally thought to comprise two subsidiary notions: preservation of the natural environment's capacity to continue to support life, and a social justice component through which there is a sense of equity with which groups of peoples have access to environmental resources. Accordingly, Hopwood *et al.* (2010) look into three spheres of economic, environmental and social sustainability in conceptualising sustainability. These three spheres are important because:

> *"economic sustainability provides us with future income and resources. Environmental sustainability provides a stable ecosphere that supports and protects life, including the provision of food and water. Social sustainability provides well-functioning societies that protect and enhance quality of life and safeguard human rights. ... these three spheres of sustainability are closely related, as it is increasingly recogni[s]ed that actions and impacts in one sphere can and do affect sustainability in the other spheres. For example, since the start of the Industrial Revolution, economic development has involved the burning of large amounts of fossil fuels, which we have only relatively recently realised has contributed to environmental*

> *unsustainability through its impact on global warming. Conversely, economic deprivation through lack of economic development leads to numerous negative social impacts associated with poverty…." (Hopwood et al. 2010, pp.4-5)*

In order to achieve sustainability, Hopwood *et al.* (2010) argue that the companies need to be ethically responsible, and to behave morally so as to minimise the negative impact and maximise the positive impact on social and environmental sustainability from their operations. However, Hopwood *et al.* (2010) also contend that:

> *"this is a highly complex process, as every action taken by an individual, a business or a public-sector organisation can have numerous and often conflicting impacts within each of the economic, environmental and social spheres, as well as between these spheres."*

Gray (2006a) also claims that the two notions of sustainability, as mentioned earlier, are difficult to implement and achieve. Achieving sustainability in sustainable development is seen as a win-win strategy but the real social, political and environmental trade-offs involved over the long term are often ignored (Cohen *et al.* 1998, p.352). Hence, sustainability is practically difficult to apply at the organisational level (Gray and Milne 2002; Gray 2010). Brown (2009) regards that:

> *"sustainability can be represented and understood in many different ways depending on our physical location, interests, values and worldviews. There is no complete, unified standpoint that captures the 'whole truth' (Harding, 2004). This 'is not to claim that perspectives can only be judged in their own terms, nor that no perspectives are better than others.'" (Anderson, 2004)*

Thus, the misconception of sustainability leads to a disaster in environment and social justice and impacts on the society at large. A company's sustainability is unachievable if the concept of sustainability is not well understood, as this would tell nothing at all about a company's sustainability (Gray 2010).

In fact, sustainability becomes just a tantalising and appealing business strategy that it branches out in corporate reporting. For example, sustainability and sustainable development have been widely used as promising wording in annual reports or even stand-alone reports so as to charm a company's stakeholders (Aras and Crowther 2009). Additionally, in business phraseology, sustainability means 'business as usual' or business will continue for the foreseeable future. In this context, the story of sustainability is seen as a platform for telling the story of the company's sustainability journey. A sustainable business presupposes that the business is socially and environmentally responsible and agreed as such by its stakeholders. However, this has been challenged as accounts for sustainability are not genuine but only powerful fiction and fairy tales (Gray 2010). It has become like a trend to see the word 'sustainability' in the corporate annual reports; most corporations now include sections about environmental, corporate social responsibility and sustainability reports. As such, sustainability reports manifested by organisations are in question.

It has been argued that sustainability cannot just be in terms of the three spheres; economic, social and environmental activities. It should be about showing the exigencies of global sustainability in organisational activities. Gray (2010, p.53) claims that "*sustainability emerges as planetary, morally engaged and as involving human arrangements and their impact on a natural and social environment and the resulting (in)justice*". In a similar vein, Cohen *et al.* (1998, p.354) reject the suggestion that:

> *"the concept of …[sustainability] is empty. Indeed, it can be argued that it represents a potential breakthrough in thinking about the linkage between environmental and social issues. It allows, even requires, a recognition of the globally interconnected nature of environment and development questions. In so doing, it points to the need to explore ways of reducing global environmental impacts while simultaneously increasing human well-being."*

Accounts of sustainability call for righteousness in global planet desecration where both human and other species that suffer ask for social justice. The balance of power and responsibility of capitalism makes business activities which supposedly have something to do with sustainability actually having little to do with it (Bebbington and Gray 2000; Gray 2010). Sustainability has been manipulated according to the way a business views it, which is usually the way that is most convenient for them. Accounts of sustainability which have been popular among organisations are purely rhetorical; they do not actually represent any accounts of sustainability (Gray 2010).

It seems that in the majority of organisations the 'desire' to act is merely fine words whilst the actions themselves are influenced by political infighting and corporate lobbying and influence (Hopwood 2009a; Gray 2010). Sustainability gives the possibility to organisations to increase their legitimacy in the wider world (Archel *et al.* 2009). It is just a trend which acts as 'corporate veil' (Hopwood 2009a) in providing a new face for the organisation to the outside world while protecting its inner workings from external view. In fact, such reporting can actually thicken this 'corporate veil' in some of the modes of its reporting and result in even less information being known about an organisation (Hopwood 2009a). Thus, it does not fulfil the original purpose of sustainability reporting; to be accountable, transparent and open about the handling of sustainability issues.

The integration of sustainability into a business' core strategy is seen to be moving towards gaining legitimacy rather than showing genuine interest in enhancing transparency and accountability (Hopwood 2009a; Gray 2010). The changes in strategy are not conducted simultaneously with changes in actions; there is diffusion of strategy and actions (Hopwood 2009a). For example, in the United Kingdom, BP has invested in green advertising program but it is also actively involved in the Canadian tar sand that produces three times carbon emission. Thus, the realities and rationales of such sustainability issues need to be elucidated.

As the above discussion indicates, sustainability issues are prominent as well as subjective in nature. In this study, the researcher is looking at the sustainability as the interconnectedness of the economy, environment and society (Hopwood *et al.* 2010) – as these three spheres are closely related. Any actions or decisions made by a company in any economic activity and development can give positive and negative impacts on economy, environment and society. The most important is how those actions or decisions are undertaken to weigh and balance the positive economic and social impacts against the negative social and environmental ones as depicted in Figure 2.1 below.

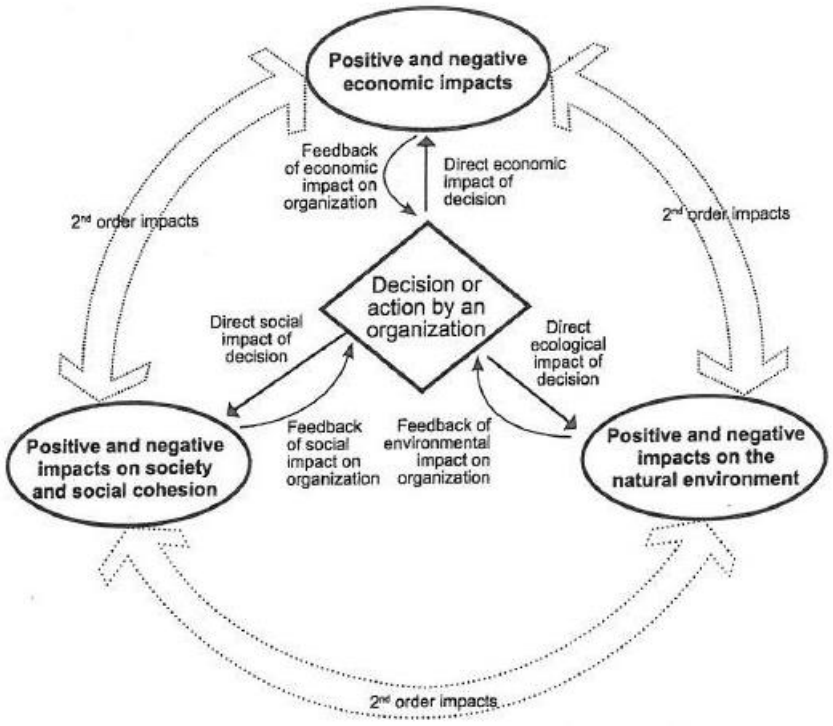


Figure 2.1: Interconnectedness of organizational decisions on the three spheres of sustainability

Source: Hopwood *et al.* (2010, p.4)

With that sustainability in mind, the positive and negative impacts on the society and environment need more engagement with stakeholder whose (in)directly involved in the economic activity and development.

2.3 Understanding the stakeholder engagement in sustainability accounting process

Stakeholder engagement is communication of the companies or organisation with their stakeholder; to develop knowledge and understanding on what is expected to be addressed in companies' economic, environmental and social responsibilities. Usually, this stakeholder engagement was made through companies corporate social

responsibility activities and reported in annual report or sustainability reporting. There is an urge to engage in dialogue with stakeholders to grab their acceptable companies' behaviour and responsibility (Thomson and Bebbington 2005; Bebbington *et al.* 2007; Bebbington and Thomson 2007; Brown 2009; Noland and Phillips 2010). This stakeholder dialogue is gradually prominent as part of companies' economic, environmental and social governance and accountability (Unerman 2007; Archel *et al.* 2011; O'Dwyer *et al.* 2011; Barone *et al.* 2013; Brown and Dillard 2013b). However, it has been argued that the focus of stakeholder engagement is misplaced (Barone *et al.* 2013) as the companies are using information from stakeholder engagement to their advantage (public relation and marketing) (Owen 2003) and less genuine dialogue (Thomson and Bebbington 2005).

The stakeholder allows the companies to continue its operating business to the extent that those activities generally meet their expectations, that is to the extent it complies with the social contract (Mäkelä and Näsi 2010; Deegan and Unerman 2011; Gray *et al.* 2014). The social contract exists to explain the relationship between society and business (Shocker and Sethi 1973; Mäkelä and Näsi 2010) which represents the myriad expectations society has about how a company should conduct its operation (Mathews 1993; Deegan and Unerman 2011). Social contract as stated by Mathews (1993, p.26 cited in Deegan and Unerman 2011) is:

> *"[. . .] the social contract would exist between corporations and individual members of the society. Society (as a collection of individuals) provides corporations with their legal standing and attributes and the authority to own and use natural resources and to hire employees. Organisations draw on community resources and output both goods and services and waste products to the general environment. The corporation has no inherent rights to these benefits,*

and in order to allow their existence, society would expect the benefits to exceed the costs to society."

The term of this social contract is undefined and can change over time based on different perception from managers and society expectation (O'Donovan 2002; Mäkelä and Näsi 2010; Deegan and Unerman 2011; Gray *et al.* 2014). The existence of this social contract demands the discharge of stakeholder accountability. Society today expects companies to discharge accountability to a broad range of stakeholders (Barone *et al.* 2013). Cooper and Owen (2007) argue that stakeholders need to be empowered such that they can hold the companies to account for achieving accountability. Thus, this conception of accountability entails not simply the provision of information, but also in its facilitating actions; that is more dialogic engagement from companies (Bailey *et al.* 2000; Bebbington *et al.* 2007; Cooper and Owen 2007; Brown 2009; Brown and Dillard 2013a; Brown and Dillard 2013b). Here, dialogue as a process and practice of accountability can restore balance of the "instrumental pursuit of power and profit" and "wider social or environmental consequences of the pursuit of such interests" (Roberts 1996, p.59 cited in Cooper and Owen 2007).

Accountability is used to show how companies justify their behaviours and reduce any undesirable behaviour by portraying that they conduct sustainability activities that benefit their stakeholders. For stakeholders' accountability, a company is required *"to provide 'information' which assists in constructing a just, fair and viable society"* (Francis, 1994 cited in Lehman 1999). This involves making balanced judgments and following the principle of doing the right thing in the community and being fair to all stakeholders (Lehman 1999). Thus, a process of negotiation,

explanation and articulation is essential; dialogic engagement. Indeed, conducting the actual sustainability activities that really are concerned about being fair to the community and the environment are still in question and a major issue. Is company really able to remain profitable but not at the expense of society and the environment and how can an organisation show their accountability to their stakeholders are two questions that remain unanswered.

Accounts of sustainability are used to address the companies morality and ethical responsibility (Hopwood *et al.* 2010) of reducing the possibility of negative effect on environmental and social sustainability of their operations. However, whether this is to show a real discharging of accountability or just to make society believe that companies are concerned with such ethical responsibility is still an enigma (Brown and Fraser 2006; Cooper and Owen 2007). The capitalism and the complexities of the business-society relationship further raises questions about the capability for companies to be responsible and accountable for the societies (Mitchell and Sikka 2005).

Even so, stakeholder engagement is recommended as crucial and essentially underlying background process in producing the sustainability reporting by GRI although it is not mandatory (GRI 2015b). The GRI's Sustainability Reporting Guidelines navigate companies not only on the reporting of stakeholder engagement processes but on the need for these underlying processes to be developed for corporate accountability purposes. GRI stated that *"the process of stakeholder engagement may serve as a tool for understanding the reasonable expectations and*

interests of stakeholders. Organizations typically initiate different types of stakeholder engagement as part of their regular activities, which can provide useful inputs for decisions on reporting" (GRI 2015a). Here, stakeholder engagement is a background process to facilitate in reporting sustainability activities which aims at addressing the information needs and matters of the company's stakeholders. By pursuing this aim, reporting companies engage in a process of 'dialogue' with key stakeholder groups over their operating activities (Owen *et al.* 2001; Thomson and Bebbington 2005; Bebbington *et al.* 2007). With stakeholder engagement as one of the processes in delivering sustainability performance, some companies do carry out this engagement but it seems that they only do so with those stakeholders that have economic interest in the company (Barone *et al.* 2013; Rinaldi *et al.* 2014). When this is happening, the element of corporate responsibility is in question.

Major organisations have made promises to conduct their business activities in a socially responsible way (Sikka 2010) and have expressed concern about the impact of their business activities on the ecology system. This increasing attention and concern over the social and environmental impact of business, besides maximising the shareholders' wealth, has led to a number of organisations vigorously reporting and managing their sustainability footprint. These new phenomena place an emphasis on the integration of economic, social and environmental issues within the organisation reports which can be referred as 'sustainability reporting' (Global Reporting Initiatives 2006) and also as 'triple bottom line' (Elkington 1997). More comprehensive corporate sustainability reports are now rigorously being published as part of a company's annual report and even as a stand-alone report with the guidelines provided by Global Reporting Initiatives (2006). As a result, sustainability reporting

has become prominent in contemporary global economy. The World of Sustainable Development, for example, has committed itself to *"the principles of sustainable development via economic growth, ecological balance and social progress"* (World Business Council on Sustainable Development, 2007, p.2 cited in Archel *et al.* 2011).

In the context of economic neo-liberalism and globalization, the accelerated economic growth has open up many possibilities towards social and environmental damage. The companies have become more powerful and their operating activities breach ecological limits. There has been a growing potential for abusing this power and a depoliticisation of the state and an ability on the part of the state to control the activities of the companies (Bebbington *et al.* 2007). This can create more chances to harm the planet and the people. These constructed open, inclusive and participatory or deliberative processes require engagement among the companies, the state and civil society. This participative approach also includes previously marginalised groups as it involves the involvement of public. However, this new governing technology is difficult to implement as it is hard to satisfy all the interests, involvement and commitment of several different social groups. More often than not, it will be influenced by groups with powerful interests so as to gain their own economic benefit.

In addressing this stakeholder engagement further, it is best to define the meaning of the term stakeholder engagement.

2.3.1 What is stakeholder engagement?

Stakeholder engagement is not a new concept and it is regarded as an essential tool to a company's sustainability and success. But to a certain extent, the concept of engagement can have different meanings among the people (Greenwood 2007). Thus, it is best to define the meaning of this engagement first.

In 2011, the Institute of Social and Ethical AccountAbility (ISEA) was founded with new standards on stakeholder engagement known as AA1000 Stakeholder Engagement Standards and described stakeholder engagement as:

> *"the process used by an organisation to engage relevant stakeholders for a clear purpose to achieve accepted outcomes. It is now also recognised as a fundamental accountability mechanism, since it obliges an organisation to involve stakeholders in identifying, understanding and responding to sustainability issues and concerns, and to report, explain and be answerable to stakeholders for decisions, actions and performance." (2011, p.6)*

Thomson and Bebbington (2005, p.517) also provide a useful definition as follows:

> *"Stakeholders are involved in a number of different ways including, identifying what issues are important to report on, how well the company has performed on specific issues and how to communicate this performance…Stakeholder engagement describes a range of practices where organisations take a structured approach to consulting with potential stakeholders."*

According to Greenwood (2007, p.318), stakeholder engagement can be regarded as "*practices that involve stakeholders in a positive manner in organisational activities*'". These definitions describe the avenues that companies provide to their stakeholders to make their voices heard. This engagement process is regarded as a way in which a company informs, listens to, consults as well as solicits the views of its stakeholders, both internal and external. The Institute of Social and Ethical AccountAbility (1999, p.107) has affirmed that a meaningful engagement with

stakeholders can anticipate and manage conflicts, improve decision-making from management, employees, investors and other external stakeholders, build consensus amongst diverse views, create stakeholder identification with the outcomes of the organisation's activities, and build trust in the organisation (Amaeshi and Crane 2006, p.5) .

It is important for the organisations to engage their stakeholders with respect and truthfulness as *"stakeholders make up these firms, and the relationship networks to which these stakeholders belong make up the communities and markets within which these firms do business"* (Noland and Phillips 2010, p.48). Each stakeholder has their own expectations and needs and such diverse expectations, needs and demands of the various groups of stakeholders require the organisation to consider the multiple interactions among them (Rowley 1997). The complex interactions among stakeholders need to acknowledge the role played by various parties such as consumers, governments and employees when studying stakeholder relationships. As stakeholder expectations are not independent of each other, organisations respond less to each stakeholder separately and more to an interaction of the multiple influences from the various stakeholders (Rowley 1997). Taking all their concerns into account and prioritising demands can be overwhelming for the organisation (Amaeshi and Crane 2006). It is therefore pertinent to recognise that multiple stakeholder influences may create positive, complimentary or co-operative relationships.

Stakeholder engagement is not about companies *"abdicating responsibilities for their activities, but rather using leadership to build relationships with stakeholders and hence improving their overall performance, accountability and sustainability"* (Gao and Zhang 2006, p.726). What is more, stakeholder engagement does not imply that the stakeholders acquire the right to be involved in all decisions, that all their expectations have to be met and that the companies can hide themselves beneath the veil of this engagement (Kaptein and Van Tulder 2003; Amaeshi and Crane 2006). At the same time, the ability of stakeholders to exercise their rights must not be prevented by the coercive power of other participants (Habermas 1990; cited in Cooper and Owen 2007). Ethically, all perspectives, particularly those of the marginalised stakeholders should be considered. Some of the companies' power needs to be transferred to their external stakeholders for sustainability to be effective and not be controlled by the companies.

Stakeholder engagement practices are very effective when they are embedded in a company's culture and the two parties are involved in a two-way communication (Institute of Social and Ethical AccountAbility 2011). Stakeholder engagement should also be done proactively and prioritise any particular stakeholder who puts pressures and creates uncertainty to the company (Harrison and John 1996; Andriof J *et al.* 2002). However, the true value of the engagement process is regarded with scepticism since it may be more about a company gaining important information and use it to its advantage for public relations and marketing (Owen 2003; Barone *et al.* 2013). There is also considerable research which suggests that stakeholder engagement plays a vital role in social accountability mechanisms (Gray *et al.* 1997; Owen *et al.* 2001) and may produce tangible changes to organisation practices

(Burchell and Cook 2006). Thus, this study looks at the stakeholder engagement as an area that should be explored further as noted by Elijido-Ten *et al.* (2010), Deegan and Blomquist (2006) and O'Dwyer *et al.* (2005a). There is still lack of empirical studies on presenting evidence of stakeholder engagement undertaken by the companies (Habisch *et al.* 2011).

The stakeholder engagement process relies a lot on the engagement of the companies with their stakeholders. Therefore, it is important to examine who the companies' stakeholders are. This is the purpose of the next section.

2.3.2 Who they engage?

The public and society appear to be more concerned with the impact of business on the society at large and a lot of pressure arises from civil society especially through non-government organisations and environmental pressure groups. The public and the society in general are now fully alert to the ways the businesses respond to sustainability activities. This is so because some of the organisations ignore their stakeholders when undertaking their business activities.

The question to be addressed now is: 'Who are the stakeholders?' There are several definitions of stakeholders given in academic literature. The concept of stakeholder emerged with the definition given by Stanford Research Institute in 1963 which regarded stakeholder as *"those groups without whose support the organisation would cease to exist"*. Freeman (1984) then popularised this concept and further

labelled stakeholders as *"any group or individual who can affect or is affected by the achievement of corporate objectives"* (p. 46). However, the real meaning of stakeholders is still unclear as the concept has been classified as *"content free"* and one that can be *"almost anything that the author desires"* (Stoney and Winstanley 2001, p.605). As a commonly used concept, the Freeman's definition suggested that there is a two-way relationship between an organisation and its stakeholders. The concept clearly represents a very broad view on stakeholders and this can include anyone. Therefore, according to Mitchell *et al.* (1997), it is essential to set boundaries in our definition of stakeholders. Freeman (1984) and Donaldson and Preston (1995) described two categories of stakeholders, those who 'can affect' and those who can 'be affected' by the companies' activities.

According to Clarkson (1995), there is a risk that some stakeholders may be left out as a consequence of not being identified. Reed (2008) argues that the process of identifying stakeholders is an iterative one since new stakeholders are continuously added as the process of identifying them unfolds and this iterative process can mitigate these risks. It is often not possible for an organisation to include all stakeholders and it becomes necessary to *"draw the line at some point"* (Reed 2008, p.2423). As mentioned in AA1000, *"stakeholders are not just members of communities or non-governmental organisations. They are those individuals, groups of individuals or organisations that affect and/or could be affected by an organisation's activities, products or services and associated performance with regard to the issues to be addressed by the engagement"* (Institute of Social and Ethical AccountAbility 2011). Thus, it is important for the company to identify its stakeholders.

Once stakeholders have been identified it becomes necessary to prioritise and classify them. The literature on stakeholder theory is filled with attempts by scholars to categorise stakeholders. Scholars normally classify stakeholders into primary and secondary groups (Clarkson 1995; Wheeler and Sillanpa 1998; Greenwood 2007). The primary group are those stakeholders or individuals who are seen as essential to the existence of the organisation and more often than not are those that have some formal contract with the organisation including owners, employees, customers and suppliers (Clarkson 1995; Ayuso *et al.* 2006; Podnar and Jancic 2006). Secondary stakeholders are classified as the group that plays an important role in giving the organisation credibility and acceptance for its activities and include non-governmental organisations (NGOs), communities, governments and competitors (Clarkson 1995; Ayuso *et al.* 2006; Podnar and Jancic 2006).

The stakeholder group definition was further expanded by Stead and Stead (2000, p. 321) to include the natural environment; they, in fact, suggest that the planet is the *"ultimate organisational stakeholder"*. Clarkson (1995) further argues that in distinguishing between voluntary and involuntary stakeholders, it should be noted that the difference is that involuntary stakeholders do not choose to enter into the relationship and cannot withdraw the stake they have in the company. Wheeler and Sillanpa (1998) classify stakeholders into two further categories, the social and the non-social ones.

In contrast, Mitchell *et al.* (1997) advance the theory of stakeholder identification and salience by introducing three criteria to evaluate stakeholders; these

are urgency, power and legitimacy. They assert that these are important stakeholder attributes since in various combinations these attributes indicate the amount of management attention given to a specific stakeholder. At the same time, Benston (1982) identifies three groups that corporations are generally seen accountable to, these are shareholders, stakeholders and the society at large.

As mentioned in the previous section, an inclusive and participatory process that requires engagement among companies, the state and civil society is needed. This is mainly due to the company being blamed for manipulating society by using social information for informing and educating the public through their identified disclosure strategies (Archel *et al.* 2009). The existence of a 'social contract' between business and the society is important as it is its licence to operate. In legitimising its survival, strategic disclosure has been used tacitly to reach its objective to be seen as legally bound to the 'social contract'. Thus, a strategic objective is achieved by influencing how the company is perceived by the society. Through engagement, a company is able to maintain a good relationship with different stakeholders in achieving effective decisions, strategies and behaviour (Swift 2001; O'Riordan and Fairbrass 2008).

By legitimising its operation in the market, the state is the one that grants the company the right to operate. The state views economic growth as a universal remedy for not only economic problems but for all social problems (Miller 1991; Archel *et al.* 2009). At the same time, the state is involved in the public policy process. Even though society and the public expect this process to be neutral, Patten (1992) and Walden and Schwartz (1997) contend that it is not neutral, but they fail to explain for

whose interests exactly this process is performed (Archel *et al.* 2009). Archel *et al.* (2009) contend that the state might be predisposed towards *"dominant social classes"* depending on their lobbying interest. Thus, stakeholder accountability does not exist even though the state has imposed basic disclosure regulations.

When the state aims for economic growth more than the public interest, the civil society plays the role of a watchdog and opposes the state and a company's behaviour and actions. In other words, the *"[p]ublic perception of the role of business in society has changed: more and more people understand that they are at the same time employees, consumers and citizens, which results in a search for coherence between these three roles"* (Lépineux 2005, p.102, p. 102). Civil society is regarded as the whole set of societal stakes that have *"put forward a vision of how companies should act towards society at large"* (Lépineux 2005, p. 102). The stakeholder groups such as customers, global society, employees, NGOs and environmentalists would like to see the company being accountable not only to their own claims but to the whole society that may or may not be directly affected by their sustainability activities (Lépineux 2005). Pressure groups such as NGOs and environmentalists are considered those who *"act on behalf of society (as their membership consists of volunteers from the general public)"* (Tilt 1994, p. 50). The 'society' has certain expectations of corporate responsibility which at last have enhanced sustainability (Gray and Perks, 1982). Benston (1982, p. 88) also considers the *"society in general"* as one of important stakeholders in an organisation.

NGOs have a central role in delivering social and welfare services. In recent decades, their roles have moved forward in supporting and opposing a variety of causes. For example, acting as a mediator between government and businesses, representing and educating the public, resolving conflicts, advocating in favour of poor/marginalised groups and environmentalists, providing public services, delivering aid and participating in tri-sector partnerships (Howell and Pearce 2001; Teegan *et al.* 2004). Some of them have a local orientation and they are also global in nature such as Greenpeace, Friends of the Earth, and World Wide Fund for Nature (WWF) (Deegan and Blomquist 2006).

NGOs have also been public watchdogs over the government and business in advising and serving the society in terms of human rights and justice. From a neo-liberal democratic perspective, NGOs help maintain accountability of the government to the public and help prevent government power from becoming too oppressive (Chant and Mcllwaine 2009). NGOs have promoted corporate social responsibility, human rights and environmental justice when addressing problems caused by the private sector (Howell and Pearce 2001; Schlosberg 2007).

NGOs act as public or community educators, facilitators, representatives and mediators in conflicts among the public, government and business sectors (Teegan *et al.* 2004) and they able to increase people's awareness of their rights in general and their right to be part of decision-making (Feher *et al.* 2007). They also disseminate information on pertinent political, social, and environmental issues (Howell & Pearce, 2001). Many NGOs actively support sustainability activities, especially those

particularly concerned with the damage done to the environment and the society. They make various attempts to alleviate the causes of destruction of the society and the environment. They may use direct and sometimes violent confrontation strategies depending on the situation. Currently, many groups exploit their expertise so as to have direct collaboration with the organisations with the aim to benefit both environment and organisation ('win-win' situation).

Having identified stakeholders the next challenge an organisation faces is to find the right way to respond to the needs of these stakeholders, since stakeholder groups often have *"different and contradicting goals, priorities and demands"* (Ayuso *et al.* 2006, p.477). Preble (2005, p.423) argues that one approach, which has received wide acceptance, is the use of *"dialogue and engagement"*. Stakeholder engagement can be made in many ways as discussed in next section.

2.3.3 How and why they engage?

Incidents like the Deep Water Horizon oil spill in 2010 have opened the stakeholders' eyes so as to demand social justice. This has caused the anger of stakeholders all over the world and has increased the demand for social and environmental disclosures from specific stakeholders such as community lobby and non-government organisations. Basically, companies portray their social, environmental and ethical performance in their sustainability reporting for them to be accountable to their stakeholders (Gray *et al.* 1997; Owen *et al.* 2001; Adams 2002; Gray 2002b; Adams 2004). Voluntary disclosures are assumed to be 'self-laudatory'

whilst only positive news are being disclosed to overshadow the environmental destruction and legitimise its action in the eyes of the stakeholders (Patten 1992).

The companies should be able to identify their own stakeholders and become aware of their concerns in order to know their expectations. The companies employ several engagement methods or approaches in their attempts to reach to a wide range of stakeholders in sustainability activities (Owen *et al.* 2001; Unerman and Bennett 2004). There is a number of possible engagement mechanisms in practice, including internet bulletin boards (Unerman and Bennett 2004), questionnaire surveys mailed to stakeholders (Burchell and Cook 2006), phone survey as well as community based and open meetings and dialogues (Thomson and Bebbington 2005). Dawkins (2014) focuses on the good practice of communicating with the stakeholders through dialogue and negotiation. Dialogue gives 'respectful exchange of ideas' which involves responding to stakeholder concerns, permitting stakeholder involvement in decision making and access to information (O'Connell *et al.* 2005; Dawkins 2014). While, negotiation is:

> *"a voluntary problem-solving process designed to reach a mutually acceptable decision on common concerns, and characteri[s]ed by identifying issues and differences, providing needs and interests, and generating and bargaining possible settlement options." (Dawkins 2014, p.6)*

Stakeholder engagement can be facilitated by a third party employed by the company who acts as mediator in disputes between the stakeholder and the company (Dawkins 2014). Usually, this third party is the organisations that have credibility and they are often professionals.

According to Stafford and Hartman (1996), the conflict between the company and stakeholders, such as environmentalists, can be resolved when the two establish a cooperation. This cooperation should be based on trust so as to pursue mutually beneficial ecological goals such as 'greening alliances' (Stafford and Hartman 1996; Calton 2006; Laplume *et al.* 2008; Dawkins 2014). Besides forming alliances and cooperation, the stakeholder engagement can be achieved through stakeholder participation. According to Reed (2008, p.2418), "*participation is defined as a process where individuals, groups and organisations choose to take an active role in making decisions that affect them*". Arnstein (1969, p.216) proposes the *"ladder of participation"* in describing the stakeholder involvement and argues that this metaphorical ladder is used to *"arrange in a ladder pattern with each rung corresponding to the extent of citizen's power in determining the plan and/or program"*. The ladder of participation *"describe[s] a continuum of increasing stakeholder involvement, from passive dissemination of information (which she called 'manipulation'), to active engagement ('citizen control')"* (Reed 2008, p.2419).

An ideal speech situation can also be used as a mechanism to engage the stakeholders, even though Unerman and Bennett (2004) argue that this method is unlikely to be realised in practice. Apart from the above practices of engagement, the annual and/or sustainability report is also a way for companies to engage with their stakeholders (Elijido-Ten *et al.* 2010).

In terms of stakeholder engagement, Waddock *et al.* (2002) contend that the companies respond to the stakeholder and other institutional pressures that demand a

greater responsibility to satisfy their stakeholders and to build long term mutually interactive relationships with them. Even though there are pressures from all stakeholders, only those stakeholders with the greatest economic power are intended to be listened to by the companies (Unerman and Bennett 2004; Cooper and Owen 2007; Barone *et al.* 2013; Rinaldi *et al.* 2014). O'Dwyer *et al.* (2005a) found that NGOs believed the engagement made by the companies was not a meaningful one as there was still active resistance in engaging the stakeholders on the part of most companies. In responding to the corporate governance trend towards discharging their accountability, the companies favour a more stakeholder inclusive approach (Greenwood and Kamoche 2013; Mason and Simmons 2014) but the consultation process involves only selected stakeholders and it is a misleading representation of stakeholder views (Rinaldi *et al.* 2014).

Noland and Phillips (2010) believe that the companies only engage with the stakeholders that have a legitimate stake in the business. Engagement is only made with a salient stakeholder group who has a potent antecedent in the companies (Mishra and Suar 2010) with those who are characterised by low power and low influence potential (Spitzeck and Hansen 2010). In this case, the stakeholders have a very limited influence over decision making which is limited to collaborative development of a new product and services such as customer collaborations, innovative competitions, NGO collaborations and multi-stakeholder initiatives (Spitzeck and Hansen 2010). As Owen *et al.* (2000, p. 85) attested, the

> *"management take[s] control of the whole process (including the degree of stakeholder inclusion) by strategically collecting and disseminating only the information it deems appropriate to advance the corporate image, rather than being truly transparent and accountable ...."*

The companies' priority, according to O'Dwyer (2003, p. 527), *"is with society's impact on business rather than business's impact on society… it is business which decides on the level of its social response and economic issues takes clear precedence over social issues".* Therefore, companies decide *"whom they perceive to be a party to a social contract"* (Swift 2001, p. 17).

According to Brown and Fraser (2006) as well as Burchell and Cook (2006), engagement with the stakeholders encourages scholarship and change. It allows a process of learning to take place between company and stakeholders which improves the organisational strategy and changes. At the same time, this engagement is able to increase trust and accountability which can improve communication regarding the companies' activities (Burchell and Cook 2006). The communication with their stakeholders and understanding the expectations of their stakeholders are crucial for maintaining their reputation. Thus, this engagement serves as a reduction of risk (Burchell and Cook 2006). This is certainly an important learning environment especially for those companies that receive high pressures from a diverse range of stakeholder groups (Payne and Calton 2002; Burchell and Cook 2006). However, Spitzeck and Hansen (2010, p. 386) contested that *"when engagement and influence do not come together, it can cause the frustration of the stakeholders"*. Arnstein (1969, p.216) also stated that:

> *"... participation without redistribution of power is an empty and frustrating process for the powerless. It allows the power-holders to claim that all sides were considered, but makes it possible only for some of those sides to benefit. It maintains the status quo."*

The emergence of studies in stakeholder engagement is not really being emphasised. Only few studies focus on stakeholder engagement and stakeholder accountability. Unerman and Bennett (2004) focus on organisational-stakeholder engagement using the Habermasian discourse of an ideal speech through the internet. This study discusses Shell's stakeholder dialogue web forum as an ideal speech situation which might just be a public relations exercise. This stakeholder management wants to convince economically powerful stakeholders that Shell behaves morally by taking account of all stakeholders' views, which it is not actually the case. A study by O'Dwyer (2005) develops the idea of stakeholder accountability which uncovered the nature of the difficulties less powerful stakeholders faced in holding management accountable, especially when information is undisclosed. The empowerment of stakeholder group was not upheld in order for the company to be able to emasculate social accounting processes and show their commitment to accountability with controlled stakeholder voices.

A case study of a government-initiated stakeholder consultation process in Spain by Archel *et al.* (2011) discusses the potential for civil society to truly engage with the consultation process and is of the view that having stakeholder dialogue is a managerial capture. Archel *et al.* (2011) have found that the output from a stakeholder consultation process is not actually intended to be part of the final report; only the dominant ideology is. Instead, this engagement process just served as *"only a symbolic, legitimating function, even though it was itself characteri[s]ed by dissonance and conflict"* (Archel *et al.* 2011, p. 340). The stakeholder consultation process was not carried out so as to get the views from the stakeholders but was only symbolic; i.e., it had a legitimation function. The analysis concluded that stakeholder

consultation legitimated dominant stakeholders only and silenced the voices from civil society. This leads to the civil society's failure in holding the company accountable for their actions even though the stakeholder consultation processes were improved. Any engagement with the company here remained as a managerial capture and failed to further social sustainability.

Owen *et al.* (2001) question the role of stakeholder engagement arguing that it only serves as an exercise in corporate legitimization and it is more damaging to the ideals companies claim to promote. Stakeholder engagement is about empty rhetoric and corporate spin rather than about ensuring corporate accountability. In a similar vein, Cooper and Owen (2007) believe that hierarchical and coercive power prevent the form of accountability that can be achieved through discussion and dialogue. The use of power in the decision-making process by the management executives and the government only favours the shareholders rather than any other interested groups. The established stakeholder status only prescribed the corporate objectives towards specific stakeholder groups, not towards all stakeholders; this creates diffusion of accountability.

Thomson and Bebbington (2005) contend that the scope of engagement was largely controlled by a company. The engagement carried out was for the company to gain information on matters outside the company, not for the stakeholder to learn about the company through meaningful dialogic exchanges. Thus, the power to act on the engagement process rests with the company. The stakeholders are powerless to hold the company accountable as the engagement is unidirectional in nature. O'Dwyer

et al. (2005b) give little evidence of the company's willingness to engage with NGOs and thus there is no effect on the reporting behaviour and practices. In contrast, Deegan and Blomquist (2006) illustrate the successful influences by large pressure group in corporate behaviour changes.

As explained above, previous studies have documented many motives for companies to engage with their stakeholders. These include promoting empowerment, instilling change and reflecting the need to serve the public interest adequately (Gray *et al.* 1996; Bebbington 1997; Bebbington and Gray 2001; O'Dwyer 2003). Even though quite a number of previous studies discuss stakeholder engagement, there has been little discussion regarding the motives underlying engagement undertaken by companies which are under pressure from their stakeholders. This study, therefore, hopes to provide insights into this aspect of engagement by examining the strategies employed by the companies. This exploration with regards to the motives of engagement is essential since intentions point to the group of stakeholders that the company prioritises (Unerman 2007), indicating that prioritisation is practiced by managers.

2.4 Sustainability and stakeholder engagement in emerging and developing countries

Most of the existing research in sustainability and stakeholder engagement is mainly centred around developed countries with very little research conducted on developing countries (Belal 2000; Belal and Owen 2007; Azizul Islam and Deegan 2008; Elijido-Ten 2008; Elijido-Ten *et al.* 2010; Sawani *et al.* 2010; Amran and

Haniffa 2011; Islam and Dellaportas 2011). Previous research is also more descriptive in nature and mainly use quantitative content analysis based on secondary data to identify the trends in the environmental reporting, performance of disclosure, impact on company's performance and its factors of disclosure (Belal 2000; Kuasirikun and Sherer 2004; de Villiers and van Staden 2006; Amran and Devi 2008; Amran *et al.* 2013). These studies mostly provide inconsistent findings on the factors of attitude, company size, performance culture, ownership structure and there is limited disclosure on social and environmental matters among the companies (Kuasirikun 2005; Islam and Deegan 2010; Othman and Ameer 2010). There are also previous studies that employ engagement based and rely on primary data using interview (Belal and Owen 2007; Azizul Islam and Deegan 2008; Elijido-Ten *et al.* 2010; Belal and Cooper 2011). These studies do not just limit themselves in describing the practice and its factors but have a broader perspective by considering practice in institutional and organisational contexts (Belal and Owen 2007; Azizul Islam and Deegan 2008; Elijido-Ten 2008; Elijido-Ten *et al.* 2010; Amran and Haniffa 2011; Momin and Parker 2013). Most of these studies are qualitative in nature and are based on interview data which focus on the sustainability practice at a micro and a macro level. Those studies that are specific to stakeholder engagement are relatively scarce as the recent literature has mainly touched on the stakeholder relationship, influences and disclosure as tools for stakeholder engagement (Elijido-Ten 2008; Elijido-Ten *et al.* 2010; Othman and Ameer 2010; Amran *et al.* 2013).

Previous studies in relation to stakeholders mostly focus on the understanding of the stakeholder influence strategies on environmental disclosure (Elijido-Ten 2008;

Elijido-Ten *et al.* 2010), environmental disclosure as stakeholder engagement tool (Othman and Ameer 2010) and society empowerment (Amran *et al.* 2013). These studies give indications that the stakeholders indeed influence the company's sustainability practices based on the significance of an environmental event. It is therefore perhaps not surprising the fact that stakeholder engagement also depends on the pressures received from stakeholders.

The influence strategies chosen by various stakeholder representatives are examined in Elijido-Ten (2008) in an experimental setting by using a vignette. A combination of Frooman's (1999) topology and stakeholder theory is adopted in this study. This study reveals that the effectiveness of the strategies taken is depended on how the firm values the impact to their business. Elijido-Ten *et al.* (2010) explore the stakeholder influence towards the types of disclosure a firm makes and the environmental disclosure strategies it implements in an attempt to induce the desired disclosure outcome. Amran *et al.* (2013) argue for the need to have society empowerment so as to provide a better sustainable livelihood. The local community's voice is often ignored, especially in the area where the company operates. This study argues that the state should acknowledge the society's right and capability to be a change agent in controlling the companies' behaviour in relation to sustainability. The state should help to uphold the local community's empowerment and transform them into legitimate and powerful stakeholders. Thus, the existing literature does focus on stakeholder perception but does not extend beyond exploring how various stakeholders (internal and external, business and non-business) would behave, and how the influence strategies they might adopt can change the companies' behaviour in relation to sustainability issues. With the pressures that the external stakeholders

such as the NGOs and the local community put so as to enforce sustainable behaviour in the companies' actions, the role of the state is also essential towards achieving sustainability. Little emphasis has been given on examining the state's role in advancing sustainability as its main concern is always economic development.

In terms of theory, the dominant theoretical perspective of legitimacy and stakeholder theory are widely used in these studies so as to enlighten the sustainability practices in terms of motivation, factors, types of disclosure and stakeholders' expectation. However, stakeholder theory lacks in describing the process and inappropriate in evaluating the environment (Key 1999). It is also argued that stakeholder theory makes an incomplete interlinking between the internal and external variables and does not pay enough attention to the system within which companies operate as well as those levels of analysis within the system (Ribeiro Soriano *et al.* 2011). Stakeholder theory also does not respond to the demands of stakeholders given that these are dynamic and difficult to discern (Polonsky *et al.* 2005). While, legitimacy theory unable to tackle wider systemic issues (Archel *et al.* 2009).

2.5 Gaps of interest in the literature

Stakeholder engagement practices have been viewed from different standpoints such as a dialogic approach (Bebbington *et al.* 2007; Brown 2009), an arena framework (Georgakopoulos and Thomson 2008) and a Habermasian discourse (Unerman and Bennett 2004; Foster and Jonker 2005). Although stakeholder

engagement is essential, as recommended by the GRI and AccountAbility, severe reservations have been expressed in the literature about the degree of the participatory role played by stakeholders in the process (Cooper and Owen 2007; Gray 2010; Unerman and Chapman 2014) and lack of stakeholder inclusivity (Rhianon Edgley *et al.* 2010). The stakeholder engagement practised by the companies is claimed to having little to do with extending accountability but merely acts as corporate spin and managerial capture (Owen *et al.* 2000; Owen *et al.* 2001; O'Dwyer 2003; Barone *et al.* 2013).

There is relatively limited research on the processual dynamics which examine stakeholder engagement process at the micro, meso and macro level. At the same time, there are very few studies that attempt to answer the 'how' question especially in the context of developing countries. Prior studies as previously discussed are more about emphasising and explaining the importance of stakeholder engagement and focus more on the identification of marginal stakeholders.

This study looks at the stakeholder engagement process in the sustainability field in Malaysia due to the pressures received from the civil society. This pressure arises from the damage done to the environmental and hence the impact it has on the health and safety of the society. In this study, the pressure accumulated through the protest conducted by dominant stakeholders such as NGOs and the local community in the palm oil and mining sector is explored. This study extends more on the differences between the Malaysian-based multinational companies and foreign-based multinational companies in pushing these differently based multinational companies

to behave sustainably through the pressures placed upon them. As such, this study tends to locate the power differential existing among the stakeholders such as the civil society and the state in sustainability issues. The power differential existing among the company, the state and the civil society in enforcing real stakeholder engagement as required by the GRI and AccountAbility can be seen through this study by using the Bourdieusian framework. As concurred by Brown (2009, p.317), there is a need *"to develop models based on a multi-dimensional, participative approach that is sensitive to power differentials in society"* (O'Dwyer 2005; Thomson and Bebbington 2005; Bebbington et al. 2007). Thus, this study studies stakeholder engagement from multiple viewpoints to highlight conflict among stakeholders and explicitly addresses the power dynamics (Thomson and Bebbington 2005). At the same time, Archel *et al.* (2009) has called researchers to draw attention to the role the state plays in processes of business legitimation something that this study tries to do.

There are very few qualitative studies conducted in developing countries and in Malaysia specifically which explore sustainability. To the best of the researcher's knowledge there is no prior study which examined the stakeholder engagement. In a similar vein, there is lack of engagement-based studies that provide an in-depth analysis of the organisational practice of stakeholder engagement which look at the political economy and social context. O'Dwyer and Unerman (2016) concur that the literature lacks high quality fieldwork in advancing the study of accounting for social sustainability in venturing the understanding of the real world problem. Therefore, this study examines social and environmental issues which have occurred recently in Malaysia that can contribute to the development of social accounting processes. This

reflects a democratic dialogue between the companies and stakeholders such as the local community and NGOs that focus on empowering stakeholders in inducing sustainability behaviour change in the companies (O'Dwyer *et al.* 2005b). This research tries to explore and gain a deeper understanding of the stakeholder engagement process as it is being used by the companies.

It is true that compares to other theories, stakeholder theory has been used extensively in stakeholder engagement studies. Primarily, prior studies emphasise the content analysis of the published annual reports with perspective from legitimacy, stakeholder and political economy theories utilised in an attempt to explain rather than simply describe the practice. The social environmental accounting literature also suggests that there has been insufficient explicit theoretical discussion on the potential of engagement and engagement processes to bring about substantive emancipatory change (Malsch *et al.* 2011; Brown and Dillard 2013b; Dillard and Layzell 2014; Killian 2015; Killian and O'Regan 2016; O'Dwyer and Unerman 2016). In this study, the Bourdieu's framework with the notions of field, habitus, capital and symbolic violence is used to understand the stakeholder engagement processes in palm oil and mining sectors in Malaysia. Furthermore, this study also answers the call made by Malsch *et al.* (2011) to mobilise the Bourdieusian praxeology in studying the realm of sustainability practices.

2.6 Concluding remarks

This chapter has discussed the concept of sustainability. The indefinite debates on sustainability definitions can be interpreted in many ways in different

contexts. Despite its contestable meaning, many companies use this notion and report their sustainability activities in many forms; annual reports, company's websites and even a stand-alone sustainability report. This may be one way for the companies to demonstrate their transparency, create financial value, enhance good reputations and achieve their continuous improvement. This chapter has further examined the stakeholder engagement concept by identifying who the stakeholders are. Then, the company start to do engagement with its stakeholder through the interaction and communication mechanism such as sustainability reporting, website, forum and such. The significance of engagement for companies as well as the strategies that can be adopted by a company in managing their stakeholders is stated. This acknowledges the significance of stakeholders' interaction between themselves and with the companies. A review of studies in the context of developing countries revealed the importance of recognising differences in the societal context as an important part of the dynamic investigate the stakeholder engagement in practice. This study will fit into the stakeholder engagement or dialogue in emerging economies. The following chapter discusses the theoretical framework used in this study.

Chapter 3 A Bourdieusian theoretical framework for understanding stakeholder engagement

3.1 Introduction

The objective of this chapter is to develop a Bourdieusian theoretical framework for understanding sustainability and stakeholder engagement. This framework, which has its roots in the critical paradigm, would be used to guide data collection and analysis, and make sense of the interview findings in an attempt to answer the research questions posed in Chapter 1.

This chapter is organised as follows. Section 3.2 discusses a Bourdieu's theoretical framework. It clarifies Bourdieu's five key concepts of habitus, capitals, fields, and shows where they stand in relation to each other. Section 3.3 reveals how the relational concept of Bourdieu creates the 'feel for game'. This section also emphasises the role of the state in monopolising power through symbolic power. At the same time, the role of the state seen as the one that it is involved in transferring symbolic power to the companies is explained and how this symbolic power produced the symbolic violence. Section 3.4 discusses how Bourdieu's political economy theoretical framework has been used in accounting research in general and in sustainability research in particular. Section 3.5 explains the justification for using Bourdieu framework and how the concepts and the 'feel for the game' discussed in above section is being used. 3.6 concludes the chapter.

3.2 The Bourdieu's theoretical framework

This research is an outline of the work of Bourdieu's intellectual landscape, which emphasises the notion of habitus, field and capital. Bourdieu's idea of domination and reproduction is a powerful lens through which to examine the phenomena *"by which systems of domination are reproduced [by social agents] without conscious intention"* of what they do (Golsorkhi *et al.* 2009, pp. 780-781; Malsch *et al.* 2011, p. 220). In Bourdieu's theory, the understanding of social phenomena relies on the relationship between agents. This relational approach does not work in isolation and, thus, it needs to be identified with the main concepts used in Bourdieusian theory. In this section, this study tries to make use the logic of practice's ideas and explains the key terms used in order to understand their relation to each other.

3.2.1. Habitus

Bourdieu relates the social practice with what the individuals do in their routine lives (Jenkins 1992). He emphasises how daily routines give interpretation of the world within the living. Bourdieu sees the social world more on the 'practical sense' which *"in opposition to the philosophy of the subject and of the world as representation"* (Bourdieu 1993, p.46) This is how Bourdieu sees the social world and develops the concept of habitus. The notion of habitus is central in his analysis of the social world and the domination mechanisms that operate in it. Generally, Bourdieu (1990b, p. 53) argues that habitus comprised:

> *"[s]ystems of durable, transposable dispositions, structured structures predisposed to function as structuring structures, that is, as principles which generate and organi[s]e practices and representations that can be objectively adapted to their outcomes*

> *without presupposing a conscious aiming at ends or an express mastery of the operations necessary in order to attain them."*

Habitus refers *to "a system of dispositions, that is of permanent manners of being, seeing, acting and thinking, or a system of long-lasting (rather than permanent) schemes or schemata or structures of perception, conception and action"* (Bourdieu 2005a, p.43). This dispositions of habitus allow the predispose agents to select appropriate behaviours that are likely to achieve a desired outcome based on their previous experiences, the resources available to them and their prevailing power relations; *"the relation to what is possible is a relation to power"* (Bourdieu 1990b, p.64). Thus, habitus results from the inculcation processes constructed and reconstructed through previous experiences from internalization of socialization and formal education (Malsch *et al.* 2011). In other words, habitus is formed or produced over time through the upbringing, education and position in the fields which social agents inhabit (Bourdieu 1990a, pp. 11-12; Bourdieu and Wacquant 1992, pp. 18-19, p. 126). The concept of habitus is, in Bourdieu's and Wacquant's words (1992, p. 18), *"a structuring mechanism that operates from within agents, though it is neither strictly individual nor in itself fully determinative of conduct"*.[1]

According to Bourdieu (2005a, p.45), habitus can be regarded as not something natural but as a product of history gained from social experience and education, which may also be changed by history, by new experiences, education or training. In short, habitus is the outcome of the environment in which the agents live

[1] Habitus "express first *the result of an organi[s]ing action*, with a meaning close to that of words such as structure; it also designates a *way of being*, a *habitual state* (especially of the body) and, in particular, a *disposition*, *tendency*, *propensity*, or *inclination*" (Bourdieu 1977, p. 214)

and it is generated through reasonable, common sense behaviours that are bounded by certain limits (Bourdieu 1990b, p.55). These dispositions are long-lasting as they tend to perpetuate and to reproduce themselves (Bourdieu 2005a). They are, however, not eternal as *"they may be changed by historical action oriented by intention and consciousness and using pedagogic devices"* (Bourdieu 2005a, p.45). Habitus is incorporated in minds, bodies and acts accordingly to the structure which then it tends to reproduce. It is different from habit as habitus is never a mere principle of repetition (Bourdieu 2005a). Instead, *"habitus generates inventions and improvisations but within limits"* (Bourdieu 2005a, p.46). As a structuring structure, habitus has a generative capacity which can produce a variety of outcomes within any given context where habitus can change constantly and continuously but within certain limit (Bourdieu 2005a, p. 47).

Habitus cannot operate and practise on its own, but in a set of social contexts or social spaces conceptualised as fields. Bourdieu and Wacquant (1992, p.19) emphasise that:

> *"Habitus is creative, inventive, but within the limits of its structures, which are the embodied sedimentation of the social structures which produced it. Thus, both concepts of habitus and field are relational in the additional sense that they function fully only in relation to one another."*

According to Bourdieu, the relation between habitus and field can be viewed in two ways – one as relation of conditioning where the field structures the habitus, and two as cognitive construction where habitus contributes to constituting the field (Bourdieu in Wacquant 1989, p.44). This implies that field resembles the structure of the social world in which the habitus operates.

3.2.2 Field

In Bourdieu's framework, it is argued that society is divided into social fields (Bourdieu and Wacquant 1992). Bourdieu defines field as:

> *".....a network, or a configuration, of objective relations between positions. These positions are objectively defined, in their existence and in the determinations they impose upon their occupants, agents or institutions, by their present and potential situation (situs) in the structure of the distribution of species of power (or capital) whose possession commands access to the specific profits that are at stake in the field, as well as by their objective relation to other positions (domination, subordination, homology, etc.)." (Bourdieu in Wacquant 1989, p.39; Bourdieu and Wacquant 1992, p.97)*

Fields can be seen as network of social relations among the agents or institutions within structured systems of social positions, in which they struggle over the resources, stakes and access. The field is a social space; a mediating context where structure is affected by the relations among positions held by the social agents who exist in it. The agent's dispositions originate from historical conscious and unconscious struggles. In Bourdieu's words, a field is a field of forces occupied by the agents in their own positioning to conserve or change the structure that is constitute of the field (Bourdieu 2005b, p.30). Within that context, it can be said that a field is full of conflict and competition among participants to take control over the effective capital (Bourdieu and Wacquant 1992, p. 17).

Bourdieu always refers to the analogy of 'game' when describing the notion of field. He visualises field as kind of 'game' (jeu) where in a field of game, there are stakes (enjeux), an investment (illusio) and the trumps cards (Bourdieu and Wacquant 1992). In this field, there are dominant and dominated actors who struggle for usurpation and exclusion over the mechanism of the field's reproduction (Bourdieu

and Wacquant 1992). In this site of struggle, agents and institutions form their distinct microcosm are provided with their own rules, regularities and forms of authority. These relational and dynamic social microcosms make the field always changing which makes field *"may be systematic without being products of a system, and especially of a system characteri[s]ed by common functions, internal cohesion, and self-regulation"* (Bourdieu and Wacquant 1992, p.103).

In the language of sport, what we call field is the arena where the players 'feel for the game'. As in the analogy of 'game', field is produced through the experiences of the actual game, and therefore gives the 'feel for the game' in subjective sense depending on its illusio and doxa (Bourdieu 1990b, p.66). This is because in an actual game:

> *"the field (the pitch or board on which it is played, the rules, the outcome at stake, etc.) is clearly seen for what it is, an arbitrary social construct, an artefact whose arbitrariness and artificiality are underlined by everything that defines its autonomy – explicit and specific rules, strictly delimited and extra-ordinary time and space." (Bourdieu 1990b, p.67)*

Bourdieu also argues that the strategies of agents depend on their position and to impose actions in their most favourable by gaining power through distribution of the specific capital (Bourdieu in Wacquant 1989, p.40).

3.2.3 Capital

Upon entering any 'game' on a particular field, not only is the agent's dispositions relevant, but their position in the field is also dependent on the varying forms of capital. Bourdieu contends that "*a capital does not exist and function except in relation to a field*" (Bourdieu in Wacquant 1989, p.39; Bourdieu and Wacquant

1992, p.101). It confers a power over the field, and over the materialised or embodied instruments of production or reproduction whose distribution constitutes the very structure of the field, and over the regularities and the rules which define the ordinary functioning of the field, and thereby over the profits engendered in it *(ibid)*. The significance and disposition of capital is reliant upon and identifiable to the field (Swartz 2013). There are several forms of capital or resources that exist in Bourdieu's work such as cultural, social, economic and symbolic capital (Bourdieu and Wacquant 1992). Cultural capital[2] involves various kinds of cultural knowledge, competencies and dispositions acquired either through formally examined or less formal means of education. Social capital[3] refers to resources acquired through social networks and connections. Economic capital[4] is immediately and directly converted into money and may be institutionalised in the form of property rights. Economic capital is, in other words, *"monetary and material wealth, commodities and physical resources"* (Everett 2002, p.62). Bourdieu contends that agents are distributed in the field with these capitals: economic capital (in its different forms), cultural capital, social capital, and symbolic capital, according to the overall volume of capital they

[2] Cultural capital as a type of capital is less obvious and it appears in many forms, such as books and works of art (objectified cultural capital), educational qualifications and professional credentials (institutionali[s]ed cultural capital), and linguistic competence, nature appreciation, and other "senses of distinction" (embodied cultural capital) (Everett, 2003, p.88).

[3] Social capital is the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionali[s]ed relationships of mutual acquaintance and recognition (Bourdieu & Wacquant, 1992, p.119).

[4] Economic capital simply refers to the accumulation of money or other financial resources that can be used to purchase power, positions and people, as well as goods, services and other forms of capital (Andon et al, 2014, p.78).

possess and according to the structure of their capital (Bourdieu ; in Haugaard 2002, pp.233-234).

3.2.3.1 Cultural capital

Cultural capital must be material in order to be valuable. This capital includes knowledge, skill, taste, lifestyle and qualifications (Bourdieu 1991). The transmission of cultural capital takes quite some time through the process of socialization. Thus, cultural capital is an asset that has been acquired through historical moments in generating distinctive relations. Bourdieu classifies cultural capital into three forms: the embodied state, objectified state and institutionalised state (Bourdieu 1986a, p.243).

The embodied state is a product of *"external wealth converted into an integral part of person"* (Bourdieu 1986a, p.244); it is knowledge in the form of proficiency in, for example, artistic taste, muscular physique, language skills or some other dispositions that can be gained, accumulated and cultivated by individuals. This embodied capital is formed into a habitus which cannot be transmitted instantaneously (Bourdieu 1986a). Unconsciously, cultural capital can be acquired in the absence of any deliberate inculcation to determine its distinctive value through inherited properties (ta patroa) and acquired properties (epikteta) (Bourdieu 1986a). The profit appropriation is produced through competition between the agent and the other possessors of capital that seek the same goods. Thus, the structure of the field *"is the source of the specific effects of capital, i.e., the appropriation of profits and*

the power to impose the laws of functioning of the field most favourable to capital and its reproduction" (Bourdieu 1986a, p.245).

The objectified state cultural capital, in contrast, is not found in the mind or body but in material objects such as pictures, books, dictionaries, instruments, machines and writing (cultural goods) and these can be transmitted in its materiality in terms of legal ownership (Bourdieu 1986a). To achieve this objectified state cultural capital, the possession of embodied capital is a precondition for the profit appropriation. The cultural capital is implemented and invested by agents as a weapon and a stake in the field of struggles to obtain profits proportionate to the extent of the holder's embodied capital (Bourdieu 1986a).

Finally, academic qualifications give people institutionalised state cultural capital. According to Bourdieu (1986a, p.246), academic qualification and a certificate of cultural competence gives its holder legally guaranteed value which has relative autonomy vis-à-vis its bearer and even vis-à-vis the cultural capital he effectively possesses at a given moment in time. In other words, this form of capital is not part of one's mind or body; it is external, in the sense that it is conferred on the person by the name of the institution or certificate.

3.2.3.2 Social capital

Bourdieu defines social capital as the actual or potential resources related to the possession of durable network, relationships of mutual acquaintance and

recognition (membership in a group) which can be a credential of their benefit (Bourdieu 1986a, p.247). The volume of the social capital possessed by a given agent thus depends on the size of the network of connections he or she can effectively mobilise and on the volume of the capital (economic, cultural or symbolic) possessed in his or her own right by each of those to whom he or she is connected. The profits which accrue from membership in a group are the basis of the solidarity which makes them possible. The network of relationships is the product of investment strategies, individual or collective, consciously or unconsciously aimed at establishing or reproducing social relationships that are directly usable in the short or long term, i.e., at transforming contingent relations, such as those of neighbourhood, the workplace, or even kinship into relationships that are at once necessary and elective, implying durable obligations subjectively felt (feelings of gratitude, respect, friendship, etc.) or institutionally guaranteed (rights).

3.2.3.3 Symbolic capital

Symbolic capital is the *"form that one or another of these species*[5] *takes when it is grasped through categories of perception that recogni[s]e its possession and specific logic"* (Bourdieu and Wacquant 1992, p.119). Bourdieu contends that symbolic capital is nothing other than capital (economic, social and cultural) which is recognised for distinction and prestige – recognised as self-evident (Bourdieu 1985, p.204). In other words, these three forms of capital (economic, social and cultural) are transferred to symbolic capital once they are judged to be legitimate by others, or in short, by others' perception.

[5] This refers to economic capital, cultural capital and social capital.

The capital can take a variety of forms in indispensable to explain the structure and dynamics of differentiated societies (Bourdieu and Wacquant 1992, p.119). In this case, the dominant and dominated agents in each field are identified and the distinction between them can be measured according to the volume and structure of different capitals they possess. In each field, the combination of material, immaterial and symbolic assets is not similar. The repercussion to this inequality of asset distribution within the field leads to domination and struggles among the agents to maintain and increase their capital. This enables the distinction among the agents in the field where the agent with the best established positions, network connections and favourable distribution of capital will be benefited. The domination and struggles create a power relation that impacts relations among agents and the agents with favourable positions control the field with its extant rules. Then this creates a domination structure where various forms of capital are distinguished by field agents as legitimate and transform it into symbolic capital. Through this process, agents form their perception based on the internalization and incorporation of those dominant structures into their behaviour to make sense of their environment. Those structures of sense and perceptions are part of a larger ensemble of integrated schemes within the habitus (Bourdieu 1990b; Golsorkhi *et al.* 2009).

In Bourdieu's theory, the interaction among habitus, the specific conditions of the field and capital at the time of action impact practices (Bourdieu 1990b). Practice is what the agents actually do in their everyday routines in a given field and situation (Golsorkhi *et al.* 2009). Their routines are generated through a set of attitudes, values

and behaviours that developed over time to form a dynamic sense of practice (Golsorkhi *et al.* 2009; Gracia and Oats 2012). This dynamic practice is the result of the multiple relations and interactions among habitus, field and capital, the position of the agent relative to the other agents, the history of the field, and the agent history (Bourdieu 1990b). According to Bourdieu, practice is *"an effect of actions and interactions which are shaped, simultaneously and in equal measure, by the habitus and capital of agents, as well as the context and dynamism constituted by their shared participation in a common 'game'"* (Crossley 2003, p.44). Practices occurring in the same field usually have common patterns due to the field's reproduction according to the agent's interest specific to the field. Therefore, the same pattern practices highlight the structure of domination in evolving and distinctive social practices.

3.3 Habitus, field, capital and power relationship

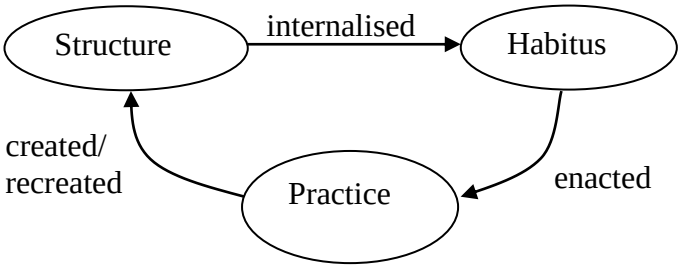


Figure 3.1: Reproduction of social structure – power and domination

(Harker *et al.* 1990)

Bourdieu developed a theoretical framework of inter-related concepts to account for domination and understand the practices of strengthening the position of agent, dominant and dominated (Golsorkhi *et al.* 2009). As depicted in Figure 3.1

above, Bourdieu uses the field concept to theorise society as a space of relative social positions (Bourdieu 1998b). The field defines the structure of the social settings in which the habitus operates (Swartz 1997). The actors in the field struggle to have a position, to safeguard and improve their position and differentiate themselves as competitive and in order to monopolise the field. This is achieved through the accumulation of different forms of capital; economic, cultural, social and symbolic capital (Bourdieu in Wacquant 1989).

Habitus resembles a structure of the mind and emotions characterised by a set of acquired schemata, sensibilities, dispositions and taste. This habitus is internalised in people's minds and bodies and then develops a person attitude towards society and influences individual actions. As it is claimed, *"[t]o speak of habitus is to assert that the individual, and even the personal, the subjective, is social, collective. Habitus is sociali[s]ed subjectivity"* (Bourdieu and Wacquant 1992, p.126). The habitus and field have a double and obscure relation, where the field structures the habitus while the habitus contributes to constituting the field as a meaningful world (Bourdieu and Wacquant 1992). In other words, *"[s]ocial reality exists, so to speak, twice, in things and in minds, in fields and in habitus, outside and inside of agents"* (Bourdieu and Wacquant 1992, p.127).

The interaction of habitus, capital and field is demonstrated in an actor's practices, in their everyday repeated and patterned behaviours (Bourdieu 1977; Bourdieu 1990a; Harker *et al.* 1990). This practice is dynamic, the outcome of the interaction between field, capital and habitus is determined by the position of an actor

in relations to the other agents, the history of the field, the personal history of the agent and the specific context they are in at a given moment (Bourdieu 1990a; Schultze and Boland 2000; Golsorkhi *et al.* 2009). These practices evolve and they are distinctive; this creates common patterns as they produce and reproduce the structure of the field. Through practice, actors struggle and pursue strategies to achieve self-interests within the field and this maintenance of patterns of practice reinforces structures of domination (Schultze and Boland 2000; Golsorkhi *et al.* 2009). This struggle for accumulation of capitals in part of the actors so as to be in the highest position within the field through 'practical mastery of the logic' is gained through experiences in the field as strategies called 'feel for the game' (Bourdieu 1986b).

3.3.1 'Feel for the game' in the field of power

The field of power is the position of social agents in the 'game' who seek power and control. There are diverse roles and divergent objectives among the social agents, such as institutions and individuals involved in the social structure and these have different chances to win or lose. The winner of the game tends to favour those who have relative power which depend on the form of capital existing in a particular game. The field of power is constituted as a *"space of play in which holders of various forms of capital struggle in particular for power over the state, that is, over the statist capital that grants power over the different species of capital and over their reproduction"* (Bourdieu and Wacquant 1992, pp.114-115). As Cooper and Joyce (2013, p.112) claim, *"Bourdieu's studies on the historical genesis of the state saw its constitution as a political victory of dominant groups whose domination*

depended upon the construction of the state and importantly, in the state's role as a 'repository of common sense'."

The field of power has two distinct dimensions according to Bourdieu; struggle for valued resources and struggle over defining what is a valued resource (Swartz 2013). The former emphasises the struggle over the distribution of capitals relevant to specific fields where the more valued forms of capital are accumulated or one form of capital is converted into more valued form (Swartz 2013). The latter talks about the struggle over searching for the very definition of the most legitimate form of capital for a particular field (struggle for symbolic power) (Swartz 2013). Here, the actors get caught up in the struggle and reproduce the structure of power relations within and across the fields (Swartz 2013, p. 60).

Bourdieu developed the concept of habitus from his *''desire to recall that beside the express, explicit norm, or the rational calculation, are other principles that generate practices. . . . to explain what people do, you have to suppose that they obey a certain 'feel for the game'''* (Bourdieu 1990a, p.76). A 'feel for the game' enables an indefinite number of moves to be made in an indefinite number of situations (Bourdieu 1990a, p. 9). This makes the habitus subjective and social agents act according to their 'feel for the game' which leads people to choose the best match possible given the game they have at their disposal (Garrett 2007).

‘Feel for the game’ is what allows habitus to generate infinity of strategies which are adapted to an endless number of possible situations. Rules are broken when the shape of the ‘game’ changes because of the inclusion of new forms of capital. This is to explain that actors do not play a game according to rules but they do so in the form of strategies which allow them to win the game. Strategies are not dependent on obedience to a rule but on a ‘feel for the game’ which enable the social agents to choose any possible course of action they have at their disposal in the given game (Bourdieu 1990a, p. 64). Indeed, ‘the habitus goes hand in glove with vagueness and indeterminacy” (Bourdieu 1990a, p.77); it ‘generates inventions and improvisations but within limits’ (Bourdieu 2005a). Thus, the social agents in each field do not act in conformity with established and formulated ‘rules’, but they adopt strategies of behaviour based on their interest and express through their dispositions to act in ways they are already habituated (Robbins, 1991, p. 102). It can be said that the rules of the game can be manoeuvred according to agents’ interest to win the game. ‘Feel for the game’ is a situation where the agents make use of strategies based on their interest in order to be successful in a particular circumstances; in other words, they ‘understand what is to be done in a given situation’ (Friedland 2009).

Bourdieu always refers to the analogy of a game when describing the activities within a field. In a ‘game’, the actors are not only required to understand and follow the rules but they also need to have a ‘feel of the game’ for them to be successful. The actors *“learn from experience about what is possible and what is not; about how to work effectively within existing practices in the field and about how the rules might be modified”* (Hillier and Rooksby 2005, p.23). The actors’ activities are *“constructed, therefore, both by the external limits of rules and regulations, and also*

by their own internalisations and placing of limits on what they think they can do or what they want to do in the circumstances" (Hillier and Rooksby 2005, p.23). Thus, in the sustainability field, the social actors at each level are assumed to have a 'feel of the game'.

3.3.2 The State, symbolic power and symbolic violence

In Bourdieusian perspective, he sees *"state bureaucracies and their representatives are great producers of 'social problems' that social science does little more than ratify whenever it takes them over as 'sociological' problem"* (Bourdieu 1998b, p.38). This bureaucracy is pervaded by the official representation which is portrayed as *"a 'universal group' endowed with intuition of, and a will to, universal interest; or as an 'organ of reflection' and a rational instrument in charge of reali[s]ing the general interest"* (Bourdieu 1998b, p.38). However, the official representation intuition has *"political strategies aimed at imposing a particular vision of the state, a vision in agreement with the interests and values associated with the particular position of those who produce them in the emerging bureaucratic universe"* (Bourdieu 1998b, p.39). Thus, the state, according to Bourdieu, is not possible to be regarded as *"a well-defined, clearly bounded and unitary reality"* (Bourdieu and Wacquant 1992, p.111), but it is an ensemble of administrative or bureaucratic fields (commissions, bureaus and boards) within which agents and categories of agents, governmental and non-governmental, struggle over this peculiar form of authority consisting of the power to rule via legislation, regulations, administrative measures (subsidies, authorizations, restrictions, etc.) (Bourdieu and Wacquant 1992, p.111).

Bourdieu argues that *"the history of the construction of the state [. . .] cannot be regarded as isolated from the history of the conflicts between the various state actors with their opposing views on what the state and the public 'services' must be"* (Bourdieu *et al.* 2000, p.8; cited in Arnholtz and Hammerslev 2013). Here the bureaucratic field is the outcome of a historical process which includes actors or agents with their own power in creating a sociological phenomenon. Although these actors are essential in the processes throughout the field, implicit and explicit rules that govern the bureaucratic game should be abided.

The state and field of power are closely linked. Bourdieu elaborated more on the various functions of the state which failed to operate on the part of the state in times of neo-liberalism to serve as *"the guardian of the public interest"* (Bourdieu 1998a). The state has undermined the public interest by doing deeds with all kinds of measures and policies so as to promote their own agenda. Thus, these deeds are aimed to eliminate the public welfare with the eulogy of private organisations and the encouragement of private interest. The state is supposed to perform social work and justice but failed in order to compensate for the most flagrant inadequacies of the logic of the market. In the bureaucratic field, state is the agency that legitimately monopolises the use of symbolic violence in shaping social space and forms strategies for the setting of the conversion rate between the various forms of capital or resources (Wacquant 2010).

In Bourdieu's view, the state is also the target of struggles over symbolic power, not only over material resources (Emirbayer and Schneiderhan 2011). Symbolic power is the power to *"constitute the given"* (Bourdieu 1991, p.170); a power granted to those who have obtained sufficient recognition to be in a position to impose recognition (Bourdieu 1990a). Bourdieu sees symbolic power as a form of recognition of authority as legitimate political, economic, or cultural power (Loveman 2005).

As a legitimate authority, the state can establish its position of power by making networks of alliance, cooperation, clientelism, mutual service etc. (Bourdieu and Wacquant 1992, p.112). In modern state, 'private' agents or organisations, which are themselves in competition with one another, work to orient 'state' policy in each of their domains of economic or cultural activity, where they form coalitions and ties with other bureaucratic agents with whom they share their preference for a given type of measure (Bourdieu and Wacquant 1992, p.112-113).

Bourdieu argues that the state is the *"holder of the monopoly of legitimate symbolic violence"* (Swartz 2013, p.138) who *"creates a political doxa, a practical, taken-for-granted understanding of social order, accepting it as the natural order of things"* (Swartz 2013, p.145). Symbolic violence is:

> *"a subtle, euphemi[s]ed, invisible mode of domination that prevents domination from being recognised as such and, therefore, as misrecognised domination, is socially recognised. It works when subjective structures - the habitus and objective structures are in accord with each other." (Krais 1993, p.172; cited in Reay 1995, p.361)*

Bourdieu notes that tacitly accepted symbolic violence is exercised whenever the objective structures meet with suitable mental structures (Bourdieu 1998c). As the state and the companies have the same economic objective, the state can transfer the symbolic power to the companies; as coalition, alliance, collaborator and such, they pursue and form the same wealth creations. Thus, with the power that the state has, it can impose any categories on the minds and bodies of the society alike through institutions as diverse as education, family and economic policy and it can make this social order legitimate, unquestionable and natural (Emirbayer and Schneiderhan 2011, p.10). As Bourdieu regards, the state does not necessarily have to give orders or to exercise physical coercion in order to produce an ordered social world and resulted to symbolic violence which goes "*without saying and require[s] no inculcating*" (Bourdieu and Wacquant 1992, p.168).

3.4 Bourdieu's theory in accounting research

According to Malsch *et al.* (2011), there is relatively less usage of Bourdieu's theory in the accounting literature as compared to other outstanding theorists such as Foucault, Giddens and Latour. Even though it is not widely used within accounting research, a number of accounting studies (e.g.,Kurunmäki 1999; Ramirez 2001; Neu *et al.* 2003; Everett *et al.* 2007; Shenkin and Coulson 2007; Baxter and Chua 2008; Alawattage 2011; Gracia and Oats 2012; Cooper and Joyce 2013; Andon *et al.* 2014; Killian 2015; Killian and O'Regan 2016) do draw on Bourdieu concepts to develop an understanding of aspects of accounting practice.

3.4.1 in general

Cooper and Joyce (2013) studied the social, cultural and symbolic capital of insolvent practitioners of a football club when Thatcher's government passed the insolvency Act 1986. It analyses the use of Bourdieu's theory in the field of insolvency and football, and relate them to the practice of logic as in the social world. This is to show that the existence of the law of insolvency has given the opportunity to those agents to pursue their action according to their interest. Therefore, only those who have dominant power would finally benefit from the legislation of the insolvency law and could easily undermine those who are at a lower position in the social structure. Cooper and Joyce (2013, p.113) contend that the Insolvency Act was used as weapon to gain significant juridical powers into the control of privileged actors. They further said that the social problem created from insolvency is used as moral battle over ideas about the market to camouflage the private sector's 'dirty' profit motive (Cooper and Joyce 2013, p.114).

In this study, Cooper and Joyce (2013, p.118) use the field of football which has *"the specific capitals (a distinctive combination of economic and cultural capital/football ability) required in order to reach the top of the field"*. The skill of playing football for the player and the skill of managing the football club for the manager; which are in Bourdieusian's perspective called cultural capital, were regarded as 'trump cards'. These 'trump cards' can bring more economic profits and they are an essential investment in winning the economic capital. The passion of football fans towards the football club and its game which sometimes generated

extreme emotions and psychological distress can be explained in Bourdieusian's concepts of embodied habitus. They further contend that:

> *"The convergence of the correlation between spending on footballing skill and success, football's position in the social space as a valuable cultural good and the illusio of the fans have given insolvency an important place in the field of football. There is significant pressure on the owners of football clubs to overspend (by buying highly skilled but expensive players) to enhance their position." (Cooper and Joyce 2013, p.119)*

Xu and Xu (2008) studied the standardization of bank accounting classification and terminology in early twentieth-century China. This study provides insights into the processes by which modern banks became more dominant while being paradoxically more dominated by the state. They mobilise the concept of field in articulating a triangular relationship among three key actors: foreign banks, modern banks and native banks. Xu and Xu (2008) look at this triangular relationship in the field of Chinese banking as a relationship of power, driven by divergent interests, with the modern and native banks competing with foreign banks and challenging their domination in the field. The Western experience of developing uniformity in accounting practices is used to understand the habitus of Chinese modern bankers since it was established based on the western model. The family background, life, educational experience and career patterns of modern bankers are taken into consideration to further comprehend the habitus. This social actor's habitus and the interaction between the social actors in Chinese banking and between those social actors and the Chinese state reveal the practice of standardization of Chinese bank accounting classification and terminology.

Gracia and Oats (2012) use the Bourdieusian lens to unravel the relational complexities of the regulation of tax avoidance at the complex and fuzzy boundary between acceptable and unacceptable tax practice. This is to examine how regulation can be considered as social process within the tax field. The UK tax avoidance is viewed as regulatory struggles where boundaries of practice are constructed and reconstructed over a period of time. This study explores the case study of the Arctic System dispute and the interactions of the actors to uncover what is valued and defended, within this regulatory field. In the tax field, the practice through which the legislation of tax avoidance is put into play by various actors such as professionals and the courts is regarded as 'taxpayer bad/state good' or as a matter of legal determinacy. The tax habitus, i.e., the subjective understandings of the regulatory requirements, is used to differentiate particular forms of discretionary enactment, whether compliant or categorised as non-compliant. The power to name and define the rule and enforcement boundaries is a valuable form of symbolic capital in practice. The Bourdieusian framework reveals the dynamic interplay of professional/regulatory discourses and the overarching relational social contexts.

Neu *et al.* (2003) draw on Bourdieu's theory of practice to examine the extent to which ethical discourses conveyed within and outside the accounting profession can serve as a source of social and professional advantage. They frame their investigation in terms of an economy of symbolic goods, whereby ethical discourses are conceived of as cultural goods whose capital is traded in symbolic markets. This study brings the notion of symbolic violence, which develops not only when

subordinate agents internalise the discourses of dominant agents as natural, but also when dominant agents come to perceive their own domination as natural.

Chenhall *et al.* (2010) use the concept of social capital to show the distinction between the management control systems and the development of social connections in and between the organisations in NGOs. The social capital is used as a framework to examine the social network and interpersonal relationships in terms of the social ties that exist within and between external organisations. The concept of structural bridging and bonding is used to examine how in relation to cultural capital the humanitarian idea is maintained as its core value, while at the same time, it is able to attract sufficient economic capital.

Ramirez (2001) shows that the social closure is affected by the role of the state as a central actor in gate keeping the French accounting profession. He uses the concept of the field and capital to understand the failure of the project to institutionalise the accounting profession in France before the Second World War. The accountants' inability to solidify hierarchies internal to the professional field and the unfavourable insertion of this field in the overall hierarchy of social fields are used as key-arguments to account for this failure.

Kurunmäki (1999, p.95) uses the notion of field and capital to analyse the *"diverse roles and partially divergent objectives of the various institutions and individuals involved in the functions of financing, production, and consumption of health services"*. The redistribution of power and control sees that participants have

different chances of winning or losing in these struggles, which dispersion of different forms of capital in the related fields.

The study of Rahaman *et al.* (2007) shed light on the colonising power of the World Bank in persuading the Ghanaian government to privatise water services. The theoretical framework implemented is based on a combination of Foucault's governmentality and Bourdieu's theory that problematises the often taken-for-granted primacy and autonomy of the state in organising governance processes. It also highlights that certain cultural practices are diffused among relatively autonomous fields or 'colonise' them.

Baxter and Chua (2008) report on a characterization of one company's chief financial officer (CFO) in action through different vignettes so as to study the production and reproduction of knowledge. Equally symptomatic of a relatively apolitical angle of analysis, power and domination are not key concepts in the text, which refrains from examining how the dispositions constituting the CFO's habitus are attuned to the broader social order, and how the latter is naturalised as self-evident by the CFO.

Neu *et al.* (2001) use the Bourdieusian framework to reflect on the role of critical accounting intellectuals in society, while offering suggestions for collective mobilization and intervention. Cooper and Robson (2006) make use of the

Bourdieusian lens to understand how and why accounting and accountants have become a powerful social and economic force in society.

Overall, the Bourdieusian perspective brings to the fore some key contributions to accounting research in the area of professionalization and the construction of accounting regulation.

3.4.2 in sustainability accounting

Whilst such studies indicate the usefulness and applicability of Bourdieu's social theory to the accounting field generally, according to Malsch *et al.* (2011) and Killian and O'Regan (2016) there is little Bourdieusian exploration of the social processes working at the junctures of acceptable and unacceptable practice especially within the sustainability field. In the realm of sustainability, almost no study can be found (Malsch *et al.* 2011; Killian and O'Regan 2016) which uses Bourdieu's work except the studies by Archel *et al.* (2011), Lodhia and Jacobs (2013) and Killian and O'Regan (2016).

In the Archel et al. (2011) study, Bourdieu's theory is used together with Levy to furnish an institutional theory to understand the dynamic of stakeholder dialogue in initiating regulatory government discourse. The final output from a multi-stakeholder process is analysed through discourse generated by actors from non-governmental organisations, unions, business organisation and academia who have participated in the process. It is consequently inferred that stakeholder consultation processes serve problematic functions: at one level, these processes legitimise dominant discourses on

corporate social responsibility by giving the impression that the latter are the outcome of a democratic dialogue that is free from power relations; at another level, these processes show to heretic social actors the futility of their heresy and. thus, encourage those actors to actively adopt the dominant discourse.

At the same time, Lodhia and Jacobs (2013) use a combination of legitimacy theory of practice and Bourdieu‘s theory of practice. This study focuses on the internal organisational practices and the actors and how they influence the public sector environmental reporting. The practice-based perspective in understanding environmental reporting practice is formed from internal and external drivers. The practice shows that environmental reporting results from a practice deployed by actors in the struggle for influence and capital in a social field.

Killian and O'Regan (2016) use Bourdieu’s concepts of doxa and capital (particularly symbolic capital), symbolic power and the logic of the price in elucidating the unarticulated nature of complex relationships between the company and community.

3.5 Justification for using Bourdieu

Bourdieu offers a sociological praxeology as theory of practice which attempts to undermine the dualism of objectivism and subjectivism, structure and agent, determinism and phenomenology (Kenway and McLeod 2004). Bourdieu’s strongly anthropological background is useful in understanding the actions of the

company which practices stakeholder engagement in the field of sustainability with the combination of capital (economics, cultural and social). Other social actors such as the state, regulators, professionals, the local community and academicians are part of the field of sustainability with their own interests, and the companies build positive relationships through engagement with their stakeholders. The company then reports its sustainability activities to promote accountability and transparency.

Bourdieu's concepts of habitus and field are visualised as socially embedded, as embodied dispositions, formed by the position of the social actor in social fields. The concept of field is of particular relevance in the study of stakeholder engagement practices, as it highlights the relation between the way individual social actors take part in the process of sustainability accounting and the way stakeholder engagement is constituted. This particular concept of Bourdieu further enables a nuanced understanding of the field of sustainability which is strongly influenced by the powerful companies with alliances and helps from the state which focuses on economic development (Cooper and Joyce 2013). The habitus of the field of sustainability together with the combination of capitals and social actors' position within the field inform and shape accounting practices (stakeholder engagement processes). Bourdieu's theoretical perspective highlights the dominance and power relations in the social structures which rely upon the resources of capital held or dominated by the individual actors. An actor's position within a field depends on the success of the struggle to identify, retrieve and obtain the forms of capital (Bourdieu 1986a).

This relational study of Bourdieu's theory of social practice helps to explain relational understanding of structure and action which emerges through the flaws in the polarization of objectivism and subjectivism (Gracia and Oats 2012). As stated in Gracia and Oats (2012, p.304), Bourdieu's theory draws attention to *"how the relationship between subjective experiences and the objective social world frame experiences and contribute to the production and reproduction of practice within social fields"*. His theoretical approach can reveal thick descriptions of unique historical trajectories (Jayasinghe and Wickramasinghe 2011) of sustainability practices through the notion of *"externalising the internalities and internalising externalities"* (Bourdieu 1990a) in the field of sustainability. This research attempts to carry out a similar analysis through Bourdieu's 'relational thinking' and 'practical reasoning' of the reciprocity between structure and agency in exploring how sustainability practices and stakeholder engagement are influenced by a particular structural logic.

This study looks at the practical logic that enables the production of stakeholder engagement practices by the companies by taking into account the influence of both structure and agency. What is notable about and particularly valuable in Bourdieu's theoretical approach was his rejection and transcendence of the structure-agency antinomy. He argued that both structure and agency were mutually dependent and, therefore, both the treatment of social facts as things as well as the reduction of the social world to the representation of agents are equally wrong (Bourdieu and Wacquant, 1992). Therefore, his approach provides us with a powerful way to explore the impacts of actors on the practices of stakeholder engagement while

recognising that individual choice is constrained and influenced by the institutional setting. Bourdieu's theory gives a powerful set of tools to explore how and why stakeholder engagement occurs. From this perspective, the practice of stakeholder engagement is a result of strategic choices by key actors (internal champions) in a field. These choices are driven by the desire to accumulate specific and specialised forms of cultural capital or by a desire for more generalised forms of economic and social capital. Bourdieu argued that it is necessary to investigate the specific strategies organised by the social actors in a field (Bourdieu 1990b; Bourdieu 2000).

In this study, three necessary and internally connected moments are considered, according to Bourdieu, in analysing the field. Firstly, the researcher analyses the position of the field vis-à-vis the field of power (Bourdieu in Wacquant 1989). In the case of stakeholder engagement practices among the companies and their stakeholders, the sustainability field is identified for this study as it is situated within the field of power where it occupies a dominated position. Secondly, the objective structure of the relations between the positions occupied by the agents or institutions who compete for the legitimate form of specific authority of which this field in the site are figured out (Bourdieu in Wacquant 1989). And, thirdly, the researcher analyses the habitus of agents, the system of dispositions they have acquired by looking at their social and economic conditions in the related field (Bourdieu in Wacquant 1989). Even though it is quite difficult to capture this habitus among the agents (Cooper and Joyce 2013), the researcher has used all means possible to understand this by reviewing the organisational structure of the companies, the state, and others. Then the individual agents that are involved in the stakeholder engagement practices are being examined through their previous

experiences whenever is possible; for example through annual report, LinkedIn, news clipping, YouTube, circle of friends and other internet sources. This effort is made to understand the relational concept of Bourdieu's framework in integrating *"a theory of structure (the field), a theory of power relations (the various forms of capital), and a theory of the individual (habitus)"* as the main concepts (Malsch *et al.* 2011, p.198).

In this study, the field of sustainability is examined to be conceptualised as a configuration of relationships between the social positions which the social agents hold within the given configuration of social space. The structure of the field is derived from the objective relations of the positions that the agents hold in the values of their dispositions gained from the outcome of historical, conscious and unconscious struggles. In the sustainability field, the social actors have been identified as explained in Figure 5.2 in Chapter 5. There are three levels of sustainability fields; these are macro, meso and micro levels. At each level, the stipulated agents are identified to give structure to the sustainability field through their conscious, unconscious and taken-for-granted behaviours throughout the history of emerged sustainability issues. These positions and forces are binding them together to form the structure of struggles over the form of capital, stakes and domination. In the field of sustainability, agents are positioned according to the overall volume and relative combinations of capital available to them (Malsch *et al.* 2011). These forms of capital that the actors hold make a distinction between dominant and dominated actors (Golsorkhi *et al.* 2009).

There is a need to examine the organisations' behaviour in their wider social, institutional and historical context. The structural and cultural situations in which the organisation is managed can be variable across the time period and act as a constraint to social action. However, it is the agency relationship that is looking at the choices and actions of the key personnel within the company which makes sustainability and stakeholder engagement activities possible. Obviously, sustainability involves complex product structures, institutions, organisational culture and human agency. Most often than not, the decision towards practicing new strategy and vision towards sustainability requires transformational change in organisational culture and behaviours. The key personnel who 'walk the talk' are important to form new kinds of management competencies with a set of attitudes, values, knowledge, skills and actions. Thus, in the sustainability field, the autonomous sets of practices, institutions and techniques with relevant stakeholders such as managers, employees, trade union, customers, suppliers, banks, state, practitioners, industries, academics and others are the 'authorised agents/actors'.

Bourdieu emphasises that *"in order for a field to function, there have to be stakes and people prepared to play the game, endowed with the habitus that implies knowledge and recognition of the immanent laws of the field, the stakes and so on"* (Bourdieu 1993, p.72). Habitus, in Bourdieu's perspective, depicts *"an understanding of what people want, what they realistically have a chance of getting and how this can be achieved within their respective fields"* (Bourdieu 1990b). This is how the reproduction of social structure derives from its internalization as tastes or preferences; brace up the 'practical sense' which drive agents to know 'what is to be done in a given situation'; the art of anticipating the future of the game (Bourdieu

1998b, p.25). In this study, the researcher observes three dominant agents, which are the company, state and civil society through NGOs and environmentalists. These three dominant agents struggle in the field of power in palm oil and mining sectors. These agents have a stake and interests and they play the sustainability game within the sustainability field. They struggle over the accumulation of capital in this field and compete to gain advantage over the form of capitals.

3.6 Concluding remarks

This chapter presents the Bourdieu's concepts developed for the purpose of analysing and explaining the research data. The focus is on explaining how the company carries out their sustainability activities and engages with their stakeholders in practice. Society has its own expectation of the company's behaviour and this expectation may transform into pressure and then, impact the licence of the company to operate. Bourdieu's relational concepts, field, habitus and capital, reproduce the power and domination in exercising the social engagement. The theory of reflexivity provides the disposition of agents in the field of power to gain the legitimate form of capital. These concepts discuss the roles of agents through habitus, the domination of power and struggle of field in shaping the interplay roles of state and companies in providing stakeholder engagement in sustainability activities. After all, Bourdieu's central notions of field, capital and habitus can explain the hidden interests and taken-for-granted relations of domination. Bourdieu's framework thus provides a basis for how to frame the analysis in the following chapters; Chapter 5 and 6.

Chapter 4 Research methodology and methods

4.1 Introduction

This chapter discusses the research methodology and research methods used in this study. The concept of methodology may be best understood as the interrelations of substantive problems, sources of evidence, and larger assumptions about society, history and the purposes of scholarship (Skocpol 1984). The choice of an appropriate methodological framework is important, as it guides the manner in which researchers generate knowledge and demystify social processes (Morgan 1983). This chapter outlines the methodological framework that guides this study.

The chapter is organised as follows. Section 4.2 explains the methodology choice and discusses alternative paradigms. Section 4.3 outlines the research methods to be adopted in this study and explores the research design, the data collection methods and the data analysis. Then, section 4.4 explains the validity and reliability of this study. Finally, section 4.5 provides a conclusion.

4.2 Research paradigms

A researcher should have a clear vision of the research paradigm that they subscribed to from the beginning of their research. This is when a researcher brings their own worldviews or paradigms upon which knowledge is developed and judged as acceptable in the study. A number of research paradigms such as interpretivist, radical structuralist, radical humanist and functionalist have been used to understand

sustainability accounting. These different 'ladders' (Silverman 2011) and different 'processes of engagement' (Morgan 1983) make researchers view the world around them in a better way. It has further been argued that:

> *"one has to situate oneself within a 'real activity as such', that is, in the practical relation to the world, the preoccupied, active presence in the world through which the world imposes its presence, with its urgencies, its things to be done and said, things made to be said, which directly govern words and deeds without ever unfolding as a spectacle." (Bourdieu 1990b, p.52)*

The adoption of sociological paradigms or approaches will assist the researcher in imparting a constructive framework and developing various dynamic theories. This framework is used as a guide to craft the research tools to advance this study. This sociological paradigm looks at the assumptions about the nature of social reality and it emphasises what it means to be human (ontology) and the nature and purpose of knowledge (epistemology) before deciding appropriate research methods. Ontology is the 'nature of reality' (Creswell 2007), which is crucial for explaining 'the phenomena under investigation' (Burrell and Morgan 1979). These are the assumptions researchers make when viewing subjective and multiple realities. Epistemology relates to the 'ground of knowledge' (Burrell and Morgan 1979) which is to be regarded as 'acceptable knowledge' (Saunders *et al.* 2009) to the study. According to Chua (1986, p. 604), epistemology is the assumptions made in deciding what to count as *"acceptable truth by specifying the criteria and process of assessing truth claims"*. This is where researchers place themselves so as to understand the participants' world. Methodology is the way researchers adopt to explore and attain the knowledge about the reality.

4.2.1 The critical paradigm

A critical theory is *"a reflective theory which give agents a kind of knowledge inherently productive of enlightenment and emancipation"* (Geuss 1981, p. 3). This approach emphasises the social, historical, political, cultural and context of meaning (Fossey *et al.* 2002) in a condition of struggle and domination (Deetz 1996). For this approach, be it an individual or a society, it is assume that every state of existence possesses historically constituted potentialities that are unfulfilled (Chua 1986). Human beings produce, reproduce and change the social structures and processes that form events and experiences. This phenomenon is understood as the projection of individual consciousness where human being are externalising their experiences into a form of reality (Burrell and Morgan 1979). Here, the critical approach sees the social world as the product of individual consciousness. In this approach, social structures are conceived as objective practices which are transformed and reproduced through subjective interpretation. Thus, social reality is both subjectively created and objectively real (Chua 1986).

This approach basically points out to the consciousness of human beings who become imprisoned within the bounds of the reality they created and constructed. This reality creation may be affected by psychic and social processes which conquer the human minds and thus alienate them from the potentialities inherent in their true nature as human beings. Burrell and Morgan (1979, p.32) contend that *"the consciousness of social actor is dominated by the ideological superstructures with which he interacts, and that these drive a cognitive wedge of between himself and his true consciousness"*. The approach aims at giving a critique of the status quo and

places its prominence upon radical change, modes of domination, emancipation, deprivation and potentiality in conceptualising the sociology of radical change (Burrell and Morgan 1979). The researcher should understand the intention of the social actors who construct the social world when analysing such social problems. This critical theory, which was advanced by the scholars of the Frankfurt school focuses on understanding human interaction which *"seeks to reveal society for what it is, to unmask its essence and mode of operation and to lay the foundations for human emancipation through deep-seated social change"* (Burrell and Morgan 1979, p.284). Knellwolf *et al.* (2006, p.100) contend that:

> *"we all learn to think and act as if we were perfectly free, while simultaneously and unconsciously acceding to all sorts of regimens that betoken our obedience and submission. We learn to behave 'well', which is to say, in accordance with the dictates of the social system in which we live, but we do so voluntarily, as if they were not dictates at all. That is the magic of ideology: to make us do things that may be against our interests and to do them as if they were entirely self-willed."*

After all, the critical approach is a platform for critique, change and improvement within organisations specifically, and generally within society (Baxter and Chua 2003).

4.2.2 Justification for choosing critical theory

In order to address the complexities and dynamics of sustainability and stakeholder engagement practices, this study adopts the paradigm of critical theory. The tensions and the domination of power among social actors such as the state, companies in palm oil and mining sectors and society in sustainability practices can be explained well by using critical theory. The critical theory is able to reveal the

sustainability practices at three levels; the national and international level, the industrial level, and organisational level of sustainability field.

This study does not only consider the role of individual agents, but also the power structures and the social structures that have created, shaped and influenced the sustainability practices. It aims to discover the forms of false consciousness, consent, systematically distorted communication, routines, and normalization together with struggle and domination that create conflicting interests and prevent the agents from genuinely understanding and knowing their true interests (Chua 1986; Deetz 1996). Thus, this research is underpinned by the critical theory, which is concerned with understanding the social phenomenon (sustainability practices) the way it is and through a process of critique made based upon the false or distorted interpretations of structures, processes, experience and events that reveal the emancipatory change (Huckle 1993). The critical theory pays attention to both philosophical and empirical problems (Held 1980) in examining sustainability practices by criticising the status quo and building a more just society (Lather 1986).

As sustainability is a multifaceted concept which has different meanings for many researchers and has been interpreted in many ways, there is a need to examine this concept and identify the nature of the social changes resulting from practising the sustainability activities among the companies in order to promote a just and democratic society. This research views the sustainability practices as embedded within social locations and understand reality as the product of an interaction between society and nature (Johnson and Duberley 2000). This approach recognises that

knowledge is *"socially constituted, historically embedded, and valuationally based. Theory serves an agentic function, and research illustrates (vivifies) rather than provides a truth test"* (Hendrick 1983, p. 506; cited in Lather 1986).

4.2.3 Alternative paradigms that could have been used

Paradigms show *"a network of related schools of thought, differentiated in approach and perspective, but sharing common fundamental assumptions about the nature of the reality that they address"* (Morgan 1980, pp.607-608). These paradigms represent *"views of social world based upon different meta-theoretical*[6] *assumptions with regard to the nature of science and of society"* (Burrell and Morgan 1979, p.24). Two other approaches are being used to study sustainability; the positivist and the interpretive one.

The positivist approach has gained popularity in social science and sustainability research, which investigate the relationship between social performance and financial performance (Al-Tuwaijri *et al.* 2004; Clarkson *et al.* 2008; Henri and Journeault 2010; Cho *et al.* 2012b). These researches conducted most of the empirical studies that formulated hypotheses and examined the causal relationship between sustainability and economics/financial performance. This positivist paradigm has a standpoint which is based on realist, positivist, determinist and nomothetic assumptions that are assessed through a scientific approach (Burrell and Morgan 1979). Its character can be described as a provider of *"explanations of the status quo,*

[6] Meta-theory is a set of interlocking rules and principles. It is a sensitising framework for presenting a vision of the nature of the world and the objects of that world.

social order, consensus, social integration, solidarity, need satisfaction and actuality" (Burrell and Morgan 1979, p.26). The positivist approach assumes a social world that is independent of the researcher and *"the society has a concrete, real existence and a systemic character oriented to produce an ordered and regulated state of affairs"* (Morgan 1980, p.608). The researcher is 'far away' from and not a part of the landscape analysed which he or she is analysing using scientific techniques and methods. The use of large sample survey and experiments give the researcher a sufficient control over data collection which enables them to analyse and manipulate through research design parameters and statistical procedures (Orlikowski and Baroudi 1991). Being a separate entity from the human actors, the positivist approach attempts to deliberate on identifying and assessing the causal relationship that influences outcomes (Creswell 2009). This relationship is analysed through making law-like generalizations and testing hypotheses (Hallebone and Priest 2009; Saunders *et al.* 2009).

However, a number of criticisms have challenged the capability of the positivist approach to address the complexities of the sustainability practices in the economy, predominantly in developing countries. Thus, this approach may not be suitable methodology to understand the subjective meanings and actions of the social practices (sustainability practices) which are (re)produced by social actors.

The interpretive approach is applied in order to make sense of the human actions, and their subjective meanings, that are being practiced in everyday life (Chua 1986; Kakkuri-Knuuttila *et al.* 2008). This interpretive approach is regarded as a

platform to construct an understanding of social practices and describe the meaning of these social practices (Hopper and Powell 1985; Chua 1986; Kakkuri-Knuuttila *et al.* 2008). Kakkuri-Knuuttila *et al.* (2008, p.268) contend that *"the interpretive approach tends to favour the 'emic' perspective – an examination of how the research subjects themselves develop their meanings – rather than the 'etic' perspective, where the issue is the interpretations of the researcher of the studied phenomena"*.

The interpretive paradigm assumes that reality is socially constructed through the interactions of humans; the social world is viewed as a process that is shaped by the actors. In contrast to positivism, the interpretive paradigm emphasises the importance of subjective experiences of participants in the creation of the social world. Morgan (1983, p.133) argue that *"interpretive interactionism asserts that meaningful interpretations of human experience can only come from those persons who have thoroughly immersed themselves in the phenomenon they wish to interpret and understand"*. This is to say, interpretivists tend to understand the social reality from their own perspective, rather than being mere observers. Researchers put so much reliance on the participants' view of the state of affairs related to the nature of reality. This reality permits the researcher to grasp the meaningful interactions of the observed subject from the participants' perceptions and not the researcher's. In contrast to the positivist approach, interpretive studies reject the possibility of an 'objective' or 'factual' account of events and situations, seeking instead a relativistic, albeit shared, understanding of the phenomena under study.

In this study, a critical evaluation of sustainability practices is pursued, particularly how the organisation engages with their stakeholders is being observed and studied. However, the interpretive approach is unable to critically evaluate this form of practices as well as unable to analyse forms of 'false consciousness' and domination that forbid the actors from realising their true interests (Chua 1986). Having outlined of the alternative paradigms of sociological analysis, the next section examines the methodological choice for sustainability practices within which it can be located.

4.3 Research methods

It has been consistently argued in this thesis that the sustainability practices and engagement in sustainability activities by companies are socially constructed practices. There is, thus, the need for an appropriate approach to capture its subjective nature that has rarely been studied in-depth; the sustainability process in companies remains a practice that is not well explored and understood (Adams and Frost 2008). It is the subjective view of social world that underpins the philosophy and research methods of this study, where the social world is created, modified and interpreted by the social actors in which they operate (Burrell and Morgan 1979). Looking at the subjective and radical change reality, this makes the choice of qualitative approach an appropriate one to help develop our understanding in the complexities of its practice (Edmondson and McManus 2007; Cooper and Morgan 2008). In this context, the focus is on gaining the perspective of actors who are directly involved in such sustainability activities and stakeholder engagement in practice. This qualitative methodology gives 'rich insights' on accounting in its varying organisational contexts

(Roberts 1990; Kakkuri-Knuuttila *et al.* 2008). This study, therefore, relies on a qualitative research method underpinned by the critical paradigm. Within this paradigm, this research deliberately focuses on gaining the perspectives of social actors who have been directly involved in shaping the sustainability practices. These sustainability practices, sustainability and stakeholder engagement activities are understood as having a complex set of socially constructed meanings which have the potential for radical and emancipatory changes.

4.3.1 Secondary data collection

This study examined data from secondary source documents such as sustainability reports, annual reports, news media, information on the companies' websites and official social network pages. These sources of secondary data were basic documents on which a company discloses its sustainability activities and which are publicly available. The website and blogs of environmentalists, NGOs and others were also viewed to have an overview of the information regarding any support and appreciation of, or retaliation or protest against those activities carried out by the companies. Each document summarises the major themes that the companies report on and it communicates the sustainability activities to their stakeholders (can be attained in sustainability reporting, annual reports or the companies' websites) and information about any dissatisfaction expressed or protested held by their stakeholders (these can be attained from website, blog or media news). Thus, this research looks at these documents as empirical findings to find any research gaps and to provide an insight into how some practices in sustainability have been developed. These sources also raised questions about the nature of sustainability practices

embraced by the companies and any feedback in relation to those practices given by their stakeholders such as environmentalists, NGOs and other members of the society.

The annual and sustainability report were retrieved online from year 2007 until 2014 to conduct a qualitative analysis of the sustainability activities and stakeholder engagement of extraction companies. The choice to start from year 2007 is due to requirement of the Bursa Malaysia that require the public listed companies to disclose their corporate social responsibilities. This analysis is limited only to the information available online as there is lack of publicly available information for the extraction companies. For those non-public listed companies which do not produce any annual or sustainability reports, the reports from parent companies were used.

4.3.2 Justification for using secondary data

The publicly available source documents such as sustainability reporting, annual reports, organisations' and environmentalist websites, social networks, press releases and blogs are the available information that can be accessed to have an overall outlook of the sustainability practices. Documents such as annual reports and sustainability reports are used to understand the sustainability and stakeholder engagement structure in field of sustainability (Cooper and Joyce 2013). Archival sources including newspaper archives relating the sustainability issue of the extraction industry as well as any reports from activist NGOs or environmentalists are also used to enable understanding of the interest of the key actors.

At first, this secondary data are gathered before the fieldwork to have a 'sneak preview' of the sustainability issues involved. These issues are also further investigated during the interview sessions with the selected participants. Furthermore, this preliminary scrutiny of the documents assisted in identifying the key stakeholders and the have an overview of their interests and expectations in sustainability practices (Mir and Rahaman 2011). However, the researcher collected secondary data after the fieldwork as well as there was no cooperation from the mining companies, regulators and certain palm oil companies. Therefore, secondary data from the archival sources such as news clipping and interviews on YouTube were collected to add data to the interviews conducted.

4.3.3 Semi-structured interviews

The primary data is derived from semi-structured interviews in order to gain an understanding of the social world inhabited by social actors within a particular social context. Such interview is conducted with corporate managers who are involved in the (re)production and implementation of sustainability reporting, those who are involve in organisations' sustainability activities and those who are directly engaged with their stakeholders. By talking to social actors as such, it is possible to understand the processes that are happening at the organisational level as well as understand meaningful experiences at the individual level.

At the same time, it is also necessary to solicit the social views of other stakeholders such as employees, community members and leaders, NGOs, regulators, media, professionals and others (see Table 4.1) to gain a broader understanding of the

sustainability practices, and specifically the stakeholder engagement. Within this comprehensive debate on sustainability practices, any tension, contradictions and relationships between the organisation actors and other social actors in the society can give an overall understanding of how they shape sustainability in practice. The collective insight from many stakeholders can be inferred from the different understandings of sustainability among different social actors and may reveal any conflicts which occurred and alliances which were formed during the processes, as well as, unveil the asymmetries of power and domination which existed between different social actors. During the interview, the researcher targeted the research objects'/interviewees' interest in the first place *"through intimate confession, or by using the first person to emphasi[s]e empathy or difference"* (Bourdieu and Wacquant 1992, p.203). This is *to "examine the pretension to a regal position that make social science a 'weapon in the struggles internal to the field rather than an instrument of knowledge of these struggles'"* (Bourdieu and Wacquant 1992, p.254; Everett 2002, p.72). The interview discussed the sustainability issues freely, and maintained the discussion that centred around the core research issues, such as the written and unwritten rules, the logic which is applied to them, and the capitals employed by the important actors.

In-depth semi-structured interviews, ranging from 35 minutes to 3 hours and 20 minutes long, were conducted with key stakeholders in the field to *"understand the world from the subjects' point of view, [and] to unfold the meaning of peoples' experiences"* (Kvale 1996, p.1). These semi-structured interviews *"allow the interviewers both to ask a series of regular structured questions, permitting*

corporations across interviews, and to pursue areas spontaneously initiated by the interviewee" (Berg 2009, p.109) and give flexibility of follow up questions in clarifying any particular issues (Marshall and Rossman 2011). Interviews were recorded, transcribed, and analysed by extracting and coding meaningful statements (Kvale 1996). All interviewees are chosen for their direct involvement and their representativeness of actors in the field (King 2004). By ensuring that a full range of field participants were interviewed a rich perspective on the sustainability practices were developed. A letter of consent was sent to them to participate and to assure them that they will have no negative implications after the interview (King 2004).

4.3.4 Identification of interviewees and justification

The interviewees of this study were selected based on predetermined criteria relevant to the research objective which are known as criterion or purposive sample (Patton 2002; Berg 2009). The interviewees were chosen according to their direct involvement in the sustainability activities of the organisation and in the stakeholder engagement. This criterion includes specific roles, experiences and socio-demographic characteristics which could give a comprehensive and complete understanding of the sustainability issues. This purposive sample is to make sure that all the relevant key participants to such sustainability issues are accessed so as to have a larger impact on the research issues (Ritchie and Lewis 2003).

Initially, the researcher targeted those organisations which had controversial issues in environmental and social sustainability across the states in Malaysia that belong to extraction industry. The focus on the extraction industry in Malaysia is

regarded as one of the most environmentally and socially sensitive issues in the country. All the information regarding those controversial sustainability issues were gathered through online newspapers, NGO's websites, social networks like Facebook, Twitter and LinkedIn and social connections. From these sources, the researcher identified the companies involved, the targeted respondents and viewed their annual report and/or sustainability report. The targeted companies varied from multinational companies to private limited companies as the researcher observed some multinational companies established private limited companies in venturing business activities in Malaysia. Multiple levels of personnel within the same companies were initially targeted; however, the access was only limited to a minimum of one to three personnel only. Access to the companies was very difficult to obtain as they were not able to help researchers or afraid to talk due to their sensational issues.

A number of NGOs which were directly or indirectly fighting for the sensitive issues of sustainability of the identified companies was selected, as they could give overall information on those companies' sustainability practices. Executives from these NGOs are assumed to have many experiences in dealing with the sustainability activities of the companies involving direct interaction. Thus, it is obviously these NGOs that have an interest in the sustainability practices conducted by the companies. At the same time, these NGOs have a close connection with the community and acted as community representative in bringing up any related issues to the authority. From this angle, they provided the real views from the civil society's perspective.

Apart from the companies' and NGOs' viewpoints, other stakeholders such as regulators, professional groups, politicians, government agencies, journalists, consultants and academicians were approached so as to have their opinion on the sustainability practices among the companies in Malaysia. Most of the targeted respondents of this group, if possible, will be directly and/or indirectly related to those companies which were identified above. These multiple sources gave a comprehensive view of the companies' sustainability practices from all stakeholders in Malaysia.

Nonetheless, the selection of these groups of respondents is highly hinged on getting access permission from their organisations. Negotiating access to mining and/or related mining companies were denied or just ignored. This is probably due to increasing public and media attention given upon their sustainability activities locally and internationally. However, some NGOs and environmentalists could be reached using the snowballing method. Accordingly, 45 respondents were interviewed during the data collection period. A summary of the interview participants is listed in Table 4.1 below.

	Position		**Interview date**	**Duration**	**Location**
1	Group Head of Group Sustainability	PcoA1	8th May 2014	1 hour	Office
2	Professor of CSR	AcA	12th May 2014	1 hour	Office
3	Principal Consultant & Senior Consultant	ConsProA	13th May 2014	2 hours	Office
4	R & D Controller	PcoB1	14th May 2014	40 minutes	Office
5	Chief Financial Officer	PcoB2	14th May 2014	40 minutes	Office
6	Chief Executive Officer	PcoA2	19th May	55	Office

			2014	minutes	
7	Chief Executive Officer	PcoC1	20th May 2014	55 minutes	Office
8	Heads of Impacts	StdPco1	28th May 2014	1 hour 20 minutes	Office
9	Advocate & Solicitor	LawProA	9th June 2014	1 hour	Office
10	Environmentalist	EnvA	9th June 2014	1 hour	Café
11	Advocates & Solicitor	LawProB	10th June 2014	55 minutes	Office
12	State Assemblyman	PstateA	10th June 2014	1 hour 10 minutes	Office
13	State Assemblyman	PstateB	11th June 2014	56 minutes	Office
14	Head of Preservation, Conservation and Certification	govA	12th June 2014	45 minutes	Office
15	Chief Credit Officer	BankerA	13th June 2014	35 minutes	Office
16	President	EnvB	16th June 2014	2 hours	Office
17	President	NGOa	23th June 2014	1 hour 30 minutes	Café
18	Consultant	ConsProB	25th June 2014	1 hour 20 minutes	Via Skype
19	Inland Revenue Officer	govB	27th June 2014	1 hour	Office
20	Finance Manager	CivSocB	27th June 2014	1 hour 40 minutes	Café at KLCC
21	Coordinator	NGOb	2nd July 2014	1 hour 40 minutes	Café
22	Chairperson, Environmental & Climate Change Committee	LawProC	9th July 2014	1 hour 43 minutes	Office
23	Environmentalist/Civil Society	CivSocA	12th July 2014	1 hour 47 minutes	Café
24	Media Journalist	MediaA	13th July 2014	54 minutes	Café
25	Professor	AcB	14th July 2014	1 hour 20 minutes	Office
26	Chemical Engineer,		17th July	1 hour 9	Office

	Expert in Material and Corosion		2014	minutes	
27	Legal Officer	StdPco2	19th July 2014	55 minutes	Shopping complex
28	Head of Sustainabiliy	PcoD1	21st July 2014	3 hours 24 minutes	Office
29	Head, Regional Trade and Strategic Alliance	BankerB	22nd July 2014	37 minutes	Restaurant, Pavillion KL
30	Associate Professor	AcC	24th July 2014	2 hours 5 minutes	Office
31	Mill worker	PcoC2	1st August 2014	56 minutes	Resident house
32	Politician	PparliamentA	4th August 2014	1 hour 56 minutes	Resident house
33	Ex-President	AccProA	5th August 2014	2 hours 24 minutes	Office
34	Exco Member	AccProB	19th August 2014	1 hour 9 minutes	Office
35	Senior Officer	govC	20th August 2014	1 hour 57 minutes	Office
36	Senior Lecturer	AcD	20th August 2014	1 hour 40 minutes	Office
37	Engagement Director	ConsProC	21st August 2014	1 hour 41 minutes	Office
38	Director, Climate Change and Sustainability	AccProC	21st August 2014	1 hour 37 minutes	Office
39	Professor	AcE	22nd August 2014	1 hour 20 minutes	Office
40	Environmentalist	EnvC	22nd August 2014	1 hour 12 minutes	Restaurant
41	President	EnvD	25th August 2014	1 hour 10 minutes	Resident House
42	Head of Sustainability in Property Division	PcoA3	25th August 2014	1 hour 28 minutes	Shopping complex

43	Deputy Director-General of Forestry (Policy and Planning)	govD	26th August 2014	1 hour 16 minutes	Office
44	Executive, Corporate Governance	RegulatorA	26th August 2014	1 hour 19 minutes	Phone interview
45	Head of Advisory	PcoB3	27th August 2014	1 hour 40 minutes	Office

Table 4.1: The list of interviewees

4.3.5 Design and pilot testing of interview questions

The interview provides in-depth information pertaining to participants' experiences and viewpoints on this particular topic. A cover letter was sent individually to potential interviewees before the actual interview meetings were conducted. An interview guide with the key themes or topics with a sample of the interview questionnaires were designed as open-ended questions so as to stimulate discussion and to gather in-depth information from the interviewees. This is regarded as a interview guide for the grouping of topics and questions that the interviewer can use in different ways for different participants (Lindlof and Taylor 2010). At the same time, this interview guide assists in assuring that *"the same basic lines of inquiry [were] pursued with each person interviewed"* (Patton 2002, 343).

The pilot testing of the interview questions was conducted with two selected academicians from a public university to assess whether the questions are appropriate. These academicians are experts in sustainability issues and they have the same research interests and publications in this area. Any flaws, limitations, or other weaknesses of the interview design found during this pilot test were amended

accordingly prior to the actual implementation of interview (Kvale and Brinkmann 2009). The discussion and their comments focused on the clarity of the questions asked, the amount of time it took them to complete the interview session, whether any of the instructions were unclear and, which, if any, questions were not easy to answer.

From the pilot study held, the researcher found that some of the interview questions were difficult to comprehend by the interviewees. For example, some of the participants were unaware of the terms sustainability (for example the mill worker) the questions need to be refined to their level of understanding in the actual interview. Here, the researcher realised that the interview questions need to be refined accordingly to their subject of interest, expert and their available time constraint. At the same time, the focus of the study is on sustainability field, the response given by the participants need to be captured within that specific field. Thus, based on the pilot study, some questions were rearranged to suit the person related area and some questions were posed accordingly for interesting probing and time constraint.

4.3.6 The interview process and ethical issues

Before the actual interviews were conducted, analysis of the potential respondents was made through an internet search on controversial sustainability issues that take place in Malaysia. Once the respective organisations and NGOs were noted down, the contact details were being obtained either through the annual report, companies' websites or internet search. The same process was made to obtain other stakeholders contact details. A database of potential respondents was thus created. An invitation letter to participate in this PhD research project was emailed to the potential

respondents so as to gain their permission. The help from close friends was also important in getting the personal email address and telephone number of potential participants rather than going through general email address and telephone numbers. Some respondents did respond to the email and appointments were being set accordingly. Some respondents asked for the interview questions and upon receiving them declined the invitation to participate in the research. Thus, when the next respondents requested interview questions, only the core research themes were sent instead. This method secured many appointments.

The interview was conducted after getting a positive answer from the respondents. Only voluntary respondents (Marshall and Rossman 2011) were interviewed after consent was given; known as 'informed consent' (Silverman 2011). The respondents had the right to be informed and withdraw at any of the time. During the interview, a consent form was given to the individual participants to provide them with information about the complications of the procedure (Ritchie and Lewis 2003). Consent also was required to get permission to record the interview electronically for record purposes (Ritchie and Lewis 2003). During the interview session, only 3 participants were reluctant to have their conversation recorded and the researcher just wrote down the information gathered.

The first interview was conducted on 8th May, 2014, and the last interview on 27th August, 2014. The process of getting access continued throughout the fieldwork period with the help of references from the respondents and friends' connection. Many invitation calls were made to access permission directly and follow up calls

were made throughout the fieldwork period. At this stage, the help from websites and close friends in obtaining personal telephone numbers was very important to reach to the right personnel. The use of social networks such as WhatsApp, Facebook and LinkedIn was one of the ways of contacting potential participants, especially to set appointment dates.

The interviews were all face-to-face interviews, except two interviews which were conducted via telephone and Skype. Most of the interviews were recorded with the permission of the respondents, except three interviews. The interviews were carried out at various places such as offices, cafés, shopping complexes and the respondents' houses which was the respondents' convenient. The interviews duration ranged from 35 minutes to 3 hours and 20 minutes. The interviews were conducted in English, mixed English and Malays, and purely Malays. Therefore, translation to the English language had to be done during the transcribing stage. The interview session started with the explanation of the letter of consent and with seeking the permission of recording the conversation which needed the respondent's agreement. Then, the interview session proceeded with the introduction of the research topic and a discussion of the background and/or experiences of the respondent.

An application of research ethical approval to the research ethics committee had been made before conducting the interviews. The researcher was aware of the Code of Ethics that are specified by the research ethics committee regarding the principles and procedures in conducting a research. This is helpful as a guide for the researcher to follow and abide throughout the research process. All the information

provided by the respondents will be kept strictly confidential. Confidentiality is to protect the participants' identity, the place and location of the research (Silverman 2011). Although the results of this research may be published and/or presented at academic conferences, the name of individual organisations and/or of the people participating in the research project will not be mentioned. Everything will be kept anonymous (Ritchie and Lewis 2003). However, during the interview there were few respondents who offered their identity to be disclosed. The researcher explained the complications of this and agreed to look further on this issue.

4.3.7 Data analysis

The data analysis began with an in-depth examination of each sector – palm oil and mining sectors – and by understanding the nature of each sector accordingly. Then, each sector was examined thoroughly in relation to sustainability issues. This is where the industry players and their relationships are derived from. The data was coded according to Miles and Huberman (1994), which entails three concurrent flows of activity: data reduction, data display, and conclusion drawing and verification. The interview was transcribed to facilitate analysis. The transcribed data, notes and secondary data such as interviews on YouTube, news clipping and NGOs' reports and other sources were analysed into main themes and sub-themes accordingly. The data was analysed by referring to the noted key themes from theoretically predefined concepts and inductively arose from the pool of data (Brivot and Gendron 2011). Analysis involved interpretation (Blumer 1969) and concepts were derived from data (Corbin and Strauss 2008). The understanding of major events and issues in sustainability was developed in the field and reconciled by going back to the data and

information in the field. This analysis of data is to search for significant *"stories, meanings, and mechanisms"* (Langley 1999, p.696). Thus, cross-case analysis of the two sectors was carried out to identify key patterns and themes (Eisenhardt and Graebner 2007; Andon *et al.* 2014). At the same time, the iterative process of studying the data, theory and the literature was applied until the discrepancies and agreements in the emergent findings were noted (Chenhall *et al.* 2010). This required further investigation which involved keep revisiting the data. Since the interview sessions with particular personnel in the companies were very limited, some further secondary data was collected to complete the investigation of the two sectors. The data were gathered from publicly available sources, such as companies and regulator websites, media coverage, reports by NGOs, parliament reports, International Atomic and Energy Agency (IAEA) panel reports and YouTube videos. This effort was made in order to ensure getting enough and comprehensive information. This required extra time for the analysis to be made. The codes or themes were added, combined, refined and eliminated during the analysis process to ensure that all statements were understood and properly applied in their original context (Andon and Free 2012).

Bourdieu's work played a pivotal role in analysing the data. The analysis of the interviews and secondary data from various sources was conducted with the following thoughts in mind: of 'filling gaps', clarifying and confirming the case, and understanding the actors' positions, interests and capitals within their field of sustainability. However, the habitus of the interviewees are impossible to be directly observed in empirical research (Cooper and Joyce 2013). Other researchers also have mentioned the difficulties, particularly with respect to habitus, in operationalising

Bourdieu's concepts (McNay 1999; Sweetman 2003; Reay 2004). This has to be apprehended interpretatively (Reay 2010).

In this study, the annual report, news clipping and any interviews carried out on YouTube were analysed to find the responsible managers involved in the sustainability activities. For those stakeholders that the researcher failed to get access to, their official websites and their actions towards achieving sustainability were analysed to uncover the way their understanding towards the concept of sustainability was portrayed. Even though it was a bit difficult to comprehend their understanding and relate that to the Bourdieu's concepts, especially habitus, their general view could still be captured through the structural organisation itself (Goddard 2004). This effort was made to understand the habitus at the individual and at the companies level (Goddard 2004). Habitus is known to be an abstract concept and thus difficult to be operationalised (Reay 2004; Andon *et al.* 2014). The concept of field is very complex and need deep thought in visualising the sustainability field for this study. However, by analysing the information gathered through interview and secondary data in these two sectors; palm oil and mining helps to comprehend this field concepts.

The chronology of the events was scrutinised as well to form an overall picture of the sustainability issues. The historical background of the state was studied to assist in understanding the state's structure and the system of governance of the state was taken into consideration to comprehend the administration and power structure.

At the beginning of the analysis, the data from seven companies was analysed; four from the palm oil sector and three from the mining sector. The data from these companies was used to understand the sustainability field and understand the concept of sustainability among the managers and the stakeholders in these two sectors. However, only two companies, i.e. Gold Bhd and Silver Sdn Bhd, were chosen for a mini case study with the aim of explaining the practices of stakeholder engagement. Gold Bhd is a Malaysian-based multinational company and the largest producer of sustainable palm oil. Even though Gold Bhd is the largest sustainable palm oil producer, there are still attempts of attacking their sustainability activities from international NGOs. At the same time, Silver Sdn Bhd is a subsidiary of a foreign-based multinational company and had sustainability issues before and during the data fieldwork was set up. Silver Sdn Bhd is under pressure from the local community regarding its operating activities which it has been claimed to endanger the people's health and environment. Hence, these two mini cases are able to give more 'sense of déjà vu', which Langley (1999) argues can produce an understanding of organisational phenomena. Thus, this can give a *"'vicarious experience' of a real setting in all its richness and complexity"* (Lincoln and Guba 1985, p.359; Langley 1999, 695).

4.4 Validity and reliability

According to Lukka and Modell (2010, p.463), validation refers to *"the ways through which the credibility of a piece of research is developed and legitimised in front of relevant audiences"*. As mentioned above, this research relies on multiple

methods of gathering data (analysis of report, websites, blogs, press releases and interviews). The use of multiple sources of data in this research can increase its data validity as clarifying and confirming of data can be done using 'triangulation of data'. Validity can also be assured by focusing on careful analysis of the sequences of actual events and actions in local contexts (see Appendix 4 for example) (Lukka and Modell 2010). The use of feedback is also considered as strategy for validating data where a summary of the information gathered during an interview is communicated to the interviewees for validation purposes (Miles and Huberman 1994; Laughlin 1995). The intertwined analysis of both the interviews and the publicly available information led to a reiterative process of data reduction, data display and data drawing where themes were added, combined, refined and eliminated to ensure completeness. This process has contributed to reliability as well (Campbell 1997; Seale 1999; Golafshani 2003; Archel *et al.* 2011).

4.5 Concluding remarks

In this chapter, the research philosophy of this study has been presented with reference to the research assumption and three methodological approaches. Many researchers follow a positivist approach in researching sustainability issues; relying on quantitative analysis in exploring sustainability reporting especially in Malaysia context. This chapter shows that different methodological approaches can be utilised which gives different perspective in sustainability practice. Sustainability practices and stakeholder engagement can be best comprehended from a social constructionist view underpinned by the critical approach in order to understand the connections between social structures and social actions. Bourdieu's framework is used to

comprehend how the interaction of structure and agency shapes the sustainability practices.

Chapter 5 The sustainability field in Malaysia

5.1 Introduction

This chapter presents the structure of sustainability field in Malaysia. The findings are based on the analysis of the interview data and other documentary evidence. Section 5.2 is a prelude to the research context. This section describes the structure of the state and both sectors; palm oil and mining which represents the habitus (structuring structure) in Bourdiuesian framework. Section 5.3 addresses the first sub-research question by examining the field of sustainability in Malaysia to have the general structure view of how sustainability is being practiced. This section also highlights the various ways with which these players, owing to the diverse nature (and extent) of their power and interests, influence sustainability practice by Malaysian companies in the selected industries. The exploration of the field of sustainability enables the researcher to identify the key stakeholder and the forms of their interactions in the chosen sectors; palm oil and mining sectors. The findings are subsequently used to understand the stakeholder engagement practices in Malaysia, to determine forms of interactions and relationships practiced and maintained among the stakeholders, which create power and domination in sustainability field (power and domination will be discussed in the next chapter). Section 5.4 addresses the second sub-research question by bringing to surface the perceptions held by the interviewed key players on the meaning of sustainability. This section reveals the range of (dis)similarities among the key players in understanding the notion of sustainability. Section 5.5 concludes this chapter and lays out the connection between this chapter and the findings presented in Chapter 6.

5.2 The case study context

5.2.1 The state: Malaysian government, politics and economy

This section focuses on understanding the historical context from which the system of governance in Malaysia emerged and how it has shaped the practices in palm oil and mining sectors which impact sustainability practices. How the system of governance influences the stakeholder engagement practices has a lot to do with how and why the system of governance emerged in the first place. It allows for an analysis of the character of the state which helps to explain key economic policies and the manner with which they have been implemented in the sustainability field. The state is seen accumulating and concentrating wealth through political patronage. Thus, it is important to historically analyse the way the state has been ruled.

The Mahathir era of the twenty-two years ruling of Malaysia was an example of administration conducted basically through the chief executive's 'despotic power' (Slater 2003). This despotic power (the power to decide) is the *"range of actions which the elite is empowered to undertake without routine, institutionali[s]ed negotiations"* with other members (Mann 2003, p.113). With this power, that regime established a "*highly personali[s]ed control over decision-making procedures in the Malaysian party-state*" (Slater 2003, p.82). This also shows that the leader positioned a large number of institutions, such as the police, media, judiciary, bureaucracy and party into 'his palm' (Slater 2003). This powerful approach brought all these institutions under the direct influence of the prime minister since all top officials of these institutions obey orders from the chief executive; the prime minister. The top

officials' cooperation or defection would result in reward or punishment, respectively (Slater 2003). In other words, "*[f]aced with dire consequences for non-compliance, the cogs in the party-state continued obediently to work in their place*" (Slater 2003, p.84). Therefore, "*under the Mahathir administration, the Cabinet is no longer used as a forum, but rather as a rubber-stamp institution that gives legitimacy to government policies*" (Slater 2003, p.87). It was further argued that:

> *"the present office of the Prime Minister is a matrix of autocracy. The constitutional processes and institutions that act as checks to prevent the Prime Minister from gaining dictatorial control over the nation are incapable of functioning effectively." (Slater 2003, p.87)*

It is argued that:

> *"In Malaysia, the only road to power leads directly through UMNO, the ruling party. Since the party and state apparatuses have become tightly intertwined over more than forty years of single party hegemony, whoever controls UMNO effectively controls the state." (Slater 2003, p.89)*

This executive dominance helps in nurturing the culture of political patronage, which involves abuse of power and cases of conflict of interest (Gomez and Jomo 1999). This is consistent with the view from an academician, an expert in economic sustainability who claims that:

> *"In the project's decision making, we know that it's not just purely economics, not pure economics or accounting that matters, we have the people who make decision; the politicians, and normally, they have a strong vested interest."(AcE)*

Power and control of the state by a single party hegemony has denied the stakeholder's accountability in making decisions. This is noted by a lawmaker as below:

> *"We have tried to talk to government, take legal action and tried to table the motion in Parliament, but all these efforts did not work, as if they [i.e., Silver] are protected, as if they are immune, like there is*

> *some power and the people can't do anything about it." (PparliamentA)*

With strong vested interests, the control and power of the state by one ruling party is sufficient in creating flaws to the system of governance. This is consistent with the statement from a law professor:

> *"[The problems of this country] exist because our system of governance and all its component parts have been steadily destroyed over the years in the interest of one group of people who will do anything to cling to power. They exist because of the loss of any sense of decency, with bigotry and racial supremacy deemed acceptable 'values'." (Sharom 2015)*

This grip on executive power appears to have created the logic of obedience, which means that the top and government officials just follow the orders given by their immediate superior. This is known as the 'I am following orders' or 'I who obey orders' culture which was inherited from British colonial period. The British colonization greatly shaped the Malaysian government system by creating the Malayan Union in 1946 and Federation of Malaya in 1948. In the British administration, the public service placed much emphasis on delighting their customers by the tagline 'Your humble servant' (Terawis 2013). This is to convey that the civil servants are servants of the people who pay their salary (Mahathir 2011; Terawis 2013). The meaning of this tagline in the current ruling system has changed and now it literally means 'I who obey orders' or 'I am following orders' instead of 'Your obedient servant' (Mahathir 2011; Sobian 2013; Terawis 2013). Apparently, the 'orders' here are orders by the government of the day and, by extension, the people who voted them. But in practice the actual 'orders' are not from their real masters, that is, the people, as cited by an NGO:

> *"But we all know that obeying their masters, that is, us, is not really our civil service's calling. So whose orders are they obeying? It's a valid question when you see so many cases where the people's concerns seem to be dismissed in favour of, well, who knows?"*

Thus according to this kind of thinking, the civil servants just follow the orders from their superior without any query even though the orders may not be appropriate and may contradict the working ethics (Sobian 2013). This situation produces ignorant civil servants who are not able to criticise their superior and come up with a better solution to administer their department, and by extension consequence, the local and the federal government (Razad 2009). For example, a lecturer who receives a monthly salary and later on a pension from the government must obey their 'employer' as implied in the phrase in government's official letters, 'I am following orders' (Hooi 2014). This culture has created many flaws in the government system in terms of efficiency and competency. For example, in the sensational case of Silver, *"why are the residents of this area's worries about the Silver rare earth plant hardly entertained?"* (Mahathir 2011). When a lawmaker brought a petition of the people to debate in the Parliament, this was rejected for the reason that the Speaker was satisfied with the government's response that Silver had fulfilled the licensing criteria (Carvalho *et al.* 2014; Yiswaree 2014; Zahiid 2014). The Speaker in this case is appointed by the government of the day; therefore, the Speaker cultivates the 'I am following orders' culture. With such decision the voices of the people, the community of the state, are dismissed. Thus, referring back to the question raised by an NGO above, the answer is that the residents of the area's worries did not coincide with the state's and federal's interests. Thus it seems that all the relevant authorities such as the local state, the Department of Environment and Atomic Energy Licence Board obey the orders of their ultimate superior which has the authoritarian power.

At the same time, the executive power possesses create loyalties from the 'I am following order' culture as the control and power system has imposed the 'reward and punishment' system; reward can be in the form of job promotion, business opportunity and remaining in one's ministerial position for example, whilst punishment can come in the form of a job transfer to a rural area or to a tight control department, being charged as disobeying certain laws such as Official Secrets Act 1972 (OSA), Disciplinary Action Act 1993, Sedition Act, Prevention of Terrorism Act 2015 (POTA) and removal from a ministerial post. In Malaysia, this authoritarian autocracy allows much room for manoeuvre in the hands of the leader of the ruling party (Case 2001). Thus, this kind of ruling system through the chief executive's 'despotic power' and 'I am following orders' culture is so deeply rooted in the current state governance as an *"embodied history, internali[s]ed as a second nature and so forgotten as history"* (Bourdieu 1990a, p. 56). As one of the long represented institutionalised party-states (Slater 2003) by the ruling party (the United Malays National Organisation [UMNO]) in the developing world, the executive power is depicted in the chart of Constitution of Malaysia in Appendix 2. This ruling government opted for *"the common bedrock of competitive authoritarian systems – economic performance and political stability"* (Welsh 2013, p.143).

In the post-independence era, the state developed the New Economic Policy (NEP) to achieve national unity by 'eradicating poverty', irrespective of race, and by 'restructuring society' to balance inter-ethnic economic disparities after the ethnic clashes on 13 May 1969 (Edmund Terence Gomez and Jomo 1999; Saniman 2008). With this policy, the state's interest was to restructure wealth so as to create a Malay

business community and achieving thirty percent Bumiputera, the 'son of soil' ownership of the corporate sector by 1990. The NEP, thus, is firmly *"a policy for sustained growth with emphasis on a gradual change in distribution as between ethnic groups, and at the same time a transformation of social institutions and attitudinal change"* (Saniman 2008). To achieve this objective, economic development was crucial. This economic growth required state intervention; federal and state governments and their various agencies and institutions played a more active and interventionist role in ensuring the 'son of soil' gets an equal opportunity into the economic sectors (Saniman 2008).

Wealth-restructuring under NEP also created statutory bodies established by law at federal and state levels, for example, the Malaysian Industrial Development Authority (MIDA), the Urban Development Authority (UDA), the Muda Agriculture Development Authority (MADA), the Malaysian Rubber Development Corporation (MARDEC), Federal Land Development Authority (FELDA), and the various state economic development corporations (SEDCs). During the NEP period (1971-1990), the state also adopted an export-oriented industrialization strategy to achieve both economic growth and equity (Edmund Terence Gomez and Jomo 1999). It was in this context that in 1965 the state set up the Malaysian Industrial Development Authority (MIDA), previously known as the Federal Industrial Development Authority (FIDA), to encourage industrial investment. This initiative brought many multinational corporations to Malaysia as it offered economical production cost and incentives such as tax exemption up to ten years, exemption from import duty for capital equipment and raw materials for export-oriented production, among other

benefits. In 1990, the NEP framework was reoriented into the National Development Policy (NDP) was presented as part of Vision 2020 (Saniman 2008). The ultimate objective of Vision 2020 is attaining a fully developed country by the year 2020 – economically, politically, socially, spiritually, psychologically and culturally (Mohamad 1991). Based on this framework, the state encouraged foreign direct investment (FDI) as mentioned by Silver's chairman:

> *"Yes they are still having a clear goal by 2020 to get Malaysia out of middle income trap, into being a high technology, high knowledge economy. And we formed a very good base for that industrial development in Malaysia. And that was the basis on which they encouraged us to come and they understood the vision of rare earth, the centrality of rare earth to technology going forward." (see ProEdgeWire interview on YouTube created by Joyfulsuper, 2012)*

The state also introduced the privatization and corporatization policy in the context of which Government-linked Companies (GLCs) arose with the aim of realising private investment targets. Government-Linked Companies (GLCs) are defined as companies that have a primary commercial objective and in which the Malaysian Government has a direct controlling stake (GLC Transformation Manual 2005).[7] These GLCs play *"a pivotal role by serving as the catalyst to spur the nation's economic growth"* (The Borneo Post 2012a; Zurairi 2015). Among the twenty largest and most strategically important GLCs are Tenaga Nasional (power),

[7] Controlling stake refers to the Government's ability (not just percentage ownership) to appoint BOD members, senior management, make major decisions (e.g. contract awards, strategy, restructuring and financing, acquisitions and divestments etc.) for GLCs either directly or through Government-Linked Investment Companies (GLICs). GLICs are defined as Federal Government linked-investment companies that allocate some or all of their funds to GLC investments. This definition currently includes seven GLICs: Employees Provident Fund (EPF), Khazanah Nasional Bhg (Khazanah), Kumpulan Wang Amanah Pencen (KWAP), Lembaga Tabung Angkatan Tentera (LTAT), Lembaga Tabung Haji (LTH), Menteri Kewangan Diperbadankan (MKD), and Permodalan Nasional Bhd (PNB) GLC Transformation Manual (2005), available: http://www.pcg.gov.my/trans_manual.asp [accessed 1 December 2014].

Telekom (telecommunications), Malaysia Airlines, diversified conglomerate Gold, CIMB Bank and Maybank.

In a similar vein, the state started focusing on the industry that creates more income to the country. The palm oil and mining sectors are part of the state's initiative to achieve economic development.

This section gives an overview on how the power of the state in controlling the economy and politics which depicted the habitus of the state; important player in sustainability field. In short, the Malaysian government is exercising an authoritarian power through the reward/punishment system to produce logic of obedience among the government officials.

5.2.2 The palm oil sector

Malaysia has become the world largest producer and exporter of palm oil after the economy shifted towards the production of palm oil because of the inevitable exhaustion of tin deposits and the decline in demand for rubber in the late 1960s. This structural change in the economy has been encouraged by many incentives and is indeed linked to the NEP which accompanied the industrial modernization. Under the NEP programme, the state bought up and amalgamated most of foreign plantation companies and slowly transferred this conglomerate into a Malaysian economic elite (Jomo *et al.* 2004; Djama and Daviron 2010). Therefore, most of the biggest companies are controlled by the state and the links of patronage remain between the

political and industrial spheres in this economic sector (Gomez 2003; Djama and Daviron 2010). It is obvious that the state gave political support to any initiative related to palm oil sector. The development of this industry is deemed responsible for leading to unsustainable practices even though Malaysia has plenty of law and regulations in relation to the palm oil industry. The laws imposed on this sector are depicted in the table below.

Land matters:

1. National Land Code 1965
2. Land Acquisition Act 1960
3. Land Conversion Act 1960, revised 1989
4. Sarawak Land Code, Chap. 81, revised 1985

Environmental matters:

1. Environmental Land Conservation Act 1960 revised in 1989
2. Quality Act 1974 (Environmental Quality) (Prescribed Premises) (Crude Palm Oil) Regulation 1977
3. Environmental Quality (Clean Air) Regulation 1978
4. Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987
5. Sabah Biodiversity Enactment 2000
6. Sarawak Biodiversity Centre Ordinance 1997
7. Sabah Water Resource Enactment 1998

Labour and employees' matters:

1. Labour Law
2. Workers' Minimum Standard of Housing & Amenities Act 1990
3. Occupational Safety & Health Act 1977
4. Factories & Machinery (Noise Exposure) Regulations 1989

Pesticide use:

1. Pesticides Act 1974 (Pesticides Registration) Rules 1988
2. Pesticides (Licensing for sale & storage) Rules 1988
3. Pesticides (Labeling) Regulations 1984

Wildlife matters:

1. Protection of Wildlife Act 1972
2. The National Parks Acts 1984

3. Sabah Wildlife Conservation Enactment 1997
4. National Forestry Act 1984
5. Aborigines People Act 1954
6. Sarawak Natives Code 1992
7. Sarawak Wildlife Protection Ordinance 1998

Table 5.1: Legislations to regulate the Malaysian palm oil industry

The palm oil cultivation and its production chain has been criticised by NGOs as not conducted in a sustainable manner and as contributing to a loss of biodiversity, as being a threat to endangered species and the expropriation by producer companies of communities living on land coveted by these companies (Djama and Daviron 2010).

This research has selected and analysed four companies in the palm oil sector; these are Gold Berhad, Windmill Sdn Bhd, Palmer Berhad and Salter Berhad. Gold Berhad (Gold, thereafter) is one of the prominent Malaysian government-linked companies (GLCs) which has been formed through a privatization and corporatization policy. As a GLC, Gold constitutes a substantial part of the Malaysian economy and as such plays a vital role in national economic growth. The major shareholders of Gold are Permodalan Nasional Berhad (PNB), Tabung Haji (TH), Employees Provident Fund (EPF) and Kumpulan Wang Persaraan (KWAP). As such, Gold has close links with the Malaysian government and it is one of the top GLC, known as

G20,[8] which has assisted the Malaysian government in their developmental goals (Varkkey 2012; Zurairi 2015). Windmill Sdn Bhd is an established oil palm plantation in Malaysia which started as private company in 1995. Then, the company involved with some processes of change in the structure – it was listed as a public company in 2004 – and then became a private company again in 2013. It is controlled by a Malay billionaire who is claimed to be a proxy for and a major beneficiary of political connections in the ruling party. Palmer Berhad is controlled by a significant shareholder; a statutory body corporate which itself is controlled by the Malaysian government. This means that this company is in a position where the state can exercise significant influence over it. Salter Berhad is a non-GLC company owned by powerful and well-connected Malaysian Chinese businessmen. These elite Chinese businessmen have built up business connections with prominent politicians so as to secure state resources such as tenders and licences (Norhashim and Aziz 2005; Naguib and Smucker 2009).

The findings on this chapter are basically based on data related to the four companies by exploring the field of sustainability through interviews and publicly available information such as companies' website, annual reports, newspaper clipping and others. Then, chapter six will focus on the stakeholder engagement of Gold Berhad.

[8] The G20 is a selection of large GLCs controlled by state investment funds, which are used as a gauge for overall GLC performance and include Malayan Banking Bhd, Telekom Malaysia Bhd, Tenaga Nasional Bhd and Gold Bhd - see Zurairi, A. (2015) 'Top Malaysian GLCs tripled worth in decade, Putrajaya reveals', *The Malay Mail*, available: http://www.themalaymailonline.com/malaysia/article/top-malaysian-glcs-tripled-worth-in-decade-putrajaya-reveals [accessed 1 May 2015].

5.2.3 The mining sector

The mining sector is not a major contribution to the Malaysia economy anymore after sharp fluctuations in the prices of commodities during the 1960s and the collapse of the global tin markets in 1985. Since then, it has been overshadowed by industrialization, the oil palm and the oil and gas sector. Now, the mining sector focuses on large scale mining of minerals such as gold, bauxite, iron ore and coal. This mining sector contributed 9.6% of the overall share in the economy in 2014, with an increase of 6.6% in 2010. Most of the operators in this mining sector are mainly involved with foreign investors, either indirectly or via strategic joint ventures with the locals. The top three mining friendly states are Pahang, Perak and Kelantan (Adnan and Han 2013). In Malaysia, the mineral activities are governed by two main legal instruments: the Mineral Development Act 1994 and the State Mineral Enactment. The Mineral Development Act 1994 defines the power of the federal government to conduct inspection and regulate mineral exploration and mining and other related issues. The State Mineral Enactment provides the local states with power and rights to issue mineral prospecting and exploration licences and mining leases and other related matters. The Mineral Development Act 1994 came into force in August 1998, while the State Mineral Enactment is currently at various stages of being adopted by the respective state governments. The quarry and mine operators are required to pay value-based royalties to the state government where their operation is located the amount of which depends on the mineral commodity and the assessment of the individual state government.

The mining growth in Malaysia depends upon the performance of economies of the emerging nations led by China. As the executive director of Malaysian Chamber of Mines put it: *"A substantial turnaround in their economic growth will certainly have a great impact on Malaysia's mineral resource industry"* (Vijian 2014). This demand from China also encourages foreign investor to set up their plant and distribution centres related to the mining industry in Malaysia; for example the Silver rare earth processing plant in east coast, Malaysia and iron ore distribution centre, and an Asian strategic distribution hub in northern region. At the same time, the state also encourages these mining related industries to learn more about technology in relation to this new industry, hence to achieve growth in economy.

From this mining sector, another three companies have been analysed in the field of sustainability in order to have an overview of the practice of the stakeholder engagement. The three companies are Emas Sdn Bhd, Besi Sdn Bhd and Silver Sdn Bhd. Emas Sdn Bhd (henceforth Emas) is wholly-owned by a public limited company which was incorporated in Jersey and listed on Alternative Investment Market (AIM) London Stock Exchange. The company was involved in gold mining in the east coast of Malaysia, a historic gold mining centre that has produced one million ounces of gold. The group company was led by a Chinese Malaysian citizen and one of the group directors was an ex-son-in-law of a royalty family. Emas was granted a pioneer status company from the Malaysian Industrial Development Authority an act which intended to encourage investment in Malaysia and hence enjoyed tax relief. The mining activity at the mining area was blamed for the health problems residents of nearby areas had such as skin rashes and itch due to the usage of cyanide. However,

the Human Resources and Special Functions committee chairman claimed that "*studies by various institutions such as Universiti Sains Malaysia, Universiti Kebangsaan Malaysia and Medical Research has shown no significant evidence that hydrogen cyanide is inflicting health problem on the residents*" (Sean 2013). The state through the ministry cabinet has insisted since 2009 that the gold mining plant poses no danger to the environment and health of the residents (Zurairi 2013).

Besi Sdn Bhd is a wholly subsidiary of a foreign-based diversified metals and mining giant company. The company serves as its iron ore distribution centre, a strategic distribution hub to customers in Asia. This plant is located in a tourism zone but the state investment committee chairman confidently guaranteed that there is no impact on the environment as the state imposed a stringent detailed environmental impact assessment and green technology is utilised by the company. According to the Secretary of the Perak Environmental Association, the plant site was an 'Environmentally Sensitive Area Class 11' as it was originally a Permanent Forest Reserve but the state government re-gazetted it to an 'Industrial Zone' (Mokhtar 2012). It also reported that the plant was endangering the coral reefs in the area. However, this plant is a good investment; it aids in the development and economic growth of the local state and generates about six hundred direct jobs and one thousand two hundred indirect jobs in the region.

Silver Sdn Bhd is a wholly-owned subsidiary to a foreign-based rare earth mining company which facilitated a plant for the cracking and separation of

concentrate into rare earths products. This project was approved in 2008 when the Malaysian Industrial Development Authority (MIDA) gave a mandate for this foreign direct investment worth billions together with twelve-year tax break. This investment is fully manned and managed by Malaysians except four rare earth experts from China and gives in total three hundred fifty skilled permanent jobs, an additional two hundred subcontractor contracts, and up to five hundred indirect jobs to service providers and contractors (Chieh 2011). Nevertheless, the local community feels threatened by the impending permanent disposal of toxic waste at their 'backyard'.

The next section will provide an overview of the sustainability field which allows the researcher to identify as well as differentiate the key stakeholders and to consider their interactions and engagement. In the next chapter, the stakeholder engagement will be specifically discussed in relation to a mini case study of Silver in the mining sector.

5.3 Field of sustainability: Key players and their roles

This section highlights how the sustainability structure influences sustainability practices in Malaysia. It gives a presentation of the actors in a sustainability field, their forms of interaction, communication and decision-making processes involved in the palm oil and mining sectors. Within the field of palm oil and mining, a rich pattern of interactions between the actors was observed which included the use of sustainability reporting in the annual report and company's website.

The business globalization through the activities of transnational companies around the world has captured the public's interest. One way for the company to engage with its stakeholder is through sustainability reporting. This sustainability reporting becomes a well-known tool among business organisations which is used to disseminate information on the way various businesses address issues related to the environment and society. However, sustainability reporting is a voluntary initiative and still at its infancy stage in Malaysia. This voluntary reporting is influenced by several organisations and sustainability players internationally and locally that either directly or indirectly become a reference to the sustainability practices.

5.3.1 Overview of sustainability practices in Malaysia

Malaysia has been experiencing many sustainability issues which have given rise to a public debate on stakeholder accountability within the companies and government. Many recent incidents revealed serious environmental, societal, and public safety-related negative impacts of business activities. Examples include: an accident injuring two motorists in Light Rail Transit project (Cheng 2014), the death of three Bangladeshi workers in Mass Rapid Transit construction site (Murad and Rodzi 2014), underground tunnel collapses in monorail rail track (Camoens and Lim 2014) and flash muddy flood and landslides due to encroachment activities (Bernama 2014a). The occurrence of such incidents demands more accountability from the companies and government. It should also be needed that incidents such as the above mentioned are just those which are publicly reported; there are many more which are not revealed to the public. These serious and more often than not fatal incidents

alerted the civil society to highlight the necessity of improving corporate behaviour in sustainability activities which are directly related to their own operating activities.

The ideology of sustainability should be captivated holistically throughout the organisation but, at the same time, it is essential to be monitored by the regulators and, of course, the government. Sustainability became a national level interest in Malaysia when sustainable development was emphasised for the first time in the Sixth Malaysia Plan. Accordingly, some stakeholders noted how sustainability has been regarded as part of the national agenda. As noted by an accounting professional and academician in economic sustainability, respectively:

> *"This agenda on sustainability is a national agenda, number one." (AccProC)*

> *"The good thing is that now the government is concerned about achieving sustainability. Since the last few Malaysia Plans, the goal of sustainability is there, at least [as] stated in the ... the 10th Malaysia Plan, one of the things is sustainability, inclusivity and the other one is the economic growth. So sustainability is there – one of the national aims." (AcE)*

This agenda is from the result of the Rio de Janeiro Earth Summit in 1992 and the established Agenda 21.[9] The Agenda 21 is a blueprint for sustainability in the 21st century which is centred on the development of societies and economies without foregoing the conservation and preservation of environment and natural resources. Many countries have committed to sustainable development, including Malaysia. Since then, sustainability and/or sustainable development have been a buzz word and have been upheld in the national plan until the recent 10th Malaysia Plan (see

[9] The Agenda 21 is the major action plan endorsed by the Rio Summit 1992. It has been widely taken as a mechanism for the implementation of sustainable development and the integration of economic growth with environmental responsibility.

www.epu.gov.my/en/tenth-malaysia-plan-10th-mp-). In the 10th Malaysia Plan, environment protection is one of the nuclei of the blueprints. This ensures that:

> *"…mainstreaming environmental considerations will be undertaken, particularly in economic planning to ensure sustainability of resources. However, key to sustainability is a proper valuation of our environmental resources, through assessing the opportunity cost and environmental impact of public or private investments." (Economic Planning Unit 2010)*

From there on, the act of embedding the concept of sustainability in government agency was growing. In 2002, the Malaysian Department of Environmental (DOE) endorsed the launching of the Malaysia Environmental Reporting Awards (MERA) which indicates the commitment of the government in promoting environmental reporting. It shows that there is effort on the part of some departments in government agency in practising sustainability. This has been confirmed by an economic sustainability expert: *"[a]ctually, there is effort from the government to emphasi[s]e the element of sustainability – it is not the case that the government is not doing anything"* (AcE). He even emphasises the effort initiated by certain ministries on the issue of green growth:

> *"Previously, the term sustainability was invisible. The emphasis in the 70's, the 80's was on economic growth. The environment sustainability only became popular in late 90's. This is a development process…the good thing now is we have ministries like the Ministry of Environment, the Ministry of Green technology and all those bodies seem to be concerned with green growth. When they use the term 'green growth', this means that this growth is not the normal GDP but that they have tried to incorporate the green growth concept and that elements of environmental sustainability are part of the overall plan." (AcE)*

However, the promotion of sustainability reporting amongst organisations in Malaysia is not conducted in all government departments as noted by an economic sustainability expert:

> *"They are doing something. However, there is still no big impact, hopefully [there will be] in the next budget. ... But to what extent has the green growth been adopted is questionable I think only in certain ministries, an example being green procurement in the Ministry of Finance." (AcE)*

In the private sector, the public listed companies in Malaysia have reported on some form of information regarding health, safety and environmental disclosure (ACCA 2005). However, *"structured sustainability reporting is still at a relatively nascent stage"* (ACCA 2005, p. 4). When explaining how sustainability started in Malaysia, a professional accountant believed it began with the introduction of corporate social responsibility:

> *"Corporate social responsibility was the concept based on which sustainability got started in Malaysia. In Malaysia, when we first started talking about sustainability, the key message for everyone or for that matter, the regulators, was that they wanted to start on corporate social responsibility as a baby step towards sustainability." (AccProC)*

The organisations mostly try to follow the minimal or legal requirements of reporting on sustainability activities even though there are certain organisations which claim that they are actually reporting on their actual sustainability practices. These voluntary reporting practices forced the leader players in extraction industry to at least follow the minimum requirements set by the regulators, such as Bursa Malaysia and Securities Commission, especially the public listed companies. A management executive in Windmill Sdn Bhd noted that *"actually it is more on voluntary reporting. I think in Malaysia there is no standard that actually requires you to*

comply with sustainability reporting at the moment." (PcoB2). Since this is conducted on a voluntary basis, for a private company like Windmill Sdn Bhd, sustainability reporting is not necessary unless required by a certain government agency and unless it is a practice requirement in the palm oil industry. The management executive further said that:

> *"In a public listed company, the audience are the investors, the public at large and the media. As a public company, our activities were scrutinised by the public. But now, we have already become a private company that is 100% owned by one person. As a private company, we think sustainability reporting is unnecessary. Nevertheless we only report on a need-to-know basis to certain stakeholders such as the Environmental Impact Assessment and the Department of Environment but not to the public at large." (PcoB2)*

However, he also added that:

> *"…the way we operate today, even though we are a private entity, in relation to our corporate governance and compliances we run as if we are still a public listed company. So nothing has changed, our control or procedures are all still the same." (PcoB2)*

Thus, the companies in Malaysia that actually practise the sustainability do so on their own initiative and they may not be ready yet, or they may not see the real need of practising and reporting their sustainability activities and there is no legal requirement of doing so. This is supported by an accounting professional who claimed that, *"a lot of companies are doing this as an internal initiative, because they don't see a real need to do a full-blown sustainability report" (AccProC)*. However, she agreed that there is an increasing trend on part of the companies toward realising the importance of sustainability report. She further said: *"That was probably about 5 years ago, but now, as I see it, more companies are engaging in producing sustainability reports"* (AccProC).

The major constraint of practising sustainability is perhaps its requirement of a lot of investments and the fact that it involves a huge amount of money being spent for this sustainability investment. The economic sustainability expert said:

> *"I read a book; 'Bottom of the Pyramid', which claims that the majority of companies are at the bottom of the pyramid. Whilst, at the top are those companies that are actually making a lot of profit. The majority of companies are struggling and trying to make a living and all that. So how could you expect this majority, which is still striving for setting up their business, to really think of environmental sustainability, right? So their objective is mainly to make enough profit to survive. Thus, in such cases, their attention on the environment is definitely low. I would agree that focusing on sustainability is not a feasible plan for now. Right now a low or medium percentage of those companies focus on sustainability" (AcE).*

The requirement of huge sustainability investment limits the practising of sustainability to the big and successful companies only. This has also been stated by state assemblyman:

> *"The successful organisations which trade internationally are able to look at the sustainability approach, to have sustainability reporting because they have a huge reason to do so. But for the medium-sized or new organisations, things are different since they are going to struggle if they are enforced to act the same way in relation to sustainability." (PstateA)*

However, the industry does encourage sustainability practices among the small-medium organisations and gives support in spite of their inadequacies and unreadiness. In relation to the palm oil sector, the chief executive officer of the Malaysian Palm Oil Association noted that:

> *"Even on issues like embracing sustainability in communication, the capacity of small companies and big companies is different. More often than not, big companies are able to comply, thus our support goes to small companies. The sustainable development principles cannot be implemented to the hilt when we deal with small holders because of their inadequacies and unreadiness. We bring them along and on board to embrace sustainability at a slower pace. We allow them to subscribe in whatever level of sustainability that they can. We need to issue certifications describing the degree of compliance and they should receive incentives for this." (Villar 2014)*

Above of all, the most important thing is the responsibility of every company to be ethically conscious especially in sustainability as whatever operating activities a company carries out, they will directly or indirectly have an impact on their surroundings. This has been noted by another accounting professional who is the ex-president of an accounting body:

> *"It is a responsibility of every corporate body in doing their business to take into account sustainability issues in the current context. Sustainability means taking care of natural resources, taking care of waste products, by-products, taking care of the environment. I think it is the duty of corporate bodies to do that in whatever business they do, along with other ethical issues, the manner they do things. However, we should also stress that they cannot play their part well if there is no proper enforcement from the government authority." (AccProA)*

These socially responsible practices and attitudes have become a demanding agenda in a growing number of organisations. This demand was intensified by the rising number of incidents of social and environmental scandals and this has caught the attention of public opinion and policy-makers. Sustainability and its reporting are practiced according to the strategic choice of individuals who have an interest in this field and take such practices for granted. Bourdieu (1990b, 2000) contends that strategies employed by interested actors in this field need to be examined. Thus, it is necessary to identify the key players in the sustainability practices in Malaysia. The data gathered from the field of sustainability enabled the researcher to identify the key stakeholders in both palm oil and mining sectors as shown in Figure 5.2 below. This stakeholder mapping represents the complex interplay between the company and its stakeholders, and between stakeholders themselves. This mapping shows the stakeholders that the company engaging with for sustainability and stakeholder engagement processes at three levels: the macro level– state, international guidelines

setters and global and national societies; the meso level – regulators, industry, professionals and other social groups or institutions; and the micro level – organisation and business stakeholders. Discussion on the key stakeholder is followed in the next sections.

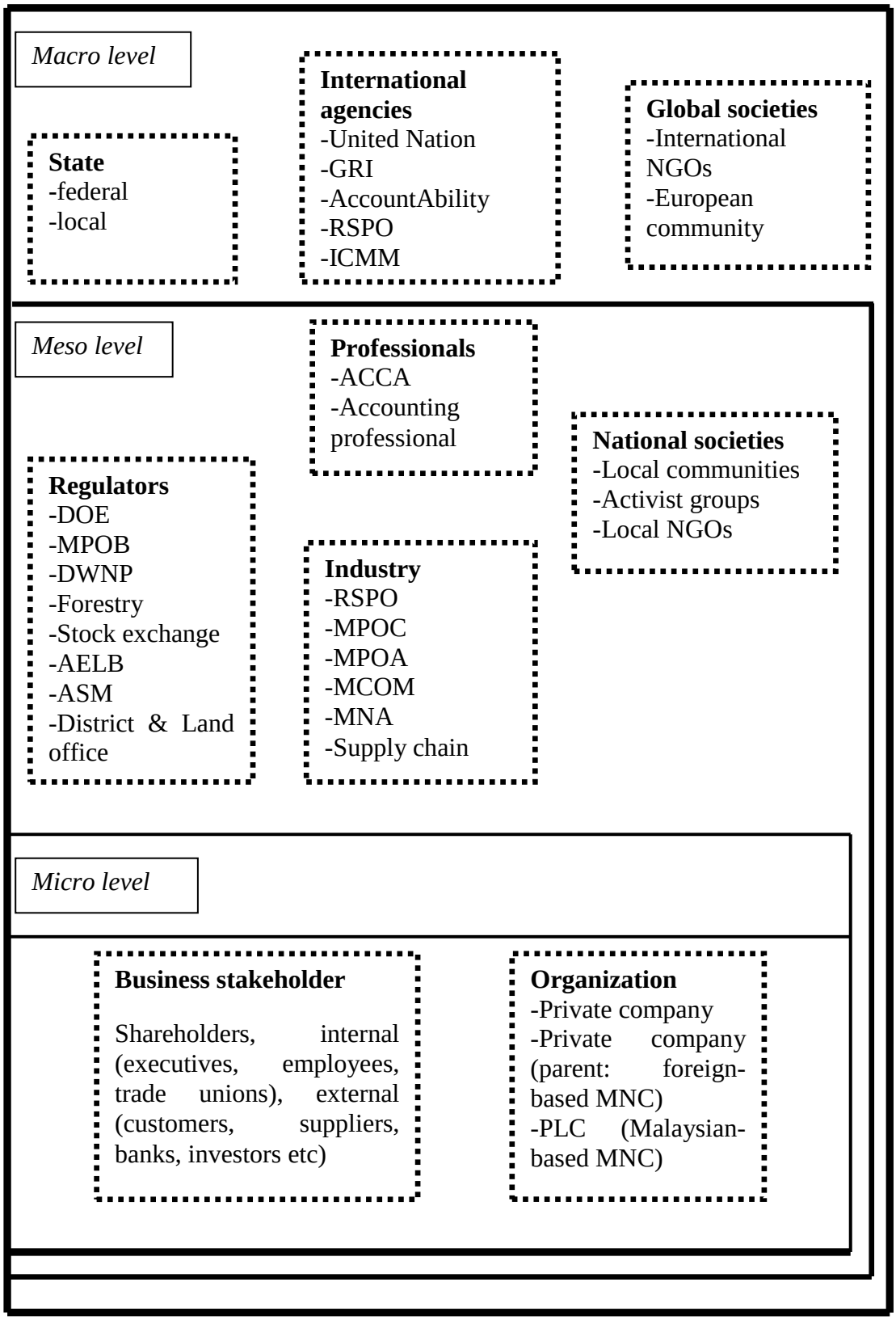


Figure 5.2: Sustainability field: key players in palm oil and mining sectors

5.3.2 Transnational actors and their influence on sustainability

This section discusses the international actors that have influenced sustainability practices in Malaysia.

5.3.2.1 The State: federal and state government

The state, both the federal and the local governments, is responsible for the legislation and the formulation of policies towards sheltering the national community. The responsibility of espousing the concept of sustainability should be in the hand of the state and as part of the real national agenda. Sustainability should always be taken into consideration when making the national plan as noted by a sustainability economist:

> *"Well, the planners (referring to those who develop the national policy), have a 5-year plan. They are the ones who shape the various policies and strategies and if you look at the plan, there indeed exist elements of sustainability. In tenders for example, sustainability is one concept that is mentioned in Malaysia plans. It will also appear in the next few plans. It's its implementation that we need to work on." (AcE)*

The Prime Minister said in his keynote address at the launch of Bursa Malaysia's business sustainability guidance portal on 23 November 2010: *"I hope that all Malaysian companies will make sustainability practices as integral part of their business functions*" (Office of the Prime Minister 2010; Shari 2010). He also mentioned that sustainability considerations must also be reflected in the Government's broader policymaking agenda (ibid). He also cited the government's pledge to reduce Malaysia's carbon dioxide emission to 40% by 2020, as an example (ibid).

Even though the concept of sustainability is in the plan of the national agenda, the state is also looking for an avenue for economic growth. This has led to the formulation of policies that in the end result in unsustainability when their implementation and enforcement are not being taken care of. For example, in the mining sector, the state allows Silver to be operated in Malaysia. This statement from Silver can encompass the stakeholder right for sustainability practices:

> *"During the year the Board took the important strategic decision of relocating the planned processing plant from China to the east coast of Malaysia, the company observed an increase in Chinese Government policies in relation to limiting the export of Rare Earths from China. This was a watershed decision for the company. The Federal Government of Malaysia has welcomed us." (Silver Corporation Ltd 2007, p.5)*

A company such as Silver certainly opts for a country that is relaxed in terms of rules and regulations as mentioned by Sikka (2014):

> *"Corporations affect the quality of food, water, medicine, savings, news and almost everything else, but ordinary people have little say in controlling and directing them. Governments can raze mountains, divert rivers, clear forests, build asphalt jungles and give massive subsidies to welcome corporations – but they can't buy loyalty. Corporations have no loyalty to any place, people or community."*

A country such as Malaysia is the choice of the multinational companies like Emas, Besi and Silver, where regulators are not fully effective and there is lack of enforcement. This has been noted by a local community representative as:

> *"Many industries in Malaysia are taking advantage of the lack of a supervisory role-play by the regulatory authority […]and started making Malaysia their home. So you can expect they can't even regulate, they are not even prepared to give us data which they are supposed to collect so that we can compare and prove us wrong. What can you expect from their role in any other industries?" (NGOa)*

It has been argued by the local community where Silver operates that the state is *"so hard-up for FDI [foreign direct investment] that we are prepared to accept a backyard industry, [that has been] rejected in its own country"* (The Malaysian Insider 2011).

Thus, in this research, the state is viewed as the dominant player in instilling and maintaining sustainability as the state has despotic power which can influence the national economy and policy.

5.3.2.2 International agencies

There are few international agencies that play an important role in sustainability issues in Malaysia. These are the United Nations, the Global Reporting Initiative and the AccountAbility which provide guiding towards implementing sustainability. In the palm oil and mining sector, there are also the Roundtable on Sustainable Palm Oil (RSPO), International Council on Mining and Metals (ICMM) and International Atomic Energy Agency (IAEA). These last three international agencies are discussed later in the industry section (see section 5.3.3.3).

United Nations

The Brundtland Report, Rio Summit, Rio Declaration on Environment and Development, and Agenda 21 formed the paradigm initiated by the United Nations which has then been embraced by governments, businesses and civil society around the world. In 1998, Maurice Strong, former Secretary-General of the Rio Summit,

remarked that sustainable development "*has been embraced by people throughout the world*" (Drexhage and Murphy 2010, p.6).

In Malaysia, the United Nations is also one of the international players that contribute towards sustainability practices. Even though, it is not directly related to sustainability, Agenda 21 has become the national agenda and regarded as the starting point toward incorporating sustainability. An environmentalist, who is the president of one NGO, emphasised that:

> *"...we've been pushing for the government to implement some of the United Nations related instruments to which we are signatory, too. So between 1997 and 2000 we were very active in the campaign of Local Agenda 21 which aims to implement sustainable development at the level of the community led by local authorities." (NGOd)*

The local communities are aware of the Agenda 21 on sustainable development which is adopted by local councils that need public consultation for any development in their community area. This was raised by chairman of resident movement:

> *"After that, we realised that the local council signed the Agenda 21, which is about sustainability. That means you must have sustainability development rather than just a one-off kind of development without any constitution for future benefit." (NGOa)*

However, the agenda on sustainability was not followed since the local state did not hold a public consultation before making a decision on the Silver plant (mining sector). In the palm oil sector, the World Growth chairman did not see palm oil industry as a threat to sustainability but as action needed to follow the Agenda 21, he said:

> *"We need strategies to realise the Agenda 21 program adopted at Rio, not undermine it. The findings of this new analysis demonstrate that*

> *palm oil is part of the solution, not part of problem." (PR Newswire 2009)*

Agenda 21 is a noble step toward sustainability as many companies embraced the concept of sustainable development in their business. When analysed the companies' annual and/or sustainability reports, it was found that most of the public listed companies embedded this concept in their definition of sustainability. This is consistent with the statement made by Gold's management executive (palm oil producer) when he defined sustainability during his interview as:

> *"The definition of sustainability that we adopted really is based on the World Commission of Environment and Development; they called it the Brundtland Commission in 1987." (PcoA1)*

This gives an indication that the declaration of United Nations on human, environment and development has indeed acted as signal to the state and companies to align with the international action.

Global Reporting Initiative (GRI)

Another international actor is the Global Reporting Initiative (GRI). This non-profit organisation develops and circulates influential standards and guidelines which inform leading edge reporting practice (Cooper and Owen 2007). Seventy eight percent of reporting companies worldwide (KPMG 2013) use GRI guidelines in their sustainability report. The GRI's function is to offer a standardised and generally accepted sustainability reporting framework (ACCA 2005). An independent consultant noted that "w*hile there are a number of different ways of measuring and communicating sustainability performance, it is clear that the GRI is the main framework used*" (Hohnen 2013). These global guidelines for sustainability reports

have influenced companies in Malaysia as well such as Gold Berhad and Palmer Berhad in the palm oil sector, and a foreign-based multinational company, namely Besi Limited, in the mining sector. Even though GRI reporting guidelines are quite new for Gold Berhad (first published a stand-alone sustainability report in 2012) and Palmer Berhad (first published a stand-alone sustainability report in 2014), they have provided an international standards benchmark for palm oil companies in Malaysia. Taking into consideration this international benchmark is an indication that those companies are implementing sustainability. This was highlighted in their sustainability report as:

> *"We have used GRI G4 Guidelines as the basis of reporting." (Palmer Berhad 2013, p.72)*

> *"… the level of our socio-environmental performance, as represented in this Sustainability Report for 2007, is consistent with the internationally adopted Global Reporting Initiative (GRI) guidelines." (Besi Limited 2007, p.2)*

In a similar vein, the Gold management executive proudly said that "*GRI is actually the benchmark that we are having right now. So of course the GRI G3 is actually a moving target*" (PcoA1).

An accounting professional highlighted that the use of GRI guidelines as a benchmark were followed by those companies which have operations at multinational level. She said that:

> *"…they initiate this along the lines of the GRI G4 which is an excellent initiative. And most of these companies are MNCs or their holding company is in Europe or in the US and they are told to follow the same- they have global policies, or they may be large GLCs, a large Malaysian conglomerate GLC." (AccProC)*

The companies in palm oil sector like Gold Berhad and Palmer Berhad seem to be taking the initiative to use GRI guidelines because they have operations at a multinational level. In the mining sector Besi Limited is a multinational company with operations around the world including Malaysia. GRI penetrated into Malaysia's business environment when ACCA conducted the 'GRI in Asia' conference in August 2002, co-organised with the Environmental Protection Society Malaysia and the GRI. This is consistent with what an environmentalist said: *"We were the first to introduce the concept of Global Reporting Initiative (GRI) in Malaysia" (NGOd)*.

5.3.2.3 Global societies

International NGOs

International NGOs are civil society organisations that are constantly increasing their efforts for securing a more sustainable world. NGOs such as Friends of Earth, Greenpeace, World Wildlife Fund (WWF) and others have been fighting not only against the government but also against the powerful corporations. In palm oil industry, international NGOs are putting massive pressure to the producers and their supply chain.

> *"In recent years, Malaysia has been under huge pressure to stop the expansion of oil palm plantations through deforestation. Foreign NGOs, such as Friends of the Earth (FOE), Greenpeace, Wetlands International, Oxfam International, Sawit Watch, World Wide Fund (WWF), and Rainforest Action Network (RAN), are actively involved and apply pressure on the Malaysian government to declare a moratorium on oil palm expansion." (Teh 2010)*

Greenpeace International accused the palm oil producer of not actually practising sustainability and, at the same time, it also attacked the supply chain. Recently, Greenpeace International has launched a new petition against multinational Procter &

Gamble to trace back its supply chain and make sure it uses forest-friendly products in their manufacturing (Gartland 2014). The Head of the Indonesian forest campaign made an allegation that:

> *"its suppliers have bases in high-risk regions of Indonesia including Riau, West and Central Kalimantan, and Papua New Guinea, as well as Sarawak in Malaysia."(Greenpeace International 2014a)*

Previously, Greenpeace succeeded in gaining promises from other multinational companies such as Unilever, Nestle and L'Oreal to clean up their supply chains (Greenpeace International 2014b). However, the allegation against the palm oil industry was objected by NGO World Growth which claimed that "*palm oil has been more effective than most commodity crops in reducing poverty*" and accused the exposing of the damaging economic and environmental consequences as "*misguided campaigns by Western 'green' groups to halt production of palm oil, the most sustainable vegetable oil available*" (PR Newswire 2009).

The mining sector has not been excluded from receiving massive attacks from NGOs as mining has colossal negative impact on the environment. In Malaysia, a mining-related company such as Silver caught the attention of Greenpeace International which issued a memorandum opposing the licence renewal of Silver's permanent operating licence. Greenpeace recommends that:

> *"Malaysian authorities should suspend Silver's temporary operating licen[c]e and refuse to grant the permanent operating licence, which is due to be granted in September 2014, unless Silver completes a thorough overhaul of its facility's construction defects to upgrade the plant to best environmental practices – and presents a safe and acceptable plan for disposing of the radioactive waste stream from this plant outside of Malaysia." (Greenpeace, 2014)*

The Friend of the Earth Australia also made an allegation that "*Silver has not made this information publicly available before embarking on the construction of the site which could indicate that they have something to hide*" (Friend of the Earth Australia 2011). Furthermore, there is a lot of secrecy about the plans for radioactive waste disposal from Silver's project (Friend of the Earth Australia 2011). This secrecy is unacceptable and it endangers people's health and environment. As Friends of the Earth spokesperson said:

> *"It is not good enough to leave local residents in the dark about the long term implications of how this facility will deal with its radioactive thorium and caustic waste products. We believe that the risks of this development could leave a toxic legacy for decades to come."*

European community

The palm oil sector also receives pressures from the European community. It all began in year 2010 when the European Parliament passed a bill to force manufacturers to label their product (Willsher 2012; Monteil 2015). In 2012, the French environmentalist party proposed an amendment to raise the tax on palm oil by 300% but it was rejected (NY Daily News 2012; Monteil 2015). What is more, in 2014, France's ecology minister urged the public to stop eating chocolate hazelnut spread as it contributes to deforestation (BBC 2015; France-Presse 2015; Gander 2015; Monteil 2015).

5.3.3 National actors: regulators, professional bodies, industry and national societies

5.3.3.1 Regulators

Malaysia Stock Exchange (Bursa Malaysia)

Consistent with the national agenda, Bursa Malaysia has recently introduced the environmental, social and governance (ESG) index to influence public listed companies to adopt sustainability practices in their business operations. Previously, in 2006, Bursa Malaysia amended its Listing Rules which required listed companies to report on their CSR activities and in case there are no activities to state so. The amendment which is under Part A of Appendix 9C (paragraph 29) states that:

> *"(29) A description of the corporate social responsibility activities or practices undertaken by the listed issuer and its subsidiaries or if there are none, a statement to that effect."*

This has been consistent with what a professional accountant stated:

> *"In Malaysia, we have no laws in relation to sustainability except for one which is in the listing requirements Chapter 9, Appendix 9C para 29. In that paragraph, it says very clearly that for listed issuers, they must describe the corporate social responsibility activities that they have undertaken for the year or to state none if otherwise. Meaning, you must say what you have done or you say you have not done anything for the year." (AccProC)*

At the same time, the exchange launched a CSR Framework as a reporting guide with no requirements of the amount of disclosure required with the purpose of encouraging companies to report.

> *"It is meant to encourage Malaysian PLCs to become more engaged in being socially responsible, and to make the way they approach the*

> *process of CSR part of the way they normally work and think." (Bursa Malaysia 2006, p.1)*

In this framework, CSR is defined as:

> *"…open and transparent business practices that are based on ethical values and respect for the community, employees, the environment, shareholders and other stakeholders." (Bursa Malaysia 2006, p.2)*

This means that even though sustainability is not mentioned as such, the society and environment are mentioned and taken into consideration.

Securities Commission Malaysia (SC)

The Securities Commission Malaysia took the initiative to create awareness on CSR through events such as seminars and conferences. This was supported by the second Finance Minister in his address note at a conference that: "*The government strongly supports the adoption of voluntary reporting and CSR standards*" (Securities Commission Malaysia 2004b). At the same conference, the Deputy Prime Minister put emphasised that CSR was not only for economic benefit but also to consider society and environment (Securities Commission Malaysia 2004a). Then, the Securities Commission Malaysia (SC) produced a new Malaysian Code on Corporate Governance 2012 (MCCG 2012) which outlined sustainability as one part of strategic action plans to elevate the standards of corporate governance in Malaysia (Securities Commision Malaysia 2012). The MCCG 2012 emphasised corporate governance but also stated that "*the board should ensure that the company's strategies promote sustainability*" (Securities Commision Malaysia 2012). The code emphasises:

> *"The board should formalise the company's strategies on promoting sustainability. Attention should be given to environmental, social and governance (ESG) aspects of business which underpin sustainability. Balancing ESG aspects with the interests of various stakeholders is essential to enhancing investor perception and public trust. The board*

> *should ensure the company discloses these policies and their implementation in the annual report and the corporate website."(Securities Commision Malaysia 2012, p.1-4)*

This strategy is concerned with corporate governance, where the board of companies should take sustainability initiatives and embed sustainability throughout the company through a 'tone at the top'.

> *"But apparently, currently the regulatory environment is encouraging or is nurturing the Malaysian corporates, especially the public listed, to adopt good governance principle. The governance principle is not just about how the directors make decisions, but it highlights the qualitative values, such as honesty, transparency, accountability. If these values are properly incarnated, properly incorporated among the Board members and among the tone at the top, among the senior management, then they would not go away from sustainability. It will be picked up in their decision making because this is not something that others have to tell you. Within the course of your business, you know that arises. Hence, you know, if you hold on to those good principles, then you know you have to take it up." (AccProB)*

Implementation of sustainability strategies entirely depends on the objective of the company. As noted by an accounting professional:

> *"But if you see the code of corporate governance or, any regulation of governance will say this is the board's responsibility because they are the ultimate body of people who are responsible to make decisions, and to allocate resources. So that is why it all goes back to the board level, and that's an interesting issue. I want to point out again; the issue of sustainability is also related to the objective of the organisation." (AccProB)*

The Securities Commission (SC) embraced the 'Sustainability Reporting Guidelines for Malaysian Companies' outlined by ACCA in 2005 as a positive step towards voluntary adoption and compliance with international practices (ACCA 2005).

> *"The Securities Commission (SC) views the promotion of corporate social responsibility and sustainability reporting as a natural*

> *progression of its ongoing work in relation to the development of a strong and transparent framework for corporate governance. The SC has always maintained that disclosure is an effective tool to generate greater economic and capital market growth and therefore must be optimi[s]ed. In this regard, the SC is keen to see more Malaysian companies incorporate socially responsible and sustainability reporting into their corporate governance agenda as these augur well for the Malaysian capital market…." (ACCA 2005, p.4)*

Actually, the development of corporate sustainability reporting was led by ACCA and in 2003, together with Department of Environment, they published the first Environmental Reporting Guidelines for Malaysian companies (Bursa Malaysia 2005).

Other regulators

The extraction industry in Malaysia has been monitored by the Ministry of Natural Resources (MNR) and Mineral and Ministry of Science, Technology and Innovation (MOSTI). There are many government agencies involved such as the Department of Environment (DOE), the Department of Wildlife and National Park Peninsular Malaysia (DWNP), the Forestry Department Peninsular Malaysia, the Mineral and Geoscience Department, the Academy of Sciences Malaysia, and the Atomic Energy Licensing Board (AELB). These government agencies work towards following the national agenda in relation to sustainable development as stipulated in the national plan. Some of these agencies have been quoted by the interviewees as such:

> *"Within 2 weeks, the DG of AELB comes out with a statement saying that RIA as it currently is, is not sufficient for approval."(LawProA)*

> *"... in April, Director General from AELB, MOSTI visited Kuantan, there was supposed to be a series of public consultation." (PparliamentA)*

> *"…they went to the DOE to ask them for their data, for comparison [with the data gathered by the community]." (NGOa)*

Other regulators such as Malaysian Palm Oil Board (MPOB) and district land office also contribute towards sustainability issues in Malaysia.

5.3.3.2 Professional bodies

ACCA

Professional accountants play an essential role in enhancing accounting and reporting requirements of corporate responsibility.

> *"ACCA has appreciated the importance and impact of sustainability reporting for many years, having established the first sustainability reporting awards over 20 years ago. ACCA has promoted and championed sustainability-reporting practices through its awards scheme in many countries around the world. The awards have been a significant driver in improving both the quality of sustainability reporting and the number of reporting organisations." (ACCA 2014b)*

In Malaysia, ACCA has been a leading voice in advocating the social and environmental report for business alongside traditional financial accounting practices. The ACCA Malaysia Sustainability Reporting awards (MaSRA), formerly known as ACCA Malaysia Environmental and Social Reporting Awards (MESRA), was first launched in 2002 with its main objectives being to: "*…encourage the uptake of sustainability, environmental or social reporting and raise awareness of corporate transparency issues*" (ACCA 2015). The president of the ACCA Malaysia Advisory Council, said:

> *"When ACCA first introduced the awards in 2002, we already knew that they would ultimately progress towards sustainability reporting. By increasing the scope of the awards to embrace sustainability, ACCA hopes to encourage organisations to examine and account for*

> *their holistic consequences on society, the economy, and the environment."(ACCA 2009)*

The ACCA MasRa programme promotes the best practices in sustainability reporting among the organisations. This is one way ACCA, through the ACCA Malaysia Sustainability Reporting Awards (MaSRA), educates companies on sustainability practices. This has been acknowledged by the Head of ACCA Malaysia:

> *"Our research has found this to be true around the world, and for this reason, the ACCA Malaysia Sustainability Reporting Awards (MaSRA) continues to educate Corporate Malaysia on the importance of sustainability reporting." (ACCA 2014a)*

The president of the ACCA Malaysia Advisory Council in his speech, upheld the importance of sustainability reporting:

> *"'It is the only way in which the public can separate 'greenwash' and cherry-picking from true sustainability efforts. It also forms the basis for any company to engage with critics or sceptical stakeholders."(ACCA 2009)*

Thus, accounting professionals (i.e. accounting firms and accounting bodies such as ACCA) are involved within the realm of business sustainability in order *"to help companies measure and control their social performance and for highlighting the political significance of environmental and sustainability issues in the corporate sphere"* (Malsch 2013, p.150). This social and environmental auditing and consultation within its field of expertise, accounting professionals have situated themselves as key players in this area (Power 1997; Simnett *et al.* 2009; O'Dwyer *et al.* 2011; Malsch 2013).

Institute of Internal Auditors (IIA)

The Institute of Internal Auditors views sustainability as knowledge that needs to be comprehended as risk and control. This is noted by an accounting professional below:

> *"In the Institute of Internal Auditors, we are actually practising [sustainability] through the knowledge of internal auditors. We have forums, training and things like that, and we also hold sharing sessions among the companies. One good example of that is the Plantation Audit Forum, where we have speakers who talk about sustainability. So that's how auditors play their role, internal auditors play their role." (AccProB)*

Sustainability is a form of corporate governance which gives risks to the company if not being taken care of with sufficient control.

> *"For IIA, we are always concerned about governance, risks and controls. We uphold those concerns. Indirectly, good governance will result in taking care of the sustainability issue. We don't just talk about sustainability but we talk about upholding an overall advocating good governance, risks and controls. But all these principles will help the sustainability agenda." (AccProB)*

In the words of Malsch (2013, p.165), *"accounting industry plays an important role as a political mediator by regulating the socially responsible practices of organisations based on a rational and instrumental market logic and by side-lining the moral dimension of human values such as altruism and benevolence as a justification for socially responsible action."*

5.3.3.3 Palm oil and mining: Industrial actors

Palm oil sector

In the palm oil industry, sustainability practices among the producers and their supply chain are monitored by an international standard-setter; the Roundtable on Sustainable Palm Oil (RSPO)[10]. RSPO as an international standard-setter for any palm oil product (upstream and downstream), which imposes its members to abide by all the principles and criteria so as to certify their products as sustainable. A RSPO executive explained that RSPO is concerned with the "*environment – soil, water, GHG, biodiversity and forest protection, and people – their rights, participatory process and better livelihood*" (StdPco1). RSPO's requirements are stringent; all members are required to submit a report on their sustainability activities and do annual audit so as to ensure that all the principles are followed. A finance executive underlined that:

> *"[b]eing a member of RSPO, we are trying to get its certification for all our estate operations. So if you look at the RSPO's compliance procedure is very long… They (referring to R & D personnel) are trusted with the RSPO compliances and so on, so they lead the reporting aspect." (PcoB2)*

RSPO management claims that:

> *"[w]e are a multi-stakeholder platform, it is our strong point, we have a system of auditing and monitoring in place."(Roundtable on Sustainable Palm Oil 2013)*

RSPO is a multi-stakeholder standard organisation whose members consist of planters and which is also the founder, together with NGOs, of organisations such as WWF. A management executive admitted that "*RSPO is actually the body whose we*

[10] The Roundtable on Sustainable Palm Oil (RSPO) aims to transform markets to make sustainable palm oil the norm. As a not-for-profit association, we unite stakeholders from the palm oil industry to develop and implement global standards for sustainable palm oil. We have over 1,600 members globally that represent 40% of the palm oil industry, covering all sectors of the global commodity supply chain. Retrieved from http://www.rspo.org/

were the founder of" and is involved with RSPO "*to let the people on the ground see what we are doing on sustainability*"; that's the Gold's commitment as "*the largest producer of certified sustainable palm oil*" (PcoA1). Thus, RSPO is a standard organisation which represents a collective stakeholder movement towards achieving sustainable palm oil products and companies involved in this sector can become members if they wish to do so. A management executive explained that:

> *"RSPO is not a law or regulation; it is a voluntary kind of thing where the stakeholders have committed to follow a certain standard. So basically now RSPO becomes more of a standard of a regulatory body regardless of whether you are sustainable or not." (PcoB3)*

The other player representing the industry is Malaysia Palm Oil Council and Malaysia Palm Oil Association. The management executive, PcoB2 said:

> *"[w]e go through the association. We, in Malaysia, have the MPOA/B/C; Malaysian Palm Oil Association/Board/Council. So the industry players always speak with one voice through this association, council and board line. So because it's partly funded by the government and partly funded by the industry players, it is actually their duty to speak on behalf of the whole industry and in fact also on behalf of Malaysia."*

The supply chain is also involved in contributing towards sustainability. There is always briefing among the palm oil sector players to discuss sensitive issues regarding sustainability. The management executive, PcoB2, said:

> *"[f]or example, Wilmar announced that it will not buy palm oil from a plantation in Sarawak where trees are being planted on peat soil. There was a dialogue within the industry when Wilmar called for a briefing session. The Malaysian Palm Oil Board/Association and Council were present. We were there as well with other industry players. So there is always this on-going discussion with the NGOs, with the companies like Wilmar, Colgate and so on because they are also under pressure especially from the European manufacturers." (PcoB2)*

Mining sector

The road leading towards sustainability was addressed by the International Council on Mining and Metals (ICMM)[11] in the mining sector. This organisation stimulates an exchange of ideas towards sustainable development with contribution from experts and representatives of civil society organisations (Skoldeberg *et al.* 2013, p.24). Besi Limited is a member of ICMM and actively participates in the industry's global forum on sustainability (Besi Limited 2007, p.11). This participation is aligned with the principles established by ICMM towards achieving sustainability (Besi Limited 2012, p.7). This has been consistent with the President of ICMM statements as below:

> *"It is very pleasing to see Besi making such significant advances in strengthening its transparency and engagement with stakeholders. By meeting all GRI requirements Besi considerably improves it's non-financial reporting. When these efforts are combined, in coming years, with ICMM's new independent assurance procedure, Besi will be meeting the highest international standards in public sustainability reporting." (Besi Limited 2008, p.55)*

Nationally the important player in this sector is Atomic Energy Licensing Board (AELB), which is the issuer of the operating licence with a vision to be: "*a relevant regulatory authority with credibility in radiation and nuclear safety, security and safeguarding its peaceful uses for national sustainable development*" (AELB 2015). Other players in this sector are the IAEA which is invited by AELB to be an

[11] The industry seems to recognise the potential of sustainable development as a means to answer the demands of its various stakeholders and has evolved its ESG strategy accordingly. In an important step toward the development of a more sustainable agenda, the sector created the International Council on Mining and Metals (ICMM) in 2001 (see http://fbds.org.br/fbds/IMG/pdf/doc-593.pdf retrieved on 11 March 2015). The ICMM (2011) currently holds twenty-one member companies and works to improve the sector's sustainable development performance through collaboration, stakeholder engagement, and shared best practices. Retrieved from http://www.icmm.com/about-us/about-us on 11 March 2015.

independent panel, the Malaysian Chambers of Mines (MCOM) and the Malaysia Nuclear Agency (MNA).

5.3.3.4 National societies: the local community, activists and NGOs

Non-governmental organisations (NGOs) have played an important role in pushing for sustainable development at the international and national level. In Malaysia, NGOs do not have a 'vocal' voice as they do at an international level. However, local NGOs have been set up in relation to local issues and concerns and they fight against social and environmental problems. For example, organisations such as Save Malaysia Stop Silver (SMSS), Green Assembly ('Himpunan Hijau'), Coalition of Concerned Citizens of Perak (CCCP), the Ban Cyanide Action Committee (BCAC) and People's Green Coalition are formed as the result of a rapidly eroding trust in the institutions and leadership. The community is demanding more equality, freedom and accountability.

The protest against the company, i.e., Silver, was made after a proper study was conducted and an understanding has been attained; it is not a blind accusation. As noted by the local representative against Silver:

> *"[a]s far as the society is concerned, the group which is involved is called 'Save Malaysia Stop Silver (SMSS)'. We do not just blindly start something that would actually benefit the community as well as the nation economically without properly understanding what is actually involved." (NGOa)*

The community is not against the rare earth industry but it opposes the way the company handles its radioactive waste issue. This is noted by a local representative as below:

> *"We are not against the extraction of the rare earth. It is a question of whether it is sustainable to the society in terms of their safety, in terms of their health, in terms of their life and worth of their property. When you have such an industry practising their trade without proper procedures or safeguards to the community that they operate in, then I don't think it is sustainable. That's why I prefer to oppose it." (NGOa)*

A representative of Green Assembly said that: "[w]*e have no confidence in a company with such low integrity that it can operate without any incidence.*" (Friends of the Earth Australia 2013a). A representative of the People's Green Coalition said that:

> *"It is extremely risky. These people are saying they want to dispose of the waste somewhere close to the factory. To get rid of this waste, what they usually do even in Australia and the US, they plant in the desert, far away from population, where it cannot be circulated back into the environment." (Palani 2011)*

Borneo Rhino Alliance (BORA), Indigenous Peoples Network of Malaysia (JOAS), Land Empowerment Animals People (LEAP), Centre for Orang Asli Concerns (COAC), Sarawak Natives Customary Rights Land Network (Tahabas) and others are fighting against palm oil sector. These NGOs represent the community that is concerned about the environmental issues relating to issues such as deforestation and land grab to name a few. In the palm oil sector, WWF, for example, is collaborating with RSPO in achieving sustainability through best management practices without impeding expansion and productivity. WWF-Malaysia's CEO said:

> *"WWF strives to ensure that the palm oil industry achieves productivity and sustainability through improvement in plantation management and mill performance."(Sivalingam 2014)*

5.3.4 Companies and their immediate stakeholders; internal and external actors

The company's operating activities is 'the engine room' of economic activity in achieving sustainable development. The extraction industry (palm oil and mining sector) is an environmentally sensitive industry and it is susceptible to negative environmental and social impact. As claimed by anti-palm oil website: "[p]*alm oil production has been one of the biggest drivers of deforestation in Malaysia and Indonesia over the past two decades*" (Butler 2014c). The companies operating in these two sectors usually have more pressure to disclose sustainability activities, especially those which have a greater impact on the environment (Deegan *et al.* 2002). For example, in the palm oil sector, many allegations are made about unsustainability to the environment. A researcher in agriculture said that: "[c]*learing one hectare of our rainforest destroys more plant and animal species and releases more carbon than clearing an equal area of other forest types*" (Teh 2010). Therefore, actors within these organisations are expected to demonstrate a high level of commitment to sustainability practices, particularly in terms of sustainability reporting. In reporting their sustainability activities, the companies are expected to comply with mandatory reporting; to try to maintain the minimal or legal requirements even though certain organisations may go beyond mandatory requirements. The vice president of corporate relations of the non-profit environment firm Conservative International said:

> *"Malaysian companies like Gold Bhd and PPB Group Bhd's associate firm Wilmar International Ltd were committed to doing the right thing but there were others which had yet to adopt sustainability practices." (Tan 2011)*

It is the responsibility of each company to practice sustainability. This responsibility has been emphasised by a management executive: "*I think it's more about the responsibility of each and every organisation to do this." (PcoB2)*

Sustainability practices are embedded in the organisations' decision making as these practices are part and parcel of their day-to-day operation. This is admitted by the management executive:

> *"[b]ecause it affects our operation, as we operate palm oil estate and mills, therefore, we have no choice and cannot run away from having safety and health standards embedded in operations because this operation will affect the environment, the people, the community and staff so we must ensure that all the controls are in place." (PcoB2)*

To show that the company does apply the concept of sustainability within their organisation, Gold makes an effort to convey the real meaning of sustainability to all the staff:

> *"[t]here is a need to have a real understanding on what is sustainability. So we produce this book called 'Sustainability Handbook' which actually gave the definition of sustainability."(PcoA1)*

Sustainability should not be regarded as just a philanthropic activity but actually as the way a business operation has an impact on the society and the environment. As questioned by an accounting professional:

> *"[f]or example, a construction company actually said to be fulfilling their CSR by having or by giving donation to orphanage house. Okay, that's fine. It's an extra thing a voluntary donation. But on the other hand, I would question, how have you as a company…as a construction company in Malaysia, taken care of the social issues brought by the foreign workers that you employ and you have not taken care of?" (AccProB)*

5.3.5 Summary of Malaysia's sustainability field

From the analysis and examination of the field of sustainability in Malaysia above, the Bourdieu concept of field enable the researcher to observe and making sense of the sustainability practices in Malaysia in general, and at the same time, the stakeholder engagement as well. As in this sustainability field has many fields such as bureaucratic, law, economic, political and others, it involves a complex setting. Yet, Bourdieu's concept of field able to uncover the active and passive stakeholder dynamics (different stakeholder roles), different ideologies and rationalities in having stakeholder engagement. Ideally, the field of sustainability recognises a wide range of interactions and engagement dynamics among the companies, the civil society and the state. It is argued that the state (Malaysian government) has the ultimate control over the sustainability, to choose policy and actions that lead to (un)sustainability. The rise of the protest from civil society has shaken the operationalized of the state decision in its (un)sustainability path.

5.4 How do stakeholders perceive the concept of sustainability?

This section illustrates the view of the internal and external stakeholders about their understanding of the concept of sustainability using available published sources and interviews.

5.4.1 Regulators, professional bodies and local communities

5.4.1.1 Regulators

No specific definition of sustainability is given by Malaysia Stock Exchange known as Bursa Malaysia on its website but there is reference to the definition of sustainable development from Brundtland Report as a starting point in their discussion of 'What is sustainability?'. Bursa Malaysia seems to view sustainability as stakeholder value creation.

> *"In 2006, Bursa Malaysia launched its CSR framework for public listed companies (PLCs) to highlight that CSR is more than philanthropy and community initiatives. Bursa Malaysia has always advocated CSR as being key to sustainability. Today, sustainability, which supports stakeholder value creation, should be the main focus of every responsible company." (Bursa Malaysia 2015b)*

In an interview, a regulator from Bursa Malaysia said that: "*corporate sustainability is about doing the business in a better way to balance the economic gains with social and environmental impact*" (regulatorA).

In the palm oil sector, a regulator sees sustainability as doing an activity that will not have an impact on the environment, society and economy. She said that sustainability is being "*…able to do what you do now and continuously do that in the future without any impact on the environment, the people and the economy*" *(govA)*. While searching on the website, MPOB mentioned that: "*[i]t is all about managing present resources to meet future needs*" (Malaysia Palm Oil Board 2012b). Thus, using the resources with future needs in mind is regarded as sustainability. In a presentation slide by a regulator, sustainability is defined as the long term security in resources. He said:

> *"[w]ithin the Malaysian Oil Palm industry: 'Sustainability is all about the long-term security of our supply chain if the oil palm business is to continue with brand values and consumer trust'." (Malaysia Palm Oil Board 2012a)*

In the Department of Environment website, there is no definition of sustainability. It seems that Department of Environment regards sustainability as integration of environmental considerations to balance with economic growth and human development. As mentioned in its policy:

> *"National policy on the environment (DASN) seeks to integrate environmental considerations into development activities and in all related decision-making processes, to foster long-term economic growth and human development, and to protect and enhance the environment. It complements and enhances the environmental dimensions of other national policies, such as those on forestry and industry, and takes cognizance of international conventions on global concerns." (Department of Environment 2015)*

At the same time, another regulator defines sustainability as a balanced development in which the environmental is taken care of as well. It means that in relation to wildlife for example, development is needed but, at the same time, there would be a permanent area reserved for this wildlife (govC).

5.4.1.2 Professional bodies

ACCA Malaysia views sustainability as a company's responsibility for its impact on society and the environment. ACCA defines sustainability as:

> *"This definition (referring to classic definition of sustainable development from the Brundtland Report) calls for business to acknowledge its responsibility for its impact on society and the environment, while being accountable to its stakeholders." (ACCA 2005, p.7)*

Some accounting professionals relate this sustainability with the issue of ethics. An accounting professional; AccProA said:

> *"... over the years in the last decade or so, the idea of sustainability has been improvised. It is true that the business need to survive, but it has to deal with the issue of ethics, the environmental issues. So it should be sustainable, but not at the expense of nature, not at the expense of environment and integrity and so on." (AccProA)*

Business sustainability is the main concern among the companies when discussing sustainability. She said: "*that should be the idea for me, the original idea of sustainability is to make the business last long*" (AccProA). Another accounting professional, AccProC, said that sustainability means "*to ensure you have sufficient sort of security or the wealth, people, profit and the planet is secured as companies continue to make money*".

However, to some extent, the professional accountants believe that as long as the operation of the companies moves towards having sustainability as a goal, it is acceptable for them to maximise their profit but with the future generation on mind.

> *"Well, for companies, sustainability means that companies do business in pursuit of making money but with the future generation in mind. Literally, they make money whilst making sure that the sustainability of the business is present or available." (AccProC)*

> *"But, on the other hand, the word 'sustainability' can also be used in a different context to make sure that, for example, companies that are involved with business that relates to the environment can sustain their current business by making sure they preserve the resources, the natural resources, that they have." (AccProB)*

> *"Sustainability in the current context is to make sure that whatever we have now is retained for the years to come." (AccProB)*

The concern on future generation can be viewed in the relation to the concept of triple Ps; profit, people and planet. The environmental aspect is also regarded as sustainability.

5.4.1.3 Industry stakeholders in the palm oil and mining sectors

Roundtable on Sustainable Palm Oil (RSPO) is the standard organisation that is responsible to monitor the production of sustainable palm oil. The definition of sustainability given by the executive officer of RSPO is: "… *a balance between social, environment and profit. When you achieve that balance, it would be called as a sustainable product or sustainability*" (StdPco1). While another officer defines sustainability as follows: "the *usage of materials by the current generation must be used in a manner that the future generation can also enjoy it*" (StdPco2). No specific definition of sustainability is given on the website of RSPO, Malaysia Palm Oil Council (MPOC) and Malaysia Palm Oil Association (MPOA). However, the MPOC website discusses about promoting:

> *"the market expansion of Malaysian palm oil and its products by enhancing the image of palm oil and creating better acceptance of palm oil through awareness of various technological and economic advantages (techno-economic advantages) and environmental sustainability." (MPOC 2015)*

While, on the MPOA's website, it is noted that *"palm oil sustainability is to inspire the sustainability of oil palm and other plantation crops for long term profitability and growth"* (Malaysia Palm Oil Association 2016).

In the mining sector, there are not many industry players but the researcher has managed to trace the Malaysian Chamber of Mines (MCOM) and Malaysia Nuclear Agency (MNA). Their websites do not provide their readers with any definition of sustainability. The MCOM website states that "*[t]he Chamber is always*

sensitive to the regional and global growth and sustainable development of the mining industry" (Malaysian Chamber of Mines 2016)while the MNA stipulates its vision and mission as: "*Nuclear science and technology for knowledge generation, wealth creation, and societal and national well-being*" and "*Excellence in research and applications of nuclear technology for sustainable development*", respectively (Malaysia Nuclear Agency 2016).

5.4.1.4 Local community, activists and NGOs

The community, activists and NGOs believe that any development in their community should not have a negative impact on the society. They do accept and embrace development but not at the expense of their life and environment. A local community representative explains that: *"In any form of development, you must think of actually whether in a long term it is going to bring resultant benefits or harm to the community concerned"* (NGOa). Instead, sustainability should be a way of practice, as an environmentalist said:

> *"Sustainability, in my understanding, is when you open up new places for farming, agriculture activities, how to work out a scheme, a mechanism where none of the parties concerned is a factor. The environment, the people who buy out goods, the farmers, the government are the stakeholders. It is about how to do the activity without affecting any of the stakeholders and the same goes for the waste disposal. Waste disposal cannot be avoided but the question is how to handle it without affecting all the stakeholders. In my view, sustainability is a way of handling an issue or an activity without affecting any of the stakeholders; this is what we call sustainability." (EnvC)*

Therefore, sustainability should bring development without affecting the existing life style and environment (i.e., to have no impact at all on the community and its environment). An NGO said that:

> *"When it comes to development, sustainability means not to bring to an end the current way of life or the current environment, the plant funnel of the area, but it is something that will replenish it and even add to it. Not sustainable is when you bring an end to all these, for example having people who are affected by being relocated permanently; that is one issue, finding a new location. But many of them have been relocated but their jobs, their source of income, has also been taken away permanently. So to me that is not sustainable at all; yeah, for development." (NGOc)*

Another NGO examines the environmental aspect when talking about sustainability. In his words:

> *"...sustainability means doing things in a manner in which we can continue to exist and benefit from the same quality we enjoy today in the future and I make particular references to the natural resources, quality of air, availability of water, access to land, and minimising of waste. So when I talk about sustainability I look at it very much from an environmental perspective." (NGOd)*

At the same time, NGOs view sustainability as preserving the resources so that the future generation can enjoy the same resources that the current generation also enjoys. He said that sustainability is

> *"... a continuous effort to preserve the resources in the world that are becoming scarce every day. There must be some kind of activity to ensure that these scarce resources are going to be there for the future generation. We know that in terms of volume we can't say how much but, at least, we do something about it now and continuously preserve for the next generations...." (NGOc)*

To some extent the external stakeholders believe that as long as the operation of the company moves towards having sustainability as a goal, it is acceptable for them to maximise their profit. However, maximising the shareholder value should not be gained at the expense of the environment and the society. Looking at the decisions we make today, we should not badly affect the surrounding community for the sake

of development and economic agendas. Whatever decision is made, the decision makers should consider how it could impact the environment and society.

> *Development is inevitable because human society needs the economic development in other areas of development in order to continue to grow to sustain them and to prosper. But I think we have come to the point where we have to actually look into any form of development and examine whether it will sustain us in a long run. That is my understanding." (NGOa)*

Only one NGO denies the existence of sustainability concept. For him there is no sustainability if the companies and the state only think of wealth creation.

5.4.2 The companies

An independent consultant said that:

> *"[w]e need to accept that the vast majority of companies still have no idea what their sustainability impacts are. While thousands of (mainly listed and high-profile multinational) companies do issue sustainability reports, there is still a long way to go."(Hohnen 2013)*

This statement indicates that the sustainability concept is not well digested. Thus, there is a need to examine the understanding of this concept among the companies – especially those companies in Malaysia – and their immediate stakeholders.

5.4.2.1 Palm oil sector

Some companies refer to the Brundtland Report, the definition of sustainable development, as their source in understanding sustainability. A management executive in Gold said that:

> *"The definition of sustainability that we adopt is really based on the World Commission of Environment and Development; they called it the Brundtland Commission in 1987…." (PcoA1)*

Then, they further explain their understanding on the concept of sustainability in terms of the concept of three Ps; profit, people and planet.

> *"... and if you look at it, it is actually about the three 'P's. I would say the first 'P' is People. Second 'P' is actually the Planet, and the third 'P' is the Profit." (PcoA1)*

> *"Basically sustainability would have to take care of three major aspects; the planet – planet must be well taken care of, the people must be also well taken care of, and the profitability of the organisation." (PcoB1)*

> *"It is always the 3Ps; People, Profit and Planet when we talk about plantation." (PcoB2)*

> *"In general terms, as planters what we normally speak, I mean, our understanding towards sustainability will encompass the 3Ps, people, planet and profits…." (PcoB3)*

Some of them add specific emphasis and additional Ps such as extra People with 'knowledgeable' people and Pneuma.

> *"I always believe using the 4P's concept for sustainability, meaning that the traditional people, profit and the planet but I always like to add-on the 4P which is the Pneuma, which is an old Greek word that talks about culture and internationalization." (PcoA3)*

> *"…the simple sustainability is the PPP, 3Ps. The third P, the profit, there's your business. The people, they got additional P for the people which are for 'knowledgeable' people who want sustainability." (PcoD1)*

Sustainability is seen as an internal sustainability with more concern on the profit making and on looking at people from their employee perspective rather than the society as a whole. A management executive from Windmill states that:

> *"So in terms of sustainability, sustainability of estate operations we look at the environment, sustainability of our people in terms of capacity for the company to operate in the future, and then in terms of profits of course, being a private company…." (PcoB2)*

There are perceptions that relate sustainability with activities that are for the long term and last longer for the future as mentioned below:

> *"Sustainability is doing something sustainable which will last forever and ever. For example, what we do in our Foundation, we have a tagline, okay our organization itself has a tagline of developing sustainable futures." (PcoA2)*

> *"Basically is to, for the, to me sustainability is for the long term. So for you to achieve good sustainability, of course, the ethics must be very strong. So I have always believed in that, ethics are very important. So that is why you can achieve better sustainability if you have moral principles." (PcoC1)*

Some of them further explain how the sustainability activities relate to their operations. Some of the excerpts from the interview are given below:

> *"We have sustainability practices within our Plantation division on how they plant. We cannot cut down high conservation value forest, for example, we cannot have open burning, for example. All these are sustainability practices leading to sustainability of the earth, the well-being of the earth…." (PcoA2)*

> *"…but I always believed that sustainability is an investment…to me, sustainability must have a linkage between your operations and what you are investing, in terms of getting the most out of it, that is the definition. ... you must always work towards protecting the environment as well as taking care of the safety and health of your employees, and the safety and health of the community that lives around you…." (PcoA3)*

> *"So sustainability is the ability to survive and whatever we put in place, in the company, so that the company survives into the future with or without whoever is running the company. So sustainability of profits, sustainability of the people, or the staff, the employees…and ensuring sustainability of the operations, and when we work with palm oil we have to make sure that whatever we do in our estate operation is sustainable. For example; zero-burning, greening the earth, carbon footprint and so…." (PcoB2)*

> *"…and being a plantation company, the perception is always that we aim for profits, but for a long term sustainable business, we have basically realised that it is not just the profits which count, it's not just the bottom line but also the planet, which covers the environment, GSG emissions, water, quality of water, and the community, the people, which covers the community, the indigenous people, their rights towards land, and all these are covered in…." (PcoB3)*

At the same time, sustainability is viewed as the balance of achieving benefits in terms of profit, people and the planet as noted by PcoA1 as: *"I'm not saying that one is more important than the other, it is actually about keeping a balance."* He also further notes that:

> *"...but if you ask me now really I would say people are the number one. You have the right people, they will take care of the planet and when both are done well, then the profit will come. That is how I understand the concept of sustainability."*

However, the understanding of the concept of sustainability is missing from the companies' annual reports. In 2007, only few companies mentioned sustainability in their report. The data analysed shows that most chosen companies did not give any specific definition of the concept of sustainability. The findings indicate that quite few companies depicted sustainability from the environment, economic and social aspects. However, in Gold's annual report, even though sustainability was not mentioned at all the company highlighted that:

> *"the group is committed to conducting its business in a more environmentally-sound and socially-conscious manner and the assessment will provide the management with an understanding of the biodiversity and social issues related to oil palm cultivation and management." (Gold Berhad 2007, p.19)*

Overall, most of the selected companies in the palm oil industry started to embrace the concept of sustainability from 2008 onwards. They slowly improved their reporting on sustainability throughout the years. In 2012, most of the companies started to embed the concept of sustainability in their mission, vision and values. Some of these palm oil companies have gone the extra mile and have established a

robust corporate sustainability governance structure. Then, the palm oil companies inaugurated the vital inclusion of sustainability in their operations, and started reporting on their sustainability practices to the stakeholders.

5.4.2.2 Mining sector

In the mining sector, only the definition from the annual and sustainability report from 2007 until 2014 could be noted as many invitations to participate in the interviews were turned down. It seems that few companies talk about sustainability; they just talk about the importance of taking into account a harmonious relationship with the economy, the environment and society. This was depicted in the Besi Limited sustainability report as:

> *"We strive to conduct our business in such a way that the economic, social and environmental dimensions are in balance, thus contributing towards sustainability." (Besi Limited 2007, p.18)*

In its group's annual report, Emas Limited also did not refer to sustainability but:

> *"…believes very strongly in the concept of corporate social responsibility, whereby companies voluntarily integrate social and environmental concerns into their operations and into their interaction with their stakeholders. We wish to send a strong signal to the community that we are a socially and environmentally responsible mining company." (Emas Limited 2007, p.3)*

This balance in the economic, social and environmental spheres is seen as achieving sustainable development. It is understood that sustainability can be achieved in sustainable development when it is operated in environmentally responsible manner.

Among the three companies selected, only Silver did not report on any related issues towards sustainability in its 2007 annual report, except its story of process

plant development in Malaysia. It was not until 2008 that Silver started to embrace the concept of sustainability in relation to the environment. Then, the sustainability emphasis was added in year 2009 report and from then onwards sustainability started having wider scope as noted below:

> *"Our approach to sustainability not only focuses on producing raw materials for innovations in sustainable technology, but ensures our own operations do what we can to address climate change and comply with both government and community responsibilities." (Silver Corporation Ltd 2009, p.12)*

Silver does not seem to make an effort to explain sustainability but it does acknowledge the concept of sustainability, especially after the company received pressures from the local community.

Overall, it seems that sustainability has been explained quite extensively only by Besi Limited as only this company produced a stand-alone sustainability report. In 2010, Besi Limited claimed the meaning of sustainability for the company to be as creating value throughout its activities. It further stated its understanding of sustainable development as:

> *"What does sustainable development mean to Besi? It means identifying the countless opportunities for growth that are available, while also recogni[s]ing the planet's physical limits. The immediate consequence of this understanding is that Besi works in the knowledge that natural resources are finite. The company is committed to practicing and promoting the efficient use of these resources, investing in clean energy and acting to mitigate the impact of its operation on climate change." (Besi Limited 2011p.13)*

5.4.3 Other stakeholders

This section reviews the understanding of the concept of sustainability among the rest of other stakeholders such as consultants, academicians and lawyers. This analysis is only based on data from the interviews.

The consultants view sustainability in terms of the ecological balance which needs to be considered with the usage of current resources for the next generation. At the same time, they point out that the company should not only aim at maximising profit but to also see how the business has an impact to the people and the planet in the short and long term. Both bankers interviewed believe that that sustainability is related to the survival of the business. Most of the academicians believe that sustainability involves three important pillars; economy, society and the environment. Drawing from Brundtland's definition, they believed that any business decision should relate to the impact it could have on the society, the environment and the economy. These three pillars should be balanced in sustaining the growth of sustainable development. Sustainability is also viewed as making use of the existing resources to the best possible way, by avoiding any wastage and by finding replacement whenever possible. At the same time, sustainability is also reflected as an environmental issue.

The understanding of sustainability from politicians' perspective is oriented towards the future generations. Any decision made on development should not impose a burden on the future generations. Development is a need, but it should not be achieved at the expense of the current community and future generations.

Development without any thinking of the well-being of the future generations is not sustainability. A lawyer assisting the indigenous people fighting against the dam project said that he looks at the sustainability from the practical way of the indigenous people's life and how the development has affected their way of living. He noted that:

> *"The Penan told us they have been living for a long time in peace with the environment. They were fishing, they were looking at wild boars and the environment would maintain itself. But now, the water is full of mud. So, the fish are all gone. So, I mean, if you ask me what I understand about sustainability, I believe that I understand it more from the indigenous people and the environment aspect of it." (LawProA)*

Thus, as it seems from the above excerpts, sustainability is about the environmental impact as well as the well-being of the community around the development area.

5.4.4 Summary of perception of sustainability

From the analysis conducted, one can safely argue that there are different understandings of the concept of sustainability among the selected companies and their stakeholders. However, the concept of sustainability is acknowledged by all the companies and stakeholders. It can be said that most of the companies in the palm oil sector embedded the sustainability concept into their corporate strategy. However, in the mining industry, it can be said that there is not much understanding of the concept of sustainability in their reports. It seems that most of the companies and stakeholders know the existence of sustainability and its importance. They view sustainability in terms of sustainable development concept by the Brundtland Report and the concept of 3Ps; profit, people and planet. Only one NGO rejected the existence of sustainability. Nevertheless, most importantly, a sustainability consultant said:

> *"an organisation must see the interaction of social, environmental and economic issues and starts off with what they do, what is their product and what is that… when we talk about sustainability and companies, yes it is what they do, their core businesses and how it interacts with this whole sustainability concept that definitely we agree with…."* (ConsProA)

Overall, the meaning of sustainability as per the findings above suggests that sustainability may be insufficiently understood (Aras and Crowther 2009; Burritt and Schaltegger 2010) as the balance and harmony of the three Ps is very subjective. Thus, any application of the operating activities of the companies may be flawed and simplistic. The existence of these different views of the concept of sustainability held among all the stakeholders indicates that sustainability can be made to mean what one would like it to mean (Moneva *et al.* 2006). As it is claimed, in sustainability reporting among the companies: "…*while there is an intrinsic value in sustainability […], it is still not entirely understood…*" (ACCA 2013, p.10).

5.5 Concluding remarks

This chapter has provided the overall structures of sustainability practices in Malaysia. It has considered the role played by the transnational, national, and organisational actors in facilitating sustainability practices. Sustainability and sustainable development are contested notions which can be totally debased. The term of sustainability has been used everywhere and it is embedded in the companies' vision and mission. However, enjoying 'green' lives is very difficult to achieve and complicated until the language of sustainability is fully understandable. Sustainability is a difficult concept to comprehend and very complicated in linking the social aspect

involved and the environment (Rotheroe *et al.* 2003). As a result, implementation of sustainability activities varies among the companies.

The companies, government and civil society around the world are embracing the goal towards achieving sustainability in their own ways. However, the most important things are the learning how to implement it. Its implementation is not ambition but it is a detailed and hard work. The evolution of sustainability behaviour of the companies is becoming cultural capital in Bourdieu's framework, which will be discussed in detail in the discussion chapter. The next chapter will see how the dominant players play the game (stakeholder engagement) in the field of sustainability with different perceptions of the meaning of sustainability.

Chapter 6 The stakeholder engagement in sustainability processes

6.1 Introduction

Based on the interview data and other documentary evidence, this chapter answers the main research question: *How do Malaysian companies (in the palm oil and mining sector) engage with their stakeholders?* The objective of this chapter is to provide explanations on the stakeholder engagement practices in Malaysia. The evolving and varying nature of sustainability reporting issues as written down in the annual/sustainability reports show that the selected companies started as environmentally responsible and compliant organisations. Then, due to the stakeholder pressures they moved beyond compliance. It also illustrates the interaction and communication of the relevant stakeholders (state and civil society) and the companies and how their interests have been mediated in the field of sustainability in Malaysia. These stakeholder engagement practices show how important it is to study the pressures and expectations from the civil society and the actions made by the companies and the state towards achieving the (un)sustainability.

This chapter is organised as follows. Section 6.2 addresses the main research question by discussing the stakeholder engagement practices in Malaysia in two case studies; Gold Berhad and Silver Sdn Bhd as these two companies have been pressured by the civil society on their sustainability issue (refer to page 114 Chapter 4). This section reveals the way these two companies are engaging or not with their stakeholders through the available published sources such as annual and sustainability

reports, newspaper clipping, social network and interviews. Section 6.3, analyses the interplay of the company, the state and the civil society in relation to achieving sustainability and showing their roles, power and actions. This section reveals the company's power and domination, and collaboration with the state as an alliance to achieve profit maximization. Lastly, section 6.4 provides some concluding comments on this chapter.

6.2 How Malaysian companies (in the palm oil and mining sectors) engage with their stakeholders

Achieving sustainability is not a goal that a company can reach on its own. In the sustainability field, there are many other players such as the state, the community, the NGOs and environmentalists. Engaging with these players is essential in projecting the company's accountability. These players have their own expectations which may vary from one another. The participation to and involvement with these stakeholders enable companies to listen to societal developments and needs (Schaltegger 2008). At the same time, the stakeholder's expectation may put pressures on the companies. A company will be faced with systemic pressures, or it will need to synchronise its routines and cultures with the reinforced expectations that it should behave ethically. However, the capacity of a stakeholder group to exert pressure over the companies depends on its possession of capital in the sustainability field. Bourdieu "*recogni[s]es that agents actively produce social reality through their mundane activities of sense-making, but he stresses that they do so based on the positions they occupy in an objective space of constraints and facilitations and with cognitive tools issued from that very space*" (Wacquant 2013, p.4).

In this section, the stakeholder engagement in the two case studies of Gold Berhad and Silver Sdn Bhd is discussed to examine the way they position their distribution of different species of capital in the 'field of struggle'; the sustainability field in palm oil and mining sectors. The companies take actions according to an implicit practical logic – a practical sense – and a bodily disposition in order to achieve their goals. Therefore, this section demonstrates how the companies act according to their 'feel for the game' in relation to their stakeholder engagement. According to Bourdieu, the *"feel for the game, as we call it, is what enables an infinite number of moves to be made, adapted to the infinite number of possible situations which no rule, however complex, can foresee"* (Harker and May 1993) and it consists of a series of actions and practices that are directed towards certain goals. Further discussion on how the stakeholder engagement is regarded as 'feel for the game' is given in Chapter 7.

6.2.1 Stakeholder engagement in palm oil sector – Gold Berhad

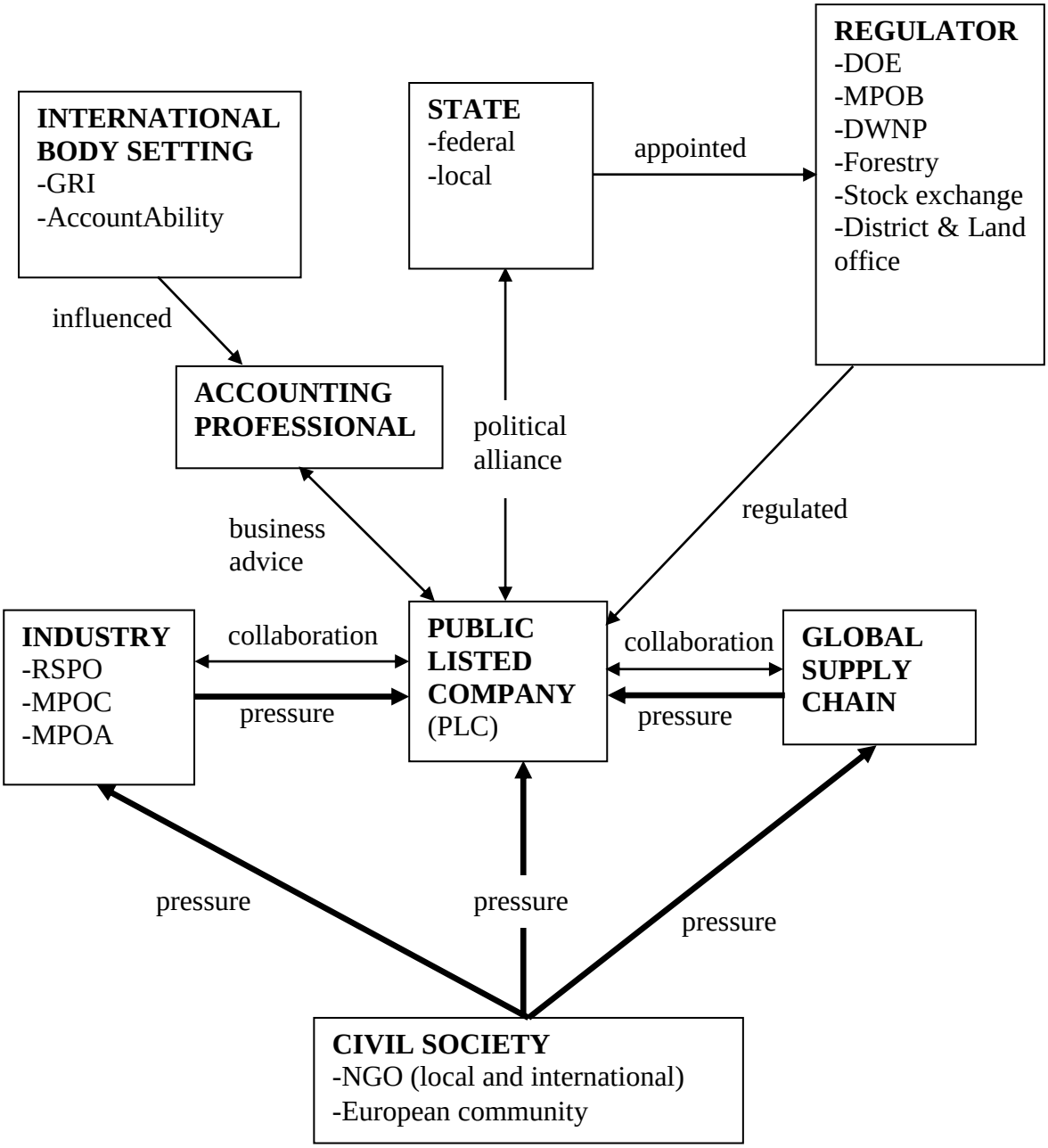
The data gathered from interview and secondary data enable the researcher to examine the relationship between Gold and its stakeholders and the pressures put on Gold as shown in Figure 6.1. It seems that Gold received multiple 'attacks' from civil society such as NGOs, environmentalist and local communities and as a consequence the civil society pressured the supply chain and the industry. This, in turn, resulted in Gold being pressured by the industry and supply chain as well.

Gold, as a GLC controlled by state investment funds, appointed prominent people in its board of directors, both locally and in host countries (Varkkey 2012). The appointed chairman is always a person that was previously an eminent public servant such as former minister or a person who had an important portfolio in the government. Composition of the board of directors consists of eminent people in host countries who can assure for the presence of strategically important people on the ground, for example, appointment of a powerful ex-governor of Indonesia Central Bank in 2008, ex-executive member of Land Custody and Development Authority Sarawak in 2010, a special advisor for the president and executive committee of World Business Council for Sustainable Development in 2010, a powerful and an outstanding man in Malaysia Palm Oil Council (MPOC), and varieties expertise and experienced important people in human rights, companies commission, palm oil plantation, Bursa Malaysia and others (Gold Berhad 2008; Gold Berhad 2010; Varkkey 2012). This composition made Gold a very well-versed company in politics, economy, law, plantation and people on the ground with powerful ex-government personnel in positioning itself in the palm oil sector market. This is where the organisation habitus has structuring the structure of the field of sustainability of this company. Thus, as a state-controlled company, the company is viewed as acting and behaving as a representation of the state and any decision made, even though it is a collective decision, it is prone to be for the state's economic interest and, of course, for the company's profit maximization. Within this setting, the dispute may exist between the development decision made by the state and public interest to advance the economy and may lead to unsustainability.

As a major Malaysia-based multinational company involved in palm oil sector, most of Gold's supply chain and customers are based in Europe. The palm oil sector was under heavy pressure from stakeholders in Europe especially NGOs because of its operating activities which cause deforestation and endanger orang-utans. The issue on sustainability in the palm oil sector was brought up by the Western NGOs such as Greenpeace and Friends of Earth. The industry has been severely blamed for the terrible environmental damage as natural forests are destroyed for palm plantations. Various actions have been conducted to protest against the palm oil industry, such as Nutella tax in 2010 and 2012, Kit Kat video by Greenpeace in 2010, new EU labelling food in 2014 and the accusation made from France's Ecology Minister: *"Nutella spread 'damages environment' in 2015"* (Greenpeace 2010; Willsher 2012; Smedley 2014; BBC 2015). The attacks from NGOs and the European community were not solely against the producer of palm oil only, but also against the major buyers such as Procter and Gamble (P&G), Nestle and Unilever. Greenpeace launched a petition calling on P&G to improve its supply chain practices towards more sustainable palm oil producers (Gies 2014). In 2008, Greenpeace volunteers dressed as orang-utans breached security at Unilever's headquarters across Europe to emphasise the role the company plays in rainforest destruction for palm oil (Greenpeace 2008). NGOs do not only bash the producer and its supply chain but also its sustainable certification body; the Roundtable on Sustainable palm Oil (RSPO). For example, Greenpeace published a report on RSPO: 'Certifying destruction – why consumer companies need to go beyond the RSPO to stop forest destruction' (Greenpeace 2013). In this publication, Greenpeace told the

supply chain to go beyond the RSPO certification to break the link between palm oil and deforestation.

A summary of the above discussion in relation to the pressures put by the stakeholders and the key players of palm oil sector in the sustainability field is depicted in Figure 6.1 below.



GRI - Global Reporting Initiatives
DOE – Department of Environment
MPOB – Malaysian Palm Oil Board
DWNP – Department of Wildlife and National Parks
Forestry – Department of Forestry
Stock Exchange – Bursa Malaysia
RSPO – Roundtable on Sustainable Palm Oil
MPOC – Malaysian Palm Oil Council
MPOA – Malaysian Palm Oil Association

Figure 6.1: Representation of players in the palm oil sector within the sustainability field

As shown in Figure 6.1, Gold as a Malaysia-based multinational company received multiple pressures from the civil society which also pressures the industry and global supply chain which in turn end up putting strong pressures on the company. Since this pressure comes mostly from the international community, i.e., NGOs and the European community, Gold has no choice but to listen to what these people have to say and to start to act accordingly (after analysing the change of Gold's style of reporting in Annual Report in regards of sustainability issue and corporate responsibility). However, because of its collaboration with the global supply chain and palm oil industry Gold is still in a good position. This is because Gold is the largest sustainable palm oil producer and almost all consumer companies buy from Gold.

In order to deal with all this pressure (see Figure 6.1), Gold has to show that it actually promoting sustainability in its operating activities, something that is not visible to the stakeholders, especially to the NGOs. The advice and consultation from the accounting professionals is to enhance their reporting and communication with the stakeholders. Thus the pressure felt from the environmental activists made Gold develop their stakeholder engagement (through the change of sustainability governance structure, reporting style and the pressure received in the international market). As a leader in palm oil industry, Gold needs to respond to the allegations that have been made against it and make the local people, the international players, and, more specifically, the Western NGOs aware of their sustainability activities. By examining the annual report and sustainability report alone, Gold strategised their sustainability effort starting with complying with the regulative requirements set by

Bursa Malaysia. As its opposition in palm oil industry comes from the NGOs' group, Gold was looking to establish a joint-venture project with either NGOs or a non-profit organisation. At the same time, Gold has set up a sustainability governance board – a board responsible for monitoring sustainability issues across all the divisions of the company, starting from the board through the executive management down to its operating units and all levels of staff.

Gold identifies their internal stakeholders, i.e., the board of directors, the management and employees, as their essential stakeholders. This is noted by PcoA1:

> *"When I started my work in the early days, I would say that profit is very important. I'm not saying that one is more important than the other; it is actually the balance of 3P's. But, if you ask me now really I will say that people is number one. If you have the right people, they will take care of your planet and when both are treated well, the profit will come."*

The other key stakeholders identified by the company are their key customers for example Unilever and Nestle, local investors such as PNB and European investors, NGOs who put pressures by 'attacking' the company and RSPO as the mediator in engaging with the people on the ground (PcoA1). These stakeholders are the ones who have the most economic power over the company (Rinaldi *et al.* 2014). With these stakeholders in mind, they start to strategise their stakeholder engagement in order to be a leading sustainable palm oil producer with internal and external engagement mechanism.

6.2.2.1 The internal engagement mechanism

Gold started to re-structure its sustainability governance to comply with the regulative requirement in 2008. The initiative started with the appointment of a Head of Group Corporate Social Responsibility to manage the Bursa Malaysia's new listing requirements of CSR and then proceeded with creating the position of Group Chief Sustainability Officer. Even though sustainable practices are the DNA of the company since Gold claims that it carries out sustainable activities, Gold also proceeds with the appointment of personnel with expert knowledge of sustainability which will create cultural capital (knowledge on sustainability) for the company and which can instil knowledge about sustainability throughout all the company's departments. This sustainability governance improved over time until *"a robust corporate sustainability governance structure"* was established in 2011, *"with the Board of Directors being the highest authority accountable for the Group's Sustainability strategy and performance"* (Gold Berhad 2011a, p.58). On 28 August 2012, the Sustainability Committee (SC) was established to ascertain that the group's objectives, policies and practices have sustainability considerations (Gold Berhad 2012, p.61). As was stated, *"[t]he SC's philosophy is that business must include not only Profit, but should consider the People and the Planet aspects as well"* (Gold Berhad 2012, p.67). This sustainability governance structure – which is depicted in Figure 6.2 below – can subscribe to good corporate governance and high ethical values.

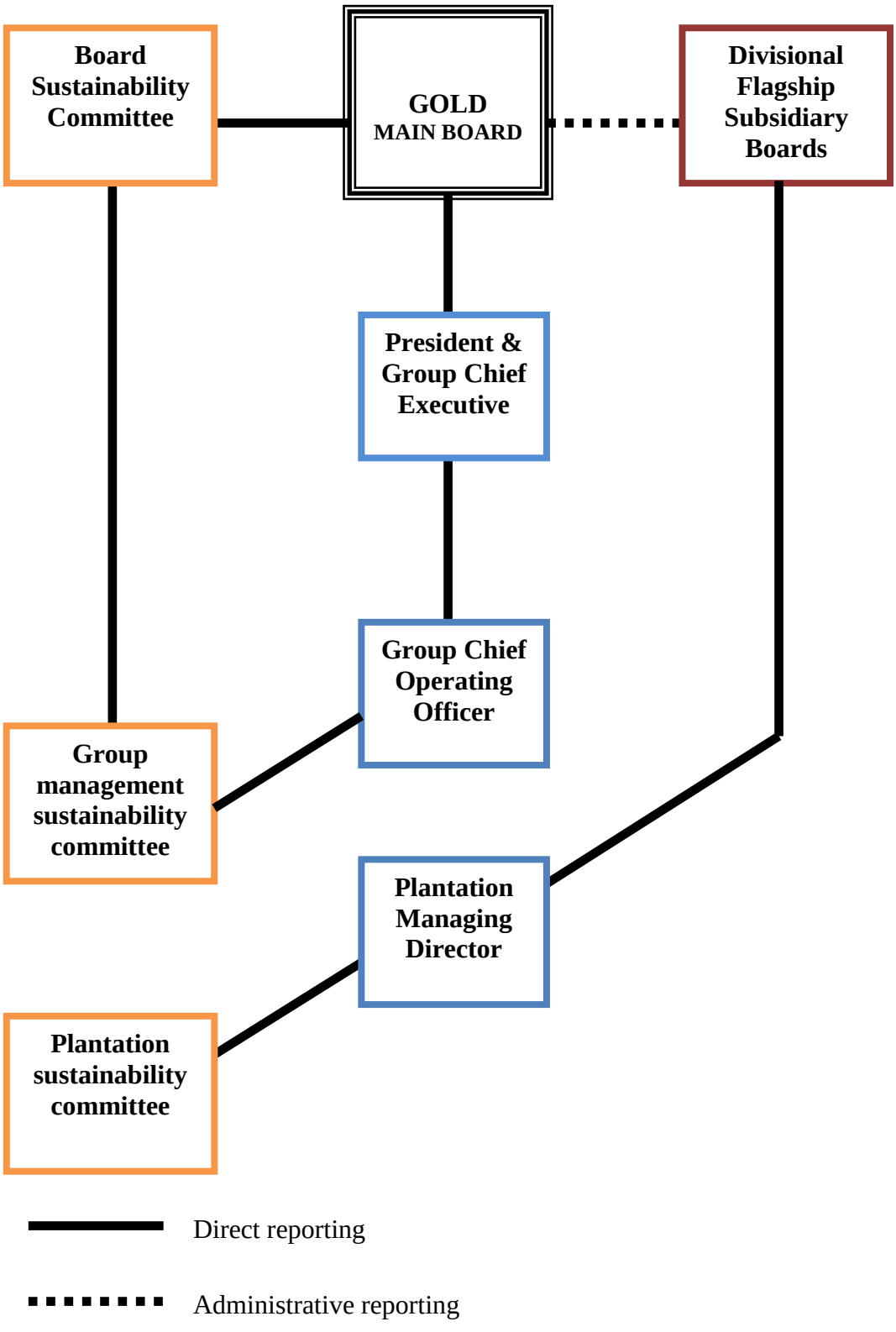


Figure 6.2: Group's corporate sustainability governance structure

(Source: Gold Sustainability Report 2014)

A good structure of corporate sustainability governance can provide sustainability awareness throughout the group from the top to the bottom. In Gold, it is argued that *"sustainability is embedded in […their] organisational approach and is led from the top"* (Gold Berhad 2014a, p.19). With that in mind, Gold conducted a continuous lecture series of sustainability events from 2008 until 2011 to create and adopt a more practical sustainability and understandable concept of sustainability among top management (knowledge on sustainability = cultural capital).

> *"Beginning in August 2008, we have launched the lecture series on sustainability, which is aimed at provoking dialogue and encouraging the interchange of ideas on sustainable development. This initiative further underlines our commitment towards sustainable development." (Gold Berhad 2008, p.49)*

The board of directors and key management personnel attended this lecture series together with other programmes on sustainability held by Bursa Malaysia for developing sustainability thought leadership. The fact that the board of directors and key management personnel gained knowledge and a good understanding of sustainability practices made it easier to disseminate information about and promote sustainability to the lower level staff. In 2013, the company internally distributed the 'Sustainability Handbook' to all levels of staff to instil and disseminate knowledge about right sustainability practices to be applied to all levels and functions within the company. Its Head of Group Sustainability & Quality Management mentioned that:

> *"Gold, the world's largest producer of sustainable palm oil, also engaged its workers regularly to cultivate sustainable practices." (Singapore Institute of International Affairs 2014)*

In order to instil good sustainability practices into all the levels of staff, Gold internally conducts an annually employee engagement survey.

> *"Internally, we conduct Group-wide engagements such as the annual Global Employee Engagement Survey to understand employees' views on a range of issues that include leadership attributes, rewards, talent development and retention*." (Gold Berhad 2011b, p.48)

Gold also created a biannual group financial event twice to establish two-way communication channel between the employees and the executive leadership of the company (Gold Berhad 2011b, p.50). A series of roadshows was conducted where the president and a group of chief executives visited offices and operations across the Group to meet and speak with employees (Gold Berhad 2011b, p.51). All initiatives above, however, are seen only as a business strategy that is commonly implemented for economic benefits. The internal sustainability advisor said that:

> *"The Government, through GLCs such as Gold, is openly urging companies to become channels for the next phase of our national socio-economic development. We have seen that global imperatives such as climate change and sustainable development used to echo in halls New York or Geneva, but now they are on the agenda in our Boardrooms. Responsibility and sustainability are not fashions or fads – they are here to stay and we should become more adept at dealing with these new business norms."* (Global Business Initiative on Human Rights 2011)

The appointment of an environmentalist as a Group Sustainability Advisor; an external advisor on material sustainability trends, issues and opportunities to enhance the sustainability practices within the Group (Gold Berhad 2013, p.23) is another internal initiative made by Gold. Appointing this environmentalist as a sustainability advisor, furthermore demonstrates to the public that Gold set the tone for and demonstrated a lot of support for sustainability. As one of the prominent voices of environmentalism, this environmentalist was believed to be able to assist Gold in its sustainability practices. This has been highlighted by executive management (PcoA2):

> *"We have a conservationist sitting on our boards making sure that we are doing the right things. He is our advisor for the sustainability practices of the company."*

Notwithstanding, some would see his involvement in palm oil company as a source of funding. The Director of Liberia's Sustainable Development Institute said that:

> *"According to The Time article, palm oil companies are funding Forum for the Future and I note that the reported pay of Forum for the Future's director would cover the annual wage of over 80 nurses in Liberia." (Siakor 2014)*

As also claimed by an environmentalist (EnvB):

> *"…don't pay the consultant. If paid, then it is for another interest already. If money is involved here, his role is not genuine and the consultant will not be independent anymore."*

Therefore, the independence of the advisor can be in question.

In 2011, Gold developed its first sustainability report to show its accountability and transparency to its stakeholders by disclosing relevant information on sustainability strategies, objectives and performance. This inaugural sustainability report "*provides a window into how we are internalising our commitment to sustainability*" (Gold Berhad 2011b, p.7). This report also articulates how a sustainability approach is linked to operating activities, its engagement with various stakeholders and its involvement with sustainability organisations such as Roundtable on Sustainable Palm Oil, Malaysian Sustainable Palm Oil Standard, World Business Council for Sustainable Development and others in order to shape its sustainability agenda. While it is a good thing to have information about its sustainability practices, this sustainability report did not provide all relevant information. As noted by an environmentalist (EnvB):

> *"having a sustainability report is a good thing but it does not tell you everything. They did not tell you about the riparian zone. I don't think so. It tells you only the nice things but not the bad things. It only shows the things that it wants you to see … that is how public relations (PR) work…they cannot disclose the negative things."*

Thus, the transparency of the information given in sustainability report is in doubt.

All these internal stakeholder engagements as mentioned above are seen as Gold is building the 'cultural capital' of all the levels of its staff in understanding the sustainability issues arising within their operating activities. As mentioned by one personnel of Gold:

> *"... we produce sustainability report as a way of communication to inspire people. We produce the handbook (on sustainability) to make sure that people understand. We also have a group sustainability day." (PcoA1)*

Achieving understanding of sustainability among all staff is essential in creating shared values towards achieving a better performance. "*Our employees are keys to the performance of the Group's Sustainability and Corporate Responsibility journey*" (Gold Berhad 2014a, p.22). At the same time, Gold improved its social capital (through social connection with staff during the employee engagement program, for example) with internal stakeholders; i.e., its employees at all levels. These cultural and social capitals in Bourdieu's framework would elevate the credibility of Gold as the leader in sustainability field in Malaysia, and as the leading global sustainable palm oil plantation company.

6.2.1.2 The external engagement mechanism

Gold took the initiative to make sure all the staff in the group, not only those working in the palm oil sector only, know the meaning of sustainability. Only with the understanding of sustainability Gold can further strategise its engagement with their external stakeholders.

As a producer of sustainable palm oil, Gold actively subscribes to all Principles and Criteria laid by the Roundtable on Sustainable Palm Oil (RSPO) as the palm oil industry standard setting board. RSPO is a comprehensive standard body that involved multi-stakeholders throughout the palm oil value chain. Gold achieved RSPO certification in 2008 and it now is the largest sustainable palm oil producer.

> *"As one of the founding members of the Roundtable on Sustainable Palm Oil (RSPO), we are now the largest producer of sustainable palm oil worldwide, a testament to our belief in sustainable practices."* (Gold Berhad 2014b, p.9)

As a founding member of RSPO and a leading certified sustainable palm oil producer in the world, Gold has the advantage of gaining access to the international sustainable palm oil market (social capital). RSPO certification is one of the ways the company exercises its sustainability practices in palm oil industry. Unilever, Gold's major customer, believes that the company produces sustainable products under the RSPO membership. The senior vice president of sustainability at Unilever said:

> *"Palm oil can be six to ten times more productive than sunflower oil, and if it is cultivated correctly it can be a sustainable crop. That is what we, and our partners in the RSPO, are working towards." (Food Navigator-USA 2010)*

However, a representative from Lush cosmetics gave a contradictory statement:

> *"Nothing that the RSPO talks about is sustainable. We believe it is nothing more than greenwashing. The only thing that is sustainable is to cut our consumption of palm oil; as a company that's what we decided to do and move to rapeseed oil, something that's easier to grow." (Ethical Consumer 2013)*

Even though engagement in Roundtable on Sustainable Palm Oil (RSPO) was seen as greenwashing by a certain party, RSPO is a multi-stakeholder non-profit group founded in 2004 with the objective of "*promoting the growth and use of sustainable oil palm products through credible global standards and engagement of*

stakeholders" (Sustainable Palm Oil 2015). At the same time, Gold has an active participation as a working group and it attends meetings in other industry related organisations such as Malaysian Sustainable Palm Oil Standard (MSPO), Malaysian Palm Oil Association (MPOA), Malaysian Palm Oil Board (MPOB) and Malaysian Palm Oil Council (MPOC) – in building social capital in the palm oil sector.

From the annual report it seems that Gold has had collaboration with various researchers, government agency departments, NGOs and environmentalist throughout the years. These collaborations are a form of engagement that Gold has had with their various stakeholders (social and cultural capital). Among the projects are environmental, wildlife and biodiversity projects under environment (see Appendix 3), and philanthropy efforts in education, sport and the community in general. However, all these projects were seen as an additional effort from the company to show that it cares about the environment, wildlife and biodiversity. Those projects did not answer all the allegations made by Western NGOs about deforestation and palm oil industry as the killer of orang-utan, for example. Moreover, these efforts were viewed by an NGO representative as an expression of guilt from the company for whatever it had taken from the nature and society in the previous years (NGOb). At the same time, these efforts were seen as cover of whatever unsustainability activities it had conducted. An environmentalist contended that:

> *"…it is no surprise that whichever report given the negative side of things is basically not mentioned…we are partners in conservation but there is still the issue of riparian reserve that it is still not resolved. I told them about it but they query me: "where do you see it?" I said in Sandakan, Sabah and I showed the photo. They were furious." (EnvB)*

On the bright side, even though most of the projects (see Appendix 3) were not directly involved with their operating activities[12], these engagements showed that the company is committed to conducting its business in more environmentally-sound and socially conscious way. For most of the cases, it seems that there is a noteworthy effort on the part of Gold in researching and improving their knowledge on biodiversity and various types of habitat, and in changing the social status of its employees and their families through education sponsorships, for example.

Some of the latest issues are about the 'High Carbon Stock' (HCS)[13] study, traceable and transparent supply chains (sustainable producers) and new regulations written by European countries for providing the exact ingredients used on the food label. In response to this HCS and few existing issues like deforestation, high conservative value (HCV), protecting peat areas and socio-economic impact for people and community, Sustainable Palm Oil Manifesto (SPOM)[14] was signed. In the sustainability report it was stated that *"[i]n September 2014, we further enhanced our commitment to sustainability by halting all development pending the results of a 12-month study on HCS areas"* (Gold Berhad 2014b, p.35). At the same time, this shows Gold's effort to inform its stakeholders that whatever allegation was made, study and

[12] Gold operating activities for palm oil plantation involved clearing land for planting oil palm. But other activities that Gold carried out for example conservation of Rhino, were not on its own plantation land. Such activities seem as an extra corporate responsibility project rather than trying to improve sustainability activities on its own plantation land.

[13] Tropical forests hold large stores of carbon. The amount of carbon stored in an area varies according to the type of plants, soil and other geographic factors. Forests sequester significant amounts of carbon from the atmosphere and store it in leaves, stems, roots and soils. Carbon is released as carbon dioxide (CO_2) when the organic matter decomposes, or when land is cleared for development. (see http://www.carbonstockstudy.com/HCS-Study/What-is-Carbon-Stock#)

[14] Sustainable Palm Oil Manifesto signatories are: Gold Plantation, Musim Mas Group, Kuala Lumpur Kepong Berhad (KLK), IOI Group Corporation, Cargill and Asian Agri/APICAL.

research has been conducted to improve o Gold in the best way possible. Yet, this effort is not accepted as genuine by certain NGOs. For example, Greenpeace International gave feedback on this initiative and viewed it as 'Greenwash alert as palm oil companies sign onto continued deforestation'(Greenpeace 2014a).

By complying with Principles and Criteria of RSPO certification, collaborating with researchers, environmentalists, NGOs and government agencies and making a manifesto, Gold holds a strong position in the sustainability field. Gold made it possible to act in "*a constant invention, an improvisation that is absolutely necessary in order for one to adapt to situations that are infinitely varied*" (Lamaison 1986).

6.2.1.3 Summary of stakeholder engagement in Gold

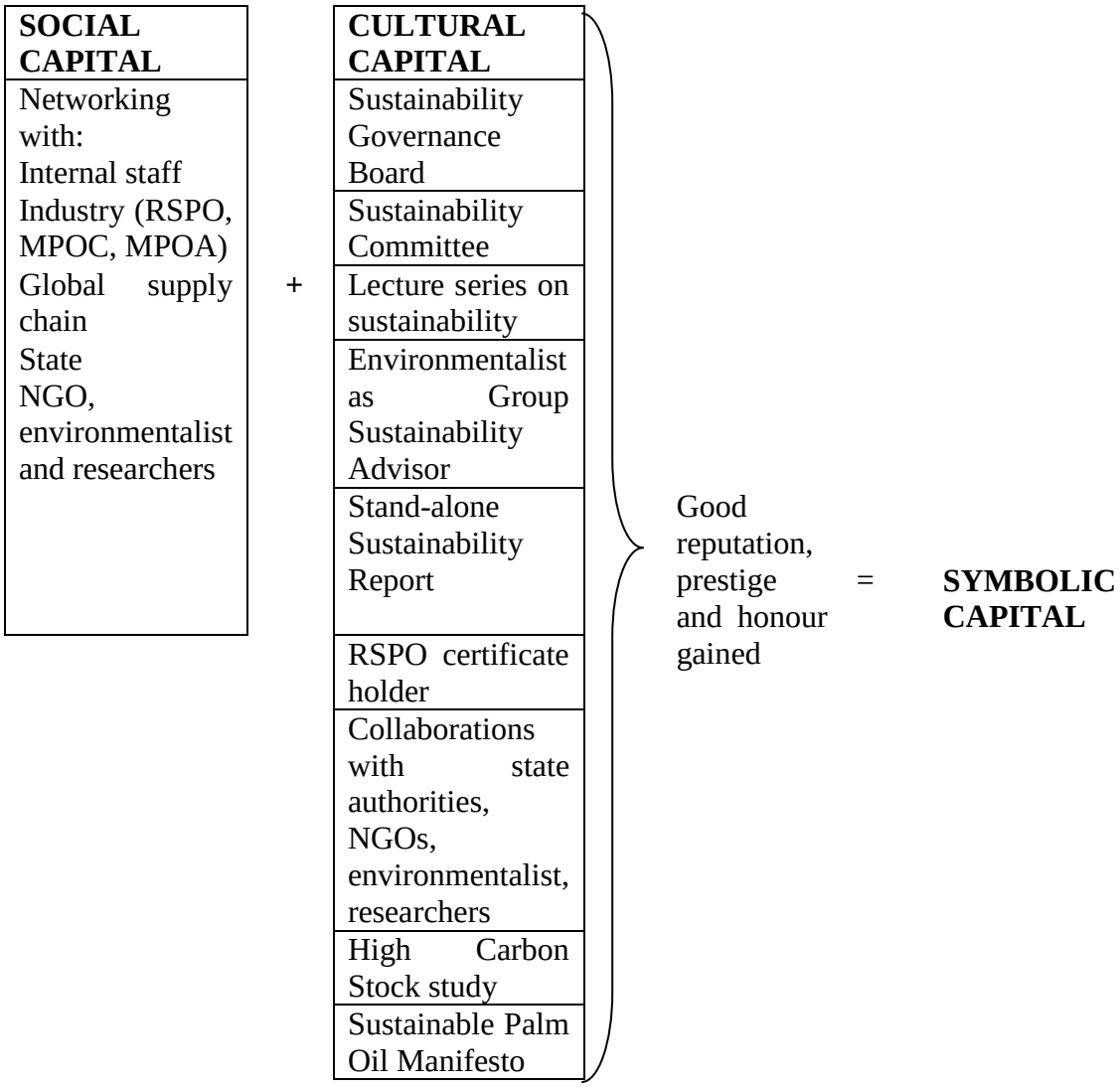


Figure 6.3: Gold's social, cultural and symbolic capital

The Figure 6.3 above illustrates the social and cultural capital accumulated by Gold in the sustainability field. With these capital positioned in the field of sustainability, it creates good reputation, prestige and honour among the consumers, global supply chain, state and agency in the industry which called symbolic capital. This symbolic capital gives Gold the symbolic power that can be exercised while engaging its stakeholders in seeing it as a legitimate sustainable palm oil producer.

6.2.2 Stakeholder engagement in mining sector – Silver Sdn Bhd

Silver Corporation, Ltd. (henceforth SilverCorp) is a foreign rare earth elements mining company that built the world's largest processing plants for rare earths, Silver Sdn Bhd (henceforth Silver), in an industrial area, in the east coast of Malaysia. SilverCorp took over another company and through that it acquired a licence to operate a REE processing plant and a permit to build a processing plant in its own country. For cost-cutting alternatives, it planned to move it's processing to China – where there is low capital and operating costs but with high skilled people within the REE industry. However, the plan changed and moved to Malaysia after China imposed some export control and taxation which were not in favour of the company. In Malaysia, SilverCorp was offered twelve years tax exemption as this rare earth industry is a totally new industry to Malaysia – eligible for pioneer status. Its chairman said: "*Malaysia has a good infrastructure, good access to re-agents, very good access to energy and most particularly very good and well-trained engineers, local Malaysian engineers*" (Silver Malaysia 2011b). For these reasons he chose Malaysia as the "*pragmatic place to process and refine the material*" (Silver Malaysia 2011b).

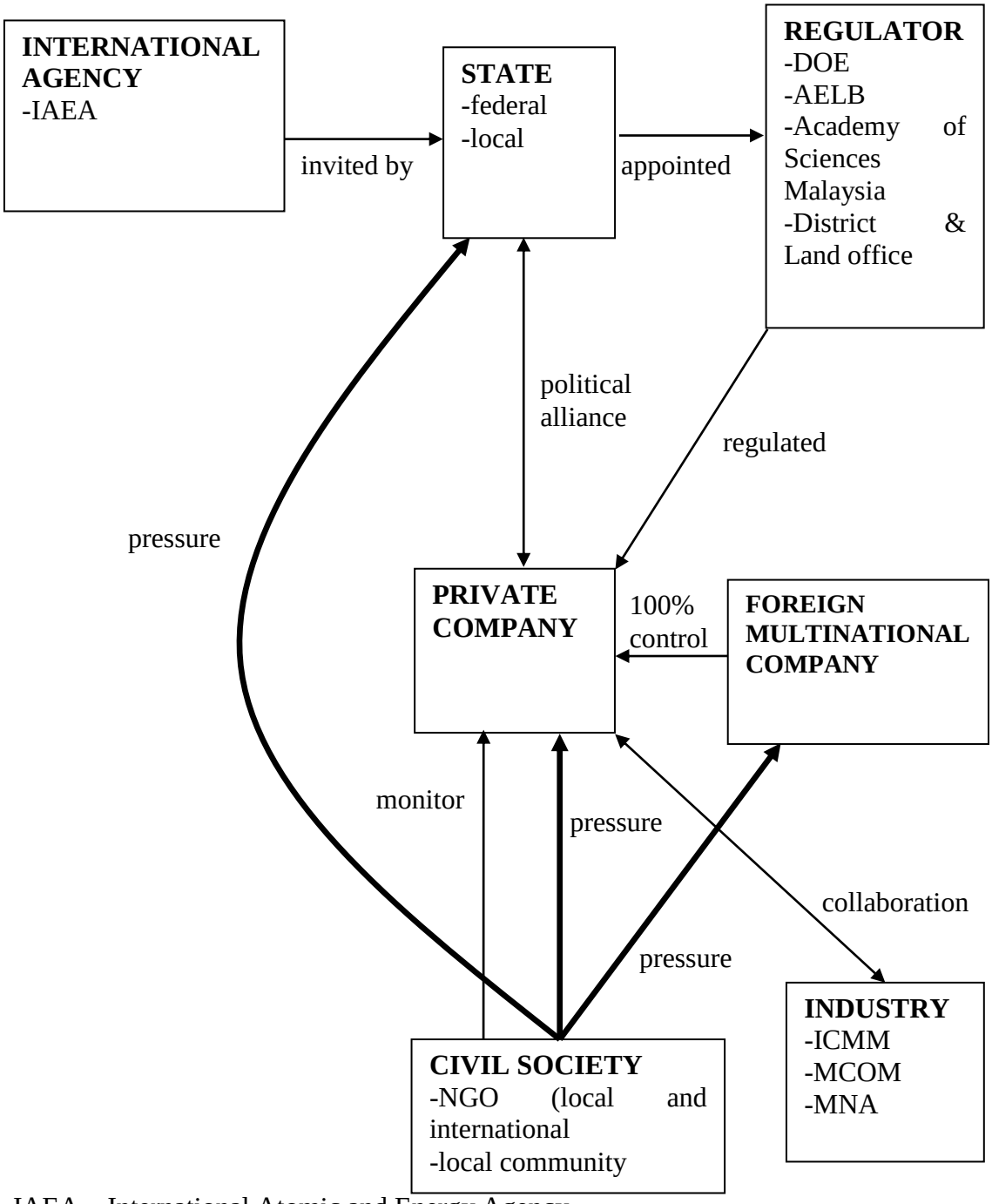
This former chairman was the founder of SilverCorp who served as the Chief Executive Officer of Silver Corp from 2001 to 2013. Prior to joining Silver Corp, he served as the President of Sino Mining International Ltd from 1995 till 2000 and

CEO from 1996 to 2000. He has over twenty eight years of experience in banking investment and mining finance, the last ten years of which have been focused on China. He started to develop an interest in rare earths while working with a former head of raw materials at China's state planning commission (Behrmann 2011). He worked for six years from 1994 to 2000 at a unit of China National Nonferrous Metals Industry Corp., which controlled all of China's non-steel-related metals until 2000 (Behrmann 2011). An equity analyst said: "*He saw an opportunity there. It's probably an understanding of the market he's picked up from dealing with the Chinese*" (Behrmann 2011). His experience in China has made Silver Corp as a significant non-Chinese supplier on rare earth. All the experiences gain throughout his life and in this industry is considered as habitus.

The issue of sustainability was brought up as Silver rare earth plant produce radioactive toxic waste (environmental issue). This waste was regarded as residue and the company did not specify its permanent disposal facility. In the meantime, the radioactive waste was being stored at an open storage pond. This has sparked much controversy due to concerns it would emit radioactive toxic which would be detrimental to the environment and to public health. The persistent protests were made through NGOs group such as Green Assembly, Save Malaysia Stop Silver, Green Coalition People and Anti Rare Earth Authority Action (BADAR). The Member of Parliament of that constituency had also tabled the local people's petition to stop the project in the Parliament.[15] As a way to allay the public's anxiety, the ruling party invited an independent international expert panel in May 2011, conducted

[15] This is the same person as the lawmaker mentioned in Chapter 5, section 5.2.1.

public briefings on the environmental and public safety issues, and appointed a special parliamentary committee in 2012 to review the plant instead of demolishing the project. However, all the public engagement made by the state and the company failed to notify the location of the permanent disposal facility. Many actions were taken by NGOs, including protest rallies, gathering 1.2 million signatures to force Silver to close the facility, attending the SilverCorp's AGM, and funding a study by Oeko for Applied Ecology. These pressures got more severe when the local community also attacked Silver's potential supply chains such as Siemen which then cancelled the joint venture. Another firm, a Japanese financial firm which was a potential investor also ceased its negotiations with Silver. The local NGOs also sought support from international NGOs such as Friends of Earth, Greenpeace and 'StopSilver!' which put more pressures on the state and the company to behave sustainably. All these pressures from the stakeholders and the key players of the mining sector can be seen as in Figure 6.3 and the chronological events of Silver are noted in Appendix 4.



IAEA – International Atomic and Energy Agency
DOE – Department of Environment
AELB – Atomic Energy Licensing Board
ICMM – International Council on Mining and Metals
MCOM – Malaysian Chamber of Mines
MNA – Malaysian Nuclear Agency

Figure 6.4: Representation of the key players in the mining sector within sustainability field

As illustrated in Figure 6.4, Silver has only pressure from the civil society who opposed the operation of Silver in Malaysia. Since the state approved this project, the opposition from the civil society also attacked the state and urged the state to call off this project. However, the state is seen as the one that allowed Silver to continue its operation.

Silver Corp was granted the permission to build the plant in 2006 at one location in the east coast of Malaysia before it received an advice of change in location from the federal office of MIDA in 2007 (Silver Corporation Ltd 2007). The change of location required Silver to resubmit the application approval to the relevant regulators such as DOE and AELB. Therefore, Silver needed to re-engage with the community surrounding the rare earth plant in completing the Environmental Impact Assessment (EIA) and Radiological Impact Assessment (RIA).

On 8 March 2011, an article published by the New York Times uncovered the facts about the Silver project in the area (Bradsher 2011b) and only then did the local community start to put pressure on the company. The local community claimed that they were not being informed of the project until The New York Times published this news. In his open letter to Silver's CEO, a chairperson of resident's movement, said "*we started opposing the sets up of the plant because of the simple reason that Silver had not consulted the local communities here before they began building it*" (Tan 2014). This is where the pressure from local communities started from and they began

to protest and, at the same time, educate the rest of the communities regarding the danger of the radioactive waste. There are a number of NGOs and environmentalists such Green Coalition, which emerged so as to represent the society and bring the protest to the attention of the state. At the same time, the state was also being accused of being responsible of approving the project.

Thus, it is notable that this research separates the stakeholder engagement into two periods: 'before local communities knew about the Silver project' (with no pressure from local community, NGOs and politicians), and 'after the local communities knew about the Silver project' (with pressure from local community, local and international NGOs and politicians) based on the annual report, news clipping and any publicly available information as well as interviews.

6.2.2.1 The engagement mechanism before 8 March 2011 – no pressure from stakeholder

In this case, Silver is viewed as playing the 'game' according to the rules and regulations imposed by the Malaysian regulators – i.e. cultural capital. Silver claimed that it acted responsibly by complying with the rules and regulations and by making applications to relevant authorities and regulators for the new location.

> *"During the last 12 months, the regulatory approval process was repeated for the new location requiring a new EIA and a RIA. All approvals have since been obtained including the Department of Environment (DOE) siting and works approvals, local municipal government approvals and the siting and construction approvals for the Milling Licence issued by the Atomic Energy Licensing Board (AELB)." (Silver Corporation Ltd 2008, p.12)*

Silver claimed that it had complied with all relevant Malaysian regulatory authority approval requirements; in their words, "*submissions were developed for the Department of Environment, the Atomic Energy Licensing Board and the Municipal Council authorities*" (Silver Corporation Ltd 2007, p.13). Silver is seen as complying with the rules and regulations in the state's eye but the local community is not ignorant. Local community and NGOs knows that for Silver to operate in its own country the rules and regulations are stricter than in Malaysia. Yet, Silver regarded their stakeholder engagement as successful when it received formal notification from the relevant regulators and, thus, gained community acceptance.

> *"Importantly, we have had to gain community acceptance for our operations in Malaysia and ... Community acceptance is expressed in the formal notifications of approvals that we have received this year from the relevant government authorities. We now have in place all necessary approvals to construct all our operations." (Silver Corporation Ltd 2008, p.2)*

Silver also wrote on its website: "*The plant is designed to meet all of the safety and environmental standards for Malaysia, as well as Australian and international standards…*" (Tasker 2011; Silver 2015). This was consistent with the statements from the following regulator:

> *"The Environmental Impact Assessment (EIA) Report on the project was approved by the Department of Environment on 15 February 2008. The Department confirms that Silver has complied with all requirements of the EIA approval to date." (Nuclear Malaysia Agency 2011)*

> *"The Radiological Impact Assessment (RIA) conducted by the Nuclear Malaysia affirms that operation of the proposed Silver plant would not pose any radiological risk to workers and members of the public living in the areas surrounding the site beyond what is allowed by the regulatory authorities." (Nuclear Malaysia Agency 2011)*

Silver was playing this 'game' by regarding its stakeholder engagement was successful when it received formal notification from the relevant regulators. In this

case, approval by state and regulators means community acceptance. The Silver's obedience to rules and regulations honoured Silver as capable and competent in the sustainability field. Therefore, Silver utilises its cultural capital (knowledge about the law and regulations) so as to secure its sustainable operation in Malaysia. However, obedience to rules may be accepted as enough only by the state and regulators but not by the civil society; i.e. the local community and NGOs. As Bourdieu said "*the left hand of the state has the sense that the right hand no longer knows, or, worse, no longer really wants to know what the left hand does*" (Bourdieu 1998a, p.2). The state seems to have neglected their role as the guardian of public interest in order to aim for economic development; there is "*in reality despair at the failure of the state as the guardian of the public interest*" (Bourdieu 1998a, p.2).

Appeasing the state and regulators by complying with their rules and regulations is a bonus for Silver for its lobbying practices and for being part of a good social network – i.e. social capital. Silver, here, seems to have a strategy to engage more with the state instead of the community because it has the same interests in economic capital with the state. Silver knows that Malaysia needs industrial development in this particular east coast area. Silver's chairman said:

> *"We have talk to the [Malaysian] government and they made particularly obvious they're interested in the next major development on the east coast. There has been stagnation for over 10 years in that part in terms of industrial development because everybody left after the Asian financial crisis." (Silver Malaysia 2011b)*

With the same goal in mind, Silver plans its stakeholder engagement by obliging to the regulation requirements and building a close relationship with the state. Silver clearly stated its belief in maintaining a close relationship with the state as mentioned in its 2007 annual report: "*The company believes locating within a supportive State is*

of great importance and will benefit the company in the long term" (Silver Corporation Ltd 2007, p.13). This engagement is seen as more engagement towards making progress in having 'good connection' and thus, gained full support from the regulators and the state. In its 2008 annual report, Silver noted that:

> *"Silver has been welcomed by the host community in Kuantan and has engaged with all levels of the State Government and the local authorities. Detailed presentations on the company's operations have been made to the State Executive Committee, Department of Environment, State Planning Unit, Fire Department, Department of Safety and Health and Municipal Councils. Utility providers and the Port of Kuantan have also been briefed on developments and future operational activities." (Silver Corporation Ltd 2008, p.12)*

The above statement found in its annual report gives further strong evidence of its lobbying the state and regulators: "*A tour of the site was conducted and meetings took place with senior State and Federal Government officials, including the Chief Minister for the state*" (Silver Corporation Ltd 2008, p.13). Having this close relationship with the state was the company's aim which sees this relationship important for the company to be 'sustainable' and continue to operate in Malaysia. In its annual reports, Silver mentioned that they have made community engagements since the beginning of its operations For example, it is reported that:

> *"Community engagements, especially in Malaysia, have continued to further build relationships and to communicate the reasons for project suspension. Positive sessions with the political parties and media at both federal and state levels and the Company's engagement with the local communities will continue as an ongoing programme." (Silver Corporation Ltd 2009, p.3)*

> *"Silver has undertaken significant community engagement in the last financial year. These have included forums with the neighbours in the industrial estate, the port operations staff, State Government and Officials, local government, municipal bodies, NGOs, and the utility providers." (Silver Corporation Ltd 2009, p.11)*

> *"Silver continues to meet with, and develop relationships with, the Malaysian community within the city." (Silver Corporation Ltd 2009, p.12)*

However, in reality Silver engages with certain stakeholders, such as the state and regulator, because they are the ones that can actually help the company by giving it the green light to operate in Malaysia and by giving the company economic benefits so as to operate in Malaysia. Having a good relationship with the state and regulators and having goal congruence is really a nice 'shot'. Nevertheless, Silver may have an 'ignorant' mind; and may be forgetting about the power of civil society which is the one that monitors companies' behaviour (Hamann and Acutt 2003). "*Everything a company now does it does in the public gaze*" (Humphreys 2000, 129).

The analysis above illustrates that Silver was viewed to engage maybe with only specific stakeholder just to 'tick the box', to fulfill the regulation's need and to comply with the requirements made by the regulators. Most of the engagement reported in its annual report gives the picture that Silver is actually trying to strengthen its 'social capital' with the state and regulators rather than to engage with the local community. It is claimed that no community's consultation or even a 'cosmetic' engagement was made at the early stages of this project. Thus, Silver is seen as positioning itself in the sustainability field through the accumulation of cultural (knowledge on rules and regulations) and social capital (networking with the state -state agencies and authorities), which in turn give economic benefits. Silver as a "*good player, who is as it were the embodiment of the game, is continually doing what needs to be done, what the game demands and requires*" (Bourdieu 1986b, p.112) so as to stake its claim in the field.

6.2.2.2 The engagement mechanism after 8 March 2011 – with pressure from stakeholders

Silver assured that it had taken all the necessary actions to engage with the local community but its chairman said "*we acknowledge that notwithstanding early community outreach in 2009, we had not done enough to build community confidence*" (Silver Corporation Ltd 2011, p.8). It seems that the company in a way did not confess to not reaching out to the local community, but, instead focussed on having a "*deep concern over the perceived hazard and environmental risk of the plant…*" (Silver Corporation Ltd 2011, p.8). The chairman further noted that this concern "*gave rise to a deep misunderstanding and misperceptions about the nature of our raw material and processing operations, including the potential for contamination to air and wate*r" (Silver Corporation Ltd 2011, p.8). Focusing on 'misunderstanding and misconceptions' give a sense of the game that gives the opportunity to Silver to choose the best possible match – 'the trump cards and the bad cards' (Bourdieu 1986b, 113). Silver claimed that it had made more briefing sessions with the local community, disseminated information about the company and rare earth in social media like Twitter and Facebook (see Appendix 5), held press conferences and made official video available on YouTube. All these channels are meant to provide knowledge about the company's operation and its sensitivity towards the safety and health risks of the public. Its chairman assured that the project was entirely safe and said "*we are transparent about our operations and people can ask us any question*" (The Star Online 2011d). Silver claimed that:

> *"We remain committed to the principle that our activities are directed to benefitting all constituencies with which we engage. Securing a Full Operating Stage Licence in early September reflects our ability to operate plant to the appropriately high safety and environmental standards of the Malaysian authorities. This important achievement is in line with our belief that seeking beneficial returns for our shareholders cannot be done without also benefiting our communities, employees, customers and suppliers. We believe that our key stakeholders, including the communities in which we operate, can expect a high level of engagement and transparency regarding our commitment to a sustainable and mutually beneficial future." (Silver Corporation Ltd 2014, p.i)*

However, this assurance does not guarantee that no harmful incident can be happened (Bedi 2011). Even though this project is seen as less risky compared to the Bhopal gas, Chernobyl and Fukushima projects, and even with the utmost precautions, nobody can predict these disasters. That something is hazardous to the environment and public health may not be obvious now but it may become obvious in the future. "*We cannot see the impact now and even it is low radiation, in 20 years' time it may give rise to a lot of cases*" (pParliamentA). This justification aligns with a general practitioner physician's and a toxicologist's opinion: "*The word 'low' here is just a matter of perception – it's a carcinogen*" (Bradsher, 2011). The international NGO urged that the state should study the previous international cases. For example:

> *"China has been supplying about 97 percent of the world's rare earth oxides at low costs. There, poorly managed refineries and their toxic waste have poisoned the surrounding land and waterways, posing serious health hazards and agriculture problems to the local community. Pollution is so serious that the Yellow River 10 km away was contaminated through its tributaries. Increasing fatal cases of cancer and ruined crops have been reported. In some places, the problem was so bad that the entire village had to be relocated." (Tan 2012)*

> *"In the USA, the Molycorp rare earth plant in California's Mt Pass was shut down in 2000 by the government due to groundwater contamination and pollution problems." (Tan 2012)*

Thus, the briefing on low potential risk to the community and the stakeholder engagement made by Silver can be seen as ways to secure the cultural (sharing

knowledge with the community) and social capital (reaching out to local community) in the sustainability field and ways of get the licence to operate from the state, not the civil society.

Obtaining the licence to operate from the state gave recognition of prestige and honour to Silver (Bourdieu 1977, p.179). This made Silver "*put into action the symbolic capital that they have acquired in previous struggle*" (Bourdieu 1985; Bourdieu 1989) and it gained unyielding support from the state. The state and regulators as well as the Minister of Science, Technology and Innovation gave assurance that the rare earth plant is safe:

> *"the plant is safe and we will ensure that the company observes the processing procedures. It differs from the previous plant, ... apart from adhering to the Atomic Energy Licensing Board (AELB) rules, Silver had to comply with all legal requirements established by several enforcement bodies before a licen[c]e was issued." (Malaysiakini 2011)*

A series of public briefings held by a state development agency together with state, DOE, AELB and Nuclear Malaysia was seen as protective strategies of the company and not as public guardians. For example:

> *"In a booklet distributed during public briefings, state development agency said the department approved the project after a detailed review of two reports the Environmental Impact Assessment (EIA) and the Qualitative Risk Assessment." (The Star Online 2011a)*

> *"It is not even classified as radioactive by international standards. It is just industrial waste, - said AELB director-general." (Sean 2011)*

> *"On claims that the waste is radioactive and thus hazardous, AELB director-general says that if this logic was applied, the petroleum and chemical industries would have to be closed down as well since their wastes contain similar radioactive substances." (Bedi 2011)*

The scenario of closure of the industrial zone was also brought up and explored by the chief minister: "*If people really feel strongly about it, then we can recommend for total closure of the industrial estate, and we shall see the reaction of the 20,000 people working there and that of their families*" (Mohamad 2011). The state was viewed as serving as the company's protector instead of convincing the public for their competence in managing the radioactive waste. As a result, the public briefings turned hostile when community's concerns over the radioactive waste could not be addressed satisfactorily. After two sessions, the briefing was cancelled but, the state government engaged "*international experts in his road show on Silver's operations*" (Mohamad 2011).

Silver welcomed the international experts review imposed by the state and believed that the review would reconfirmed that the plant was safe and posed no hazard to the community or to the Silver workers (Tasker 2011; The Star Online 2011b). The state appointed this panel on 22 April 2011 and assured that no pre-operating licence would be issued (Tasker 2011). The international trade and industry minister said this "*review will be undertaken to ensure that construction of the facility at the site fully complies with international standards*" (Seong 2011). This IAEA panel reassured that Silver project's overall design and planned operations procedures met international standards (Bradsher 2011a). Even so the panel recommended eleven actions to be taken; these included a comprehensive long-term waste management plan, and a requirement to have intense communication with affected and interested parties i.e. radiological safety of the public and the environment (IAEA 2011; Othman and Santhia 2011). However, some NGOs argued that IAEA is "*basically an agency that was set up to promote nuclear energy and lends support to the nuclear*

industry. ... [they] did not have a public health expert in its panel to study the potential health impacts resulting from pollution and radiation from the plant" (CAP 2011). A lawmaker also made the same argument that the IAEA panel "*do not represent many other disciplines such as Public Health and Environmental concerns*" (Salleh 2011). Furthermore, the IAEA report "*did not examine construction details or engineering decisions involved in turning the design into a building; a program for the report's authors showed that they were shown around the big site in an hour*" (Bradsher 2011a). Thus, the credibility of IAEA panel was questioned and did not diminish the public anxiety at all.

The state set up another review panel, a local committee (Malaysiakini 2012), on 20 March 2012 as part of its strategy to allay public anxiety about the safety of the rare earth plant. The committee's head regarded Silver as 'a state of art' and 'a simple chemical' plant (Pengukir cahaya 2012), but some recommendations were made so as to gain public confidence. The recommendations laid by this committee were beautifully tabled in parliament (Umno HQ 2012) and are very good in theory but in practice the public is worried about the state's and regulators' competency and the efficiency in the enforcement of these recommendations so as to promote and achieve the sustainability. It was even mentioned in the IAEA report: "*For regulating the Silver project, the Malaysian Government should ensure that the AELB has sufficient human, financial and technical resources, competence and independence*" (IAEA 2011, p.5). The competency and capacity of the government agencies for enforcement were also noted as points of weakness in the committee review (PSC 2012; Umno HQ 2012). Thus, as long as this inefficiency remains and it is not

addressed, all the recommendations made by the committee are unachievable and questionable. As a result, anti-Silver considered that the "*Parliament approved a select committee on Silver on March 20 amid opposition furore over its terms of reference and suspicion that the nine-man panel will be used to 'whitewash' the issue*" (Lim 2012). At the same time, critics alleged that this committee was established because "*SilverCorp […] failed to give enough assurances on how it will handle the low-level radioactive waste that will be produced at the plant*" (Lim 2012). For Silver, this review strengthen the accumulation of cultural and social capital of the company in the field of sustainability and the cultural and social capital became the symbolic capital which then gave symbolic power (further explanation in Chapter 7). With this symbolic power, Silver did not need to do much as the state is now taking over to engage more with the public.

Adhering to the rules and regulations was the 'rules of game' played by Silver and it has strengthened these rules by gaining 'trust' from the state. Public disclosure and communication of information were part of the recommendations made by the IAEA. Pursuing this recommendation, Silver and the state made public disclosure on the project details prior to the issuance of pre-operating licence. "*The Atomic Energy Licensing Board (AELB) is to display for public feedback from Jan 3 to 17 the application for a temporary operating licence from rare earth processing company Silver (M) Sdn Bhd*" (The Borneo Post 2012b). This engagement was just a mockery because the:

> *"Malaysian regulators and Silver put three printed copies of the revised project plan on public view for two weeks this month at four locations in Malaysia, where they could be viewed on request for only one hour at a time." (Bradsher 2012)*

"*It is obvious that the Atomic Energy Licensing Board (AELB) is not sincere in obtaining public feedback… making difficult for the public to access the document that is on display*" in limited locations and for a limited amount of time (CAP 2012). This 'view on request' for a thick and technical in nature project for such limited time was totally against the recommendation made by IAEA. However, this was not regarded by the community as an obstacle it could not overcome since volunteers offered to copy down by hand the entire document for reference by taking turns for over 56 hours (Bradsher 2012). On a similar vein, an engagement session with the state assemblymen was made to prove its transparency and acknowledge their operation. During this tour, the chief minister claimed that:

> *"The state assemblymen posed many questions to the experts. We learn about the plant's operation from the answers give. … Whatever controversy broken out over Silver in the press or social media, it contradicts what we see today. … The plant is totally harmless to humans and does not affect health as previously portrayed." (Bernama 2014c)*

Nevertheless, a contradictory statement from a state assembly who was in this tour said that Silver just gave stereotyped answers which certainly did not convince or give information on what the local community demanded. "*But I said in that session, 'I challenge you to hold [in the sense of touch] the waste', we even requested during that briefing to see the waste pond but they didn't allow us to do it. They did not allow us, why*?" (pStateA). This also consistent with the statement from a lawmaker:

> *"During the visit, the company showed a slideshow of its good image (about its operations) to the state assemblymen. But when one of the assemblymen asked to see the residue storage facility, the management answered it was not ready for viewing whereas that was what the public has been seeking for; a state level law maker to have a look at it." (pParliamentA)*

In this post period, Silver is seen as positioning itself in the sustainability field and acting according to its dispositions, inclinations, attitudes and values (Bourdieu 1977). This positioning placed Silver in the field of struggle with considerable potential for power and influence. All the accumulated significant knowledge (cultural capital) and trust (social capital) are transforming into symbolic capital for Silver as it has the sense of the game and it plays in the way the game should be played . Silver, which is more knowledgeable than the state in the nuclear and radioactive field, took this as an opportunity to be in charge of the game. This is where Silver is seen as having the 'feel for the game'; "*it is necessary to be 'disinterested' in order to succeed, in a spontaneously disinterested manner, actions in accordance with their interests*" (Bourdieu 1998b, p.83). In this research, Silver is seen as making a stakeholder engagement with the local community based on a certain 'practical literacy' with regard to the laws, rules, values, abilities and tactics 'of the field' (Webb *et al.* 2002).

6.2.2.3 Summary of stakeholder engagement in Silver

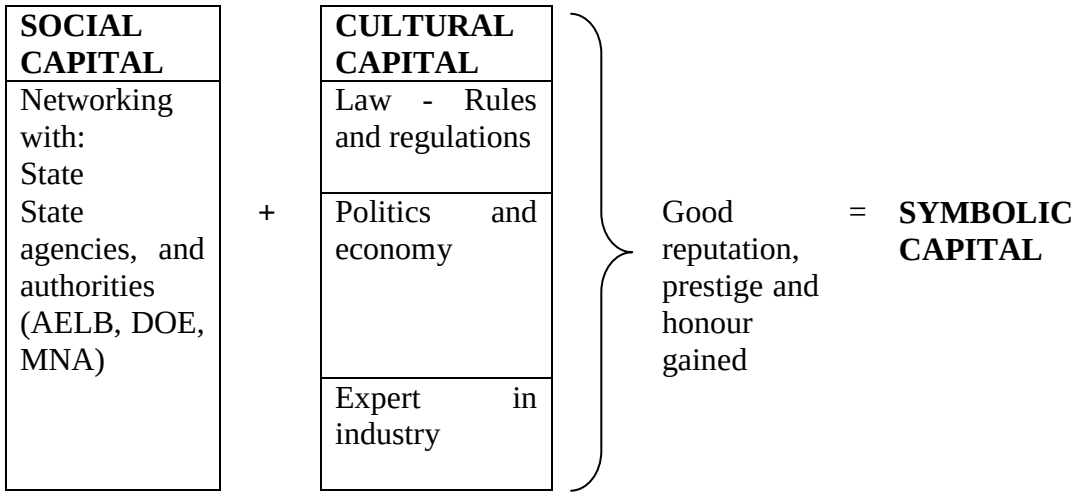


Figure 6.5 Silver's social, cultural and symbolic capital

The Figure 6.5 above illustrates the social and cultural capital accumulated by Silver in the sustainability field. With these capital positioned in the field of sustainability, it creates good reputation, prestige and honour among the state and, state agencies and authorities in the industry which called symbolic capital. This symbolic capital gives Silver the symbolic power that can be exercised while engaging its stakeholders in seeing it as a legitimate sustainable palm oil producer.

6.2.3 Summary on stakeholder engagement

From the discussion of the two mini case studies above, both companies (Gold and Silver) are seen as using stakeholder engagement so as to accumulate the capital; both cultural and social capital in order to seek recognition which can be used as symbolic capital. Different capital acquired by both companies; Gold and Silver to 'feel for the game' in the sustainability field. In Gold, the company need to satisfy the international consumers' and supply chain requirements which made the company need to acquire more knowledge in the research and development of the palm oil. These knowledge also can be used to counter the allegation made by the international NGOs and consumers. Unlike, Silver plays the game by getting the best social ties with the state and state agencies and authorities in this sustainability field. Silver also gets the 'feel for the game' by getting more knowledge on the politics and economy of Malaysia to gain trust and reputation from the state. These prestige and honour awarded by the state give Silver symbolic power which made Silver's operation at an ease – 'license to operate'.

6.3 The power and domination among the state, companies (Gold and Silver) and civil society in achieving sustainability

In this study, the state, the companies (Gold and Silver) and the civil society play an important role in structuring this sustainability discourse. The state plans the economic agenda of a country and authorises the organisation operating in the economy for the sake of development (Archel *et al.* 2009). As such, the state is very concerned with promoting foreign investment and making sure that a major nation income industry like palm oil sector is not being manipulated by certain parties. Thus, any interruption to that process might be seen as warranting state's intervention and this intervention may conflict with the sustainability agenda and, thus, it may violate the public interest. In a similar vein, the corporate form has been recently changed, which enables the companies to possess power; the way this power is exercised in the society is alarming (Bebbington *et al.* 2007). In conjunction with the diminishing ability of the state to regulate the companies (Bebbington *et al.* 2007) due to the state's conflicting interests (Archel *et al.* 2009), there is an increasing interest in how the companies are accountable for their actions and how this process may reveal their behaviour towards (un)sustainability. Because of its power, the company may see the stakeholder engagement as not a major issue; just one aspect of fulfilling its legitimacy and managing their reputation (impression management).

In Malaysia, developmental projects started without going through a process of proper public participation; the public only got to know about the project once a construction banner was displayed. This is also noted by ConsProA:

> *"So before a project starts you should engage the public. There is public participation process and all. And in Malaysia it is ineffective*

> *and sometimes non-existent. I do not know why and I raise this issue when I go for EIA seminars and all. Where is the public participation component and why is it that ineffective?"*

Protests against unequal justice towards the society and environment conducted by the civil society through NGO and environmentalists proliferated. Here, the civil society is served as a watchdog of company's operating activities (Bebbington *et al.* 2007), and, state interference actions as these two have same goal congruence; economic capital (Archel *et al.* 2009). It is within this context that the interplay of the state, company and civil society are examined in relation to stakeholder engagement in the sustainability field.

6.3.1 The state (Malaysian government)

The state is focused on achieving the objective of economic growth usually in measuring gross domestic product (GDP). To achieve this economic growth, the state needs to expand the economy's ability to produce goods and services. It means the state encourages more business in the market. This economic expansion has been planned ahead in Malaysia's national plan. For example in the 10th Malaysia plan, chapter 3, it is stated that:

> *"To drive internal competitiveness and strengthen Malaysia's global competitive position, the Government will make Malaysia one of the most business-friendly environments in Asia through a significant programme of liberalisation, and by empowering the MPC to identify key areas for productivity improvement. This will assist Malaysian firms to grow, and will also strengthen Malaysia's ability to attract and retain capital and talent."(Economic Planning Unit 2010, p.136)*

Hence, the state is driven to approve any development that can generate economic benefit. With this aim, the state takes actions to improve the ability to compete and to

attract foreign investment by strengthening Malaysia Investment Development Authority (MIDA)[16]. This agency has promoted foreign investors by providing incentives such as tax exemptions. Through the promotion from this agency, Silver and other multinational companies invested in Malaysia. In a similar vein, as part of the nation's overall thrust towards achieving a higher level of economic growth, the state introduced, for example, the Economic Transformation Program (ETP) in 2010 to drive the nation's economy. In this ETP, palm oil sector is regarded as the National Key Economic Areas (NKEA) (Deng and Chiu 2012). As the nation's most valuable agricultural crop, the state encourages the companies by giving incentives such as tax incentives and Export Credit Refinancing (ECR). All these incentives are given to encourage more economic productivity from the companies in this industry. Hence this creates more environmental and social disaster in case where the companies' operating activities have not been controlled properly.

The state is the policy maker who decides about policies and regulations, and it sometime makes the public policy processes in general subject to significant capture by corporate's lobbying interest (Archel *et al.* 2009). The regulation is meant to be abided by those who are regulated, but, *"Bourdieu does not believe that formal written laws produce uniformity, since even when things are 'authenticated', they are still subjected to dispute (Bourdieu and Wacquant 1992, pp. 80-84)"* (Cooper and Joyce 2013, p.110). As there is a long ruling party coalition which has governed Malaysia since its independence in 1957, the state can take any actions to legitimise

[16] MIDA is the government's agency for the promotion of the manufacturing and services sectors in Malaysia and its mission is to ensure Malaysia achieves its goal in economic transformation and its aspiration of a developed nation by 2020.

their own rules and procedures. As said by the ex-deputy prime minister: "*Because for decades since Merdeka (independence day), UMNO [the ruling party] has meant power, and power has meant UMNO*" (Shukry and Izwan 2015). This is where the executive power which, as discussed in Chapter 5 (see Section 5.2.1), is part the culture in Malaysia's governance plays its role. The state plays its role towards economic development and, at the same time, the state is the guardian of public interest. Thus, any development for the citizen is claimed to balance the social and environmental effects. The role of the regulators (such as the Malaysian Palm Oil Board, the Malaysian Industrial Development Authority, the Department of Environment, the Atomic Energy Licence Board and the state executive) aim to anticipate the impact of the project to the public in terms of their well-being, not only to aim for development. As claimed by the Prime Minister:

> *"The Prime Minister today dismissed concerns raised by anti-Silver protesters, insisting the RM700 million rare earth refinery in east coast is 'factually and scientifically' safe. …We want to find a solution acceptable to the people but at the same time, would not affect our investments." (Chooi 2012b)*

With this statement, the State executive seems to defend their actions in relation to any development promoted by the state with 'factual and scientific' proof when the development is in favour of the state.

In the Silver case, the state appointed an international expert panel and special parliamentary committee to give the facts and a scientific proof. These panels concluded the plant is safe and has low radiological risks to the public and to the

environment[17] (IAEA 2011; PSC 2012; IAEA 2014). However, as an activist lawyer argued, these facts and scientific proofs could not have been challenged by the public as lots of money is needed to pay an expert and, in any case, the state did not allow any other expert to do another examination of the matter except the one that was authorised by it (LawProA).

> *"Yes, there's Environment Impact Assessment but it did not inform you how they interviewed the people. It seems that everybody was in favour [of Silver] and everything was fine, but, when we go to the ground, it's a different story. Firstly, the relevant people were never consulted. Secondly, they were against it. So, we know they picked and choose the people they interviewed. Thus, legally the company was abiding all requirements of the law and had all the reports." (LawProA)*

Furthermore, most of the review was based on reports and documents supplied by the state and Silver, such as Radiological impact Assessment (RIA) and a copy of monitoring data. The community also argued about a delay of eight months for the international expert 2014 report to be publicly available (SMSS 2015). This has been regarded as a way to change the report since the panel stated that they would release the report at the end of October 2014 during the public consultation (NGOa). It was also emphasised that the rules and regulations had complied with the state and international requirements, and monitoring from the state was regularly observed. The state confirms that Silver had complied with all the conditions and was awarded full licence: *"The Director General of a regulator body added that, Silver deserves a three-year full operating stage licence (FOSL) but the board decided only to grant a two-year licence" (Yoon 2014).* However, all the actions taken by the state are seen as

[17] For the international expert report 2011 and 2014 - see https://www.iaea.org/sites/default/files/lynasreport2011.pdf and https://www.iaea.org/sites/default/files/lynas-report-20052015.pdf, and for the special parliamentary committee 2012 - see http://www.parlimen.gov.my/images/webuser/jkuasa%20lamp/Laporan%20Jawatankuasa.pdf.

its administration's way of legitimising the issue. As stated by a representative of the local community: "*The special parliamentary committee (SPC) report is merely a means to justify the legitimacy of granting Silver the operating licence*" (NGOa). The state needs to end the panic and anxiety of the community and build more public confidence.

When discussing the role of the state in encouraging sustainability, especially the players in the government agencies such as MIDA, AELB, DOE and MPOB for example, the actual understanding of the term of sustainability may just involve looking at economic sustainability and disregard the environmental and social elements when seeking the so-called 'sustainable development'. A representative of regulatory body from palm oil industry, GovA, said that sustainability is just a new term for her department and it is still in an early setting up stage. This scenario resembles that of the regulator who still has little understanding of sustainability and just follows the superior order in setting up a department to handle this sustainability issue (see Section 5.2.1). As an expert in sustainability points out:

> *"The people in the local government are those who need to understand sustainability, because they are the ones approving and vetting all the plans. A 'green' plan could be rejected because they don't understand it or they might kill any 'green' ideas, because they don't have the capacity to understand or process the idea."(TheEdgePROPERTY.com 2013)*

When this vague concept is not been digested properly, what is regarded as sustainability is trade-off with economic growth. As noted by economic sustainability expert; AcE:

> *"...economics is the main focus or economics have more attention in terms of the 'sustainable development' as compared to the rest of the*

> *sustainability aspect. They always talk about achieving high growth. When you strive for high growth then a lot of trade-off will have to be foregone. Sometimes the state is hard-up for the high rates of growth. Then need to forego some aspect like the environmental one. Look at our surroundings, a lot of land has been cleared for development like housing estate, factories. Of course, we need this development but this development has blatantly destroyed our forests and hills something that has not happened in Europe…."*

This is also consistent with the view from a regulator in palm oil sector, GovA, who said the role of the agency is to grant qualified planters a licence notwithstanding how the planters get the land for plantation purposes. Granting a licence means more productivity and more economic development, hence, the overall aims for wealth expansion are met. Then, this opens up the opportunity for companies to maximise their profit. Thus, when a company has an interest in wealth expansion the state's cronies, royal descendants and politicians take advantage of this. As such, the local community representative believed:

> *"…there are certain parties here in the country working closely with Silver; they benefit in certain ways. We have no way of telling how they benefit. But from the obvious fact that the government went out of its way to protect this project, it seems that people who directly have a regulatory role to play are also those who are supposed to control and administer this project. They don't seem to be able to say or do something that is fair." (NGOa)*

It is further notified by a view that:

> *"Apart from creating a handful of jobs in the industrial area, the only people who benefit from this project, other than Silver owners and shareholders, are the people who build the cracking plant in that industrial area and those who supply chemicals to the plant for the cracking process." (Pendragon 2012)*

The executive power which has been discussed in Chapter 5 (see section 5.2.1) has overruled and has established certain practices and cultures throughout the public service departments. This creates flaws in the state's system of governance and it impacts the capacity of the state to control and regulate the laws and procedures (Bebbington *et al.* 2007).

The competency of the state in monitoring and enforcing the laws is also crucial. This competency refers to the capacity of the state to control and regulate laws. When the executive power is used to achieve economic expansion and ignores or manipulates the laws, this creates doubt among the community towards the ability of the state to handle the issue of sustainability. This loss of trust has been expressed by a representative of local community: *"We have great doubts about the position of the government. That's why we are trying to expose all these information to the public"* (NGOa). Why does the civil society have doubts about the state's enforcement ability? As noted by a journalist:

> *"The problem here is that the project's approval was made without sufficient community consultation. The government has a poor record in adhering to some of the best laws. No doubt, Malaysia has wonderful laws; in relation to environmental and economic justice. However, there have been many allegations of corruption and mismanagement against the ruling coalition in the last decade or two. The people have lost the trust in the government, a trust that is necessary to any government to effectively govern. For a controversial project, the government should engage the public and bring them into discussion. Not just use the executive power to give the green light to start the project on and expect the people to fall in line." (Al Jazeera 2012)*

In Silver's case, a deputy minister, who had only taken over his post three months before and had made only one visit to the plant, said:

> *"The Silver factory is as safe as a kicap (soy sauce) factory. I can take you all for a site visit to see the facilities. Expenses will be fully sponsored by the ministry. … And the board comes under my ministry. So I have to protect it!"(Ghazali 2013)*

The competency of high level executive is in doubt and this statement clearly indicated that he is part of the culture of 'I am following the orders' (see Chapter 5,

section 5.2.1). The international expert panel also highlighted the competency of AELB personnel in its both reports; 2011 and 2014.

> *"At the moment, the AELB has a staff of about 160, of which about 30 are graduates, and it is foreseen that another 40 mainly graduate staff will be recruited. A system of continuous personal development is in place. The review team considers it of great importance that the AELB has sufficient resources, competence and independence to carry out its regulatory functions, especially those associated with inspection and enforcement in situations such as the proposed rare earth processing facility." (IAEA 2011)*

> *"The new AELB's officers recruited for its Silver site office are graduated in nuclear engineering or in nuclear or environmental sciences. … The review team met the three officers of AELB's Silver site office. During this meeting the young AELB's officers exhibited a high level of professionalism, commitment and dedication as independent regulators. … The review team also considers that, given that all the AELB officers at the Silver site are very young professionals, it is convenient to keep a high level of support and coordination with them from the senior officers at the AELB headquarters." (IAEA 2014)*

From the excerpts, IAEA highlights 'graduate staff', 'graduated in…', 'young officers' and 'young professionals' which gives indication that staff with fewer than five years of experience is recruited to handle a controversial project. This resembles the competency of the regulator in controlling, monitoring and enforcing the laws and regulations and, of course, the 'I am following order' culture (see Chapter 5, section 5.2.1) can thus be easily imposed.

A statement from the regulator himself shows that he regards that the plant should be operated first, and that the monitoring on the radiation and its waste will come later:

> *"AELB executive said in a phone interview last week that his personal view was that it would be useful to issue the licen[c]e and then carefully monitor radiation levels at the refinery and in its waste, because he did not trust pilot scale models designed to predict how the refinery would operate." (Bradsher 2012)*

This showed that the regulator was not really sure about the theoretical part (as this is a new industry to Malaysia) and was ready to take the risk of letting the plant to operate (risk-taker). Since the regulator is not well versed in the theoretical part, the civil society has doubts about and it is quite sceptical of the regulator's practical expertise in this area. The regulator further said that: *"We still have the right to stop them and suspend and terminate if the refinery is not running safely"* (Bradsher 2012). This is not a problem if the competency of the regulator is adequate in both theory and practice. But this is not the case in Malaysia, especially in dealing with nuclear and radioactive issues (see above discussion). Therefore, the high carbon stocks the move of letting the plant to operate first and foremost as a risky action. They doubt the competency of the regulator in handling this issue. The civil society sees the state's regulator as still a new player in this industry with less experience and expertise in the enforcement team and sees that there is no real expertise on handling the actual operations related to radioactive toxic waste. Combined with the deep rooted patronage and an executive power structure inculcated in the state's system of governance (see Chapter 5, section 5.2.1), the civil society believes that there is no proper control and enforcement of rules and regulations. This been raised by a state assemblyman:

> *"That's why enforcement must play a very vital role. The government should equip themselves with all the information and knowledge expertise to make sure that all these operations are following their regulations and they comply with the standard they have set. The agencies that have the authority to check the organisation have to do so on a frequent and regular basis, not be selective." (PstateA)*

Previously, when the civil society complained about the inefficiency of the enforcement team, the state would give a stereotypical answer. This has been agreed by a state lawmaker:

> *"What is the reason of us asking: 'Why doesn't the government do something about this?'? They will answer: 'We have no manpower'. I would say that the argument that they don't have enough manpower is a common excuse made by the government and it has been an excuse for the past 50 years, nothing has been done." (PstateA)*

It was admitted during an interview with a representative of a regulatory body in palm oil sector that: "*the difficulty in enforcement is that there is not enough people*" (GovA). Therefore, this kind of control and enforcement will not lead to any sustainability actions. The poor implementation and enforcement of Malaysia's green laws and policies was also being noted by an expert in sustainability: *"We have a good policy and at the federal level, we have the Ministry of Energy, Green Technology and Water, but information is not filtered down to the local government"* (TheEdgePROPERTY.com 2013).

In Gold's case, the state is a major shareholder of Gold and part of the company's management. As such, the state, through its regulator Malaysia Palm Oil Board (MPOB), promotes and develops national objectives, policies and priorities for the wellbeing of the Malaysian oil palm industry. Its industrial counterpart, Malaysia Palm Oil Council (MPOC), is seen as playing an important role in reacting and answering to the negative allegations made by western NGOs and the community and gives fact and scientific information through its website (palmoiltoday.net), Twitter (@mpocHQ) and its Facebook page (MPOC), to name a few. From these channels, one can see that MPOC's CEO believes that the world, especially the western NGOs and community should have a proper understanding of sustainability of palm oil.

> *"...it is a very high yielding crop. … [it] uses very little land area to produce the necessary quantity. ...to plant soy seeds you will require 10 times more land. With palm oil we use one-tenth of the land to provide the same quantity. It is very efficient and cost-effective." (MPOC Europe 2015)*

The sector emphasises that producing palm oil is a more sustainable way of practice as its yield requires less land as compared to other vegetable oils. The state (inclusive MPOB), Gold and MPOC collaborate as a unit in this sector in upholding the palm oil sustainability performance. Any act against this sector will be protected by all of them, as part of a team. Because of its collaboration with the state, and the industry, Gold has gained power and domination in the palm oil sector. This power and domination is further discussed in the next section.

6.3.2 The companies (Gold and Silver)

The civil society has shown their dissatisfaction with the organisation unsustainability practices and forced them to show accountability. The degree to which the pressure put from various actors will affect the company depends on the ultimate power of the company or the civil society. This tug-of-war between the company's power and civil society's power will shape the sustainability actions and create the notion of at least having stakeholder engagement. At the same time, the company has the ability to transform its economic power into policy influence and political access to influence the state (Speth 2008). With this kind of corporate power, the company's actions will continue to result in abuses, scandals and a destruction of the economy (Bebbington *et al.* 2007). The worst case scenario involves destroying the environment which will then directly have an impact on the local community.

The company claims that every action it has taken in its operating activities aimed to achieve sustainability. The Group Head Sustainability & Quality Management Gold claimed that: "*The palm oil industry can be a green industry, if done well*" (Singapore Institute of International Affairs 2014). As one of the earliest company in palm oil sector, a management executive, PcoA1, said that Gold has been practising sustainability since 1960s when the West faced problems with pesticides; with that issue in mind, the company started to use integrated pest management (IPM). For example, using the bio control agent to control the rats "*where we did research on looking at iguana, cat, snake and owl and we discovered that owl is the best bio control agent. Therefore, we build condominium for the owls*" (PcoA1). These efforts along with others, such as its zero burning policy, were part of its 'DNA' (day-to-day operation) since its earlier practices, but they were communicated to its stakeholders when the company voluntarily issued in its first sustainability report in 2011 (PcoA1). In the sustainability report of 2013, Gold communicates more on its plantation division's sustainability practices when the company conducted a stakeholder engagement survey and found out that the stakeholders, especially the NGOs, said that '*you are not telling us enough on plantation*' (PcoA1).

Gold claims that the company has an excellent research and development (R&D), and it is the pioneer in sustainable practices such as zero burning and IPM to ensure sustainability of palm oil cultivation. In terms of productivity, the management executive of Gold said "*as a major producer of seed, we have improved the yield of the oil palm from 14 to 15 tonne per hector to around 22 to 30 tonnes. We have done this research since 1920s*" (PcoA1). Knowledge in the palm oil sector is the advantage that Gold has which gives its good reputation among the supplier chain and

NGOs. Gold takes the initiatives to gather the largest players in signing the manifesto[18] and funding research when negative allegations such as the issue of high carbon stock forests were made. This research was carried out by fifty scientific experts and focused geographical on Southeast Asia and West and Central Africa (see http://www.carbonstockstudy.com/Home). The result of the study will be publicly available and this study invites input from all stakeholders in an open public consultation (CarbonStockStudy.com 2015)[19]. Gold has implemented the zero burning policy since 1985 and monitor the fire hotspot closely. Gold even has had a hotspot alert dashboard online on its website since 2013 (Gold Berhad 2015). These commitment, knowledge and experience of Gold in improving the sustainability of the palm oil sector have given a positive image to its supply chains and the industry itself.

Within the industry, Gold has managed its connection and communication with the MPOC, RSPO and its supply chain very efficiently. The CEO of MPOC is part of the executive management in Gold, something that gives an advantage to the company in protecting the campaign against palm oil. MPOC's function is to develop a comprehensive strategy to safeguard the palm oil sector and position Malaysia as the leader in the market through promotional activities. The CEO of MPOC has many

[18] A key commitment in the manifesto is the funding of a study to further define what constitutes High Carbon Stock (HCS) forests, and to establish an HCS threshold that takes into account environmental, socio-economic and political factors, as well as other practical considerations in developing and emerging economies where oil palm is cultivated. The study is expected to last 12 months. CarbonStockStudy.com (2015) *High carbon stock study*, available: http://www.carbonstockstudy.com/The-Manifesto/About [accessed 1 October 2015].

[19] When the researcher consulted the website of High Carbon Stock Study, it stated that the second public consultation run from 5th October until 19th October 2015 [accessed 1 October 2015].

years of experience in the industry which makes him a mediator in conveying the relevant information regarding sustainable practices and the benefit of palm oil. Gold was the co-founder of RSPO, which was set up to promote growth and use of sustainable palm oil products by adhering to credible global standards and through engagement with stakeholders so as to limit the environmental and social impacts (Sustainable Palm Oil 2015). The fact that Gold was the co-founder of RSPO combined with Gold's other counterparts in the industry NGOs and other stakeholders aimed to pacify the disputes concerning the production conditions of palm oil. In the supply chain, Unilever, for example, is also a founder member of RSPO and Gold is one of its main suppliers. Unilever made a pledge:

> *"In May 2008, Unilever made a commitment to buy 100% certified sustainable palm oil by 2015, regardless of any additional cost – which would not be passed on to consumers. Unilever is the largest buyer of palm oil, but is also the largest buyer of certified sustainable palm oil." (BBC News n/a)*

This was followed by Nestlé:

> *"Nestlé has already set the goal that by 2015, 100% of the palm oil it uses will come from sustainable sources. The Company has made progress toward that goal; 18% of its palm oil purchases in 2010 come from sustainable sources, and this is expected to reach 50% by the end of 2011." (Dunn 2010)*

Fulfilling this pledge can be made possible by the commitment and effort of a number of its strategic supply chain. As mentioned by Unilever's Chief Procurement Officer: "*Market transformation can only happen if everyone involved takes responsibility and is held accountable for driving a sustainability agenda*" (Hower 2013). As consumer companies like Unilever, Nestle, and Procter and Gamble, the relationship with suppliers of sustainable palm oil producers is essential. This great support from the industry such as MPOC, MPOA and RSPO made Gold the leader in sustainable practices. The strong relationship held among Gold, industry and global supply chain

gives the company a reputable name among the industry and hence, it has gained trust for its sustainable practices. The trust put on Gold as sustainable producers by the supply chain gives it more prestige and honour.

In Silver's case, the company is constructing a positive image it communicates this behaviour to its stakeholders in its reporting. This behaviour towards achieving sustainability is shown in Silver's annual report:

> *"Sustainability is fundamental to Silver's operations. The plant is utili[s]ing the best industrial technology and expertise of industry leaders in the areas of gas and water management. The design and construction of the gas treatment facility has been outsourced to ATEA, a European manufacturer, and the design and construction of the water treatment plant has been outsourced to Ranhill Water Treatment." (Silver Corporation Ltd 2010, p.10)*

The Special Parliamentary Committee (SPC) chairman claimed that the technology used in these state-of-the-art facilities is the safest plant in the world (Daily Express 2012). Silver management has been using the industrial technology and expertise of industry leaders as its advantage since this industry is totally new to the state. Furthermore, Silver's CEO had many years of experience in this field and used his expertise to gain the trust and confidence of others. On a similar vein, Silver makes use of its adhering to the law and regulations as its powerful strategy to gain trust from the state. It also went beyond adhering to the law when:

> *"Public consultation for EIA is not required by DOE. However, Silver has voluntarily carried out community engagement sessions involving neighbouring industries, government agencies and the Malaysian Nature Society." (Silver Malaysia 2011a)*

On this move, the company has gained the trust and acquired prestige from the state since its actions followed the law and regulations. It was claimed by the state that:

> *"The Silver management has taken into account the highest safety aspects determined by the Malaysian government, including environmental impact assessment and radiological impact assessment before being allowed to operate." (Daily Express 2012)*

At the same time, Silver attained more impressive reputation when it followed procedures such as an inspection from IAEA from 29 May to 3 June 2011 and the appointment of SPC, actions taken by the state to allay public anxiety (MPPAS2010 2012). The discovery of the project's credibility and safety as far as the scientific and technical aspect is concerned from both independent parties were at Silver's side even though the opposition of the plant claimed that these actions were the state's administration way of legitimising the plant (Teoh 2012a). It did not have an impact on its ability to obtain the temporary operating licence (TOL), whilst the lawmaker who possessed toxicology knowledge believed that the study did not consult multi-disciplinary experts in public health and epidemiology, mortality and immobility, but only nuclear scientists (Resigneddelay 2015). In this scenario Silver is seen as a master at maintaining its prestige and honour from the state. This prestige and honour creates power and domination which allow the company to operate in the way it wants in relation to (un)sustainability.

6.3.3 The civil society

The civil society plays a vital role in delivering the political, social and economic performance of a country. The civil society is regarded as *"the arena in which people come together to advance the interests they hold in common, not for profit or political power, but because they care enough about something to take collective action"* (Edwards 2000, p.7; cited in Gray *et al.* 2006, p.322-323). Civil

society serves to balance the power of the state and to protect individuals from the state's and a company's power (Fukuyama 2001). In this research, civil society is seen as an actor who oversees a company's and state's actions in demanding for stakeholder accountability and moving corporate sustainability action into a more challenging direction (Cooper and Owen 2007). In Malaysia, the stakeholder engagement is considered as not being practicable as many developments have been instigated without any engagement made. An academician who is an expert in economic sustainability said that: "*Definitely, stakeholder engagement is still lacking. Many decisions are made avoiding engagement until they bulldosed ahead with*" (AcE). This statement is also consistent with the lawmaker who raised the issue of lack of public participation in Silver's case (Resigneddelay 2015). Arising from this, the civil society through community, NGOs and environmentalist groups has taken a stand and started to push the state and the company to empower stakeholder accountability. As stated by a representative of the local community who is fighting against Silver's toxic waste:

> *"We hope we do the right thing and people like us are very few in number, so we have to stick together to do the right thing at the right time. Maybe they will close down and it will be very good. But if they are not closed down and the issues are resolved, this would be a lesson for other dirty industries not to come here." (NGOa)*

The parts of the civil society which oppose the sustainability activities of Gold actively come from the international scene such as the European community, international NGOs and the trans-fat ban by the U.S. Food and Drug Administration (FDA). The attacks are not only on the producer of palm oil only but also on the industry, the supply chain and final consumers. As these pressures are becoming more

severe, a company such as Gold needs to retaliate and react to these attacks by disseminating the company's sustainability actions by engaging with stakeholders such as Greenpeace, European community and U.S. authority. However, the engagements were not made directly with these stakeholders but through strengthening Gold's internal and external sustainability mechanism as explained in Section 6.2.1 above.

Palm oil is the world's most consumed and used vegetable oil and yet it has received more intense scrutiny and criticism than any other type of oils and fats. International NGOs are constantly making accusation against the sustainability activities of the palm oil industry ranging from issues related to environmental degradation to labour issues. These attacks from international NGOs are not new but they keep increasing and they use all means to take a stands on ensuring sustainability. Gold has been accused by Friends of Earth Europe and International in their publication on 'Sustainable palm oil driving deforestation' for illegally deforesting protected forest in Indonesia and in another publication published in June 2013 for land grabs in Liberia (Friends of Earth Europe 2010; Friends of Earth International 2013). However, in an interview with an executive manager of Gold, the latter denied that Gold had violated human rights principles in Liberia and emphasised that the Liberian government allowed the company to develop its own land. The NGOs believed that this development is welcomed by the government in developing countries and multinationals companies are seizing the opportunities arising by relaxed environmental laws and government corruption.

The European community, through the European Union (EU), attacked the palm oil industry. A number of food manufacturers in France and Belgium started to market their products with the 'no palm oil' or 'palm oil free' labelling. This issue of labelling is usually linked with the environmental impact and the idea of nutritional profile. However, this move has been slammed by the Malaysian government as a misleading labelling, unfair and baseless which discriminates against palm oil industry. The Plantation Industries and Commodities Minister said *"the Food Information Regulation (FIR) that required food products in the European Union (EU) to indicate the specific vegetable oils should not be used to denigrate palm oil"* (Bernama 2014b).

On a similar basis, the EU law on food information to consumers (FIC) forces the palm oil industry to make changes in their stakeholder engagement and sustainability issues. This law came into effect on 13 December 2014 and requires retailers to state the type of oil used in food products for the consumer to know whether that product contains soybean, sun flower or palm oil. This mandatory labelling made the consumer aware of their choice of buying. This has been highlighted by the director of an NGO: *"Mandatory labeling will support vital changes in the palm oil industry by allowing shoppers to make informed choices about what they buy"*. She further said that:

> "*Responsible companies that make or sell products containing palm oil will want to reassure their customers that their products are not contributing to deforestation and loss of wildlife. Retailers and manufacturers now have the incentive to play their part in transforming the palm oil industry and breaking the link between palm oil and deforestation.*" (Butler 2014b)

This initiative is supported by many environmentalists and NGOs as a way to pressurise producers of palm oil and their supply chain.

In France, The Ecology Minister has urged people to stop eating Nutella because it is made with palm oil which damages the environment (BBC 2015; France-Presse 2015). The Ecology Minister said:

> "*We have to replant a lot of trees because there is massive deforestation that also leads to global warming. We should stop eating Nutella, for example, because it's made with palm oil.*" (BBC 2015)

This statement has an impact on the palm oil industry in Malaysia as Ferrero, a Nutella producer, gets almost 80% of its palm oil from Malaysia (France-Presse 2015). This was not the first time France made an offensive condemnation against palm oil. In 2012, senators in France called for a major tax hike on palm oil known as 'Nutella Tax' (NY Daily News 2012; Willsher 2012). However, all these allegations against the palm oil industry have been characterised as a misleading message to the French people and the European Union.

On the other hand, the Silver case uncovers the high pressure from the local community who lives in the area surrounding the rare earth plant itself. This is a slightly different pressure from the pressures received by Gold which mostly came from international NGOs which represent the final consumers, as explained above. When the community first found out about this plant, they gathered information on the plant and sought information from the experts from the local and international scene.

> "*We do not blindly just start opposing something that would actually benefit the community as well as the nation economically without*

> *properly understanding what is actually involved…. But when we studied further, did some research on the location of this plant, investigated the reason why they came over here and so on, then we realised that it is not a question of just economic development that needs to be asked. It is rather a question of why did they choose a site that is normally regarded as not suitable for this kind of industry in the first place.*" (NGOa)

The community collected a fund to commission an independent study on the environmental impact of the toxic disposal waste to challenge the state's affirmation on the plant's safety. The report of the independent study revealed:

> *"Our report critically assesses the adequacy of the data, assumptions and predictions found in Silver's Environmental Impact Statement (EIS) and Radiological Impact Assessment (RIA). We have found serious issues with waste management, radioactive and non-radioactive emissions in air and water, governance and licensing issues and lack of a proper Hazard Management Plan."(Friends of the Earth Australia 2013b)*

The representative of the community said:

> *"Our government kept claiming that the Silver plant is scientifically safe. This is why we have sought scientific input from credible and independent scientists and professionals who can provide us with their opinion and views without prejudice, fear or favour." (Admin-s 2013)*

However, this scientific fact was ignored by the state and disregarded as irrelevant because the well-known German industrial advisory group condemned the plant as unsafe without visiting the site. Analysis without visiting the site was made due to restriction made by Silver and the German industrial advisory group did not get any cooperation from the state to hold the test on site. The local community sees this action as the state not acting according to its duty to care and ensure for the interests of the civil society and the environment.

The local community also raised funds for an on-going legal action against Silver and the state. The first legal action taken was to demand for a detailed environmental impact assessment (DEIA) which should include the public consultation. Despite receiving all judiciary actions from the civil society, the state proceeded to issue the Temporary Operating Licence (TOL). AELB claimed that Silver has fulfilled all the technical conditions stipulated by the state and the radioactive waste will be removed from Malaysia. Despite all the legal suits made, they did not stop the regulator from allowing Silver to operate.

The protest was made in all avenues inclusive through its Member of Parliament who wrote a letter regarding the concern of the people of her constituency and invited Silver's chairman for an open discussion, which was a discussion open to observers from the stakeholders and media. This invitation was accepted but as a private meeting with no media present. Few attempts in tabling the protest of the people of her constituency in the Parliament including the tabling of a petition to stop the temporary operating licence of Silver being converted into permanent licence (Carvalho *et al.* 2014) were made. However, the these actions did not lead to any changes, as the speaker himself said, the government of the day made decision based on the mandate given by the people and he was satisfied with the explanation of the state (Carvalho *et al.* 2014; Zahiid 2014).

It is not only the local community which opposes the Silver plant but the legal profession does so as well through its Bar Council. The state Bar Council set up a special committee to conduct a detailed study on the existing law under the Atomic

Energy Licensing Act 1984 and Radiation Protection (Licensing) Regulations 1986 (The Star Online 2011c). A member of Bar Council said:

> "*… there must be strong check and balances, not only in the laws but also in the people…. even if the laws are there, the authorities do not enforce them, that is a problem. The check and balances in this country are still very much in the third-world…. We need cooperation for their enforcement, for the decision makers, for the courts and everything to work together.*" (ProLawA)

In a similar vein, the state Bar Council's chairman said the council would provide legal representation in the event of any litigation case related to Silver's protestors. This movement was also supported by the president of the Bar Council who condemned the Atomic Energy Licensing Board's (AELB) instant decision to grant a Temporary Operating Licence (TOL) to Silver. He contends that *"[i]t beggars belief that AELB could have adequately and properly considered the 1,123 public comments within merely two working days"* and slam the public consultation process as a *"sham and charade"* (Lai 2012). Silver and the state seem to go against the International Atomic Energy Agency's (IAEA) recommendations that both parties had pledged to comply with, which was to inform interested and affected parties of the regulatory requirements and to involve them. The Chairperson of the Environmental & Climate Change Committee noted that:

> "*…we need full disclose of information and access to information, nothing should be hidden. As far as our right to life is concerned, a right to have all these is fundamental. So there should be no reason why information is kept away, no reason why that consensus shouldn't be of a very constructive nature, no reason why we do not have the participation of a certain interest group, NGOs, of all the stakeholders*…." (LawProC)

The civil society is denied to the information right when the regulator hides the process of awarding the licence which goes against the recommendation made by IAEA. This implies that the state has used all means to legitimise its actions in

providing the licence to operate to Silver. The state, together with Silver, uses the public consultation in such a way so as to show to the civil society that the regulator is following the IAEA recommendation even though, in fact, it is not. Thus, the state through the regulator is using its executive power to shadow its cynical action. However, the state, for example in approving Silver's TOL, should have disclosed all the information relating to this process and how the public comments were taken into account in the decision made. The fact that this quick decision was made in two working days after collecting the public comments implicitly shows that the executive management of AELB was following orders from its superior. The lack of transparency and the lack of access to information made the state in power which creates domination. This form of domination then was transferred to Silver and turned it into the dominant actor in sustainability field. As noted by a member of Bar Council: *"You see, first and foremost, that our authorities are not transparent as the Australian ones and the requirements are not as stringent"* (ProLawA).

In terms of the power and domination, this study found that the state plays an important role in allowing the operating activity of the companies. The companies at the same time are lobbying the state to get the legitimation. Combining the power of the state with the lobbying companies, this phenomenon allows the companies to operate in their own way and it boggles the mind to think of the state's lax regulation. The lax regulation and the unsuccessful enforcement of the rules made the primary purpose of the state to serve the public interest a failure as there is no stakeholder accountability. For example in Silver's case, the state is seen as working in alliance with Silver. A representative of local community said:

> *"And there was no public accountability. For example, they need to do an environment impact assessment and economic assessment to inform the people about the radioactive impact assessment. But they just did a Preliminary Environment Impact Assessment (PEIA) which did not require stakeholder engagement. They claim that particular area is designated for petrochemical industry and do not need a Detailed Environment Impact Assessment (DEIA). Can you see or not? Those are the excuses they gave. Then, the government suddenly claimed that the PEIA and DEIA are the same." (NGOa)*

It is also noted that the stakeholder engagement is accounted for in the rules and regulation but just to 'tick the box'. An economic sustainability expert noted that:

> *"The due process has not been well followed. If they have made engagement consultation, it has not been made known to many participants; less participation. The actual participation from the stakeholders is still missing."* (AcE)

The stakeholder accountability still in jeopardy as the actions taken by the state are viewed more as serving its objective economic performance rather than being served as the public guardian. This is similar to the interest of the company which emphasises maximization of profit.

> *"When the public complains, the government has to engage the public so that the public is convinced that that government really cares about the people, you really enforce the regulation and the organisation has to also listen to the public because they are the ones who face this every day." (PstateA)*

This research may resulted in giving a scenario where the executive management of the company and the state make use of their power within the decision making process to favour the interested group of players in the sustainability field. This is to show that any decision made by the state and the company is seen as expressing policy preference towards certain political participation. The economic objective of the state for example to increase GDP has ideological congruence with

the company's objective of profit maximisation (Archel *et al.* 2009). Intrinsically, the state allows that company to continue its profit maximization and any interruption can be seen as stopping its own agenda. As noted in Cooper and Joyce (2013, p.110):

> *"Bourdieu (1990b, p. 77…) argues that it is not possible to set out 'the rules' of social practice - … this tendency to act in a regular manner. . . is not based on an explicit rule or law. This means that the modes of behaviour created by the habitus do not have the fine regularity of the modes of behaviour deduced from a legislative principle: the habitus goes hand in hand with vagueness and indeterminacy."*

However, sometimes even though sustainability agenda is a national agenda, the actors/players who conduct the economic plan have their own economic interest. Therefore, for sustainable development there needs to be political that considers the impact on environment, society and economic. If the development is just to gain economic benefit and have the worse impact on the society and the environment, it is not a sustainable development as the repair cost or the effect will be even more costly in the future. This is supported by an accounting professional:

> *"Again, the agenda on sustainability is a national agenda, the number one. And there must be strong political will, if I may. You know that is important. That is beyond regulations. So, regulations are there for a reason, and the regulations again must be independent of the political environment and, as I say this, there must be a political will to drive this agenda alongside regulators. So it's not a collective effort, if there is no political will or if the political will is in pockets or in silo. Again, you will find sort of a gap between the regulators and the political will or the politicians." (AccPro3)*

6.4 Concluding remarks

Malaysia still lacks in stakeholder engagement. Most of the time, stakeholder engagement is seen as a way for the state and the companies to 'tick the box' in order to follow the regulation even when that engagement does not reach the right

stakeholders. The pressures received by the civil society do not really influence the companies towards rightful behaviour but in the palm oil sectors at least the companies are seen as moving towards sustainability to retaliate against the pressures received from the international civil society. This is not the case with the mining sector as we can see from the fact that the state uses its power and transfers that power to the mining and mining-related companies to dominate the industry with their own (un)sustainability actions. Locally, there are voices that are fighting for their rights but were manipulated as political mileage from the opposition party.

The stakeholder engagement is seen as one of the strategies of the companies to portray their actions and efforts towards achieving sustainability. The state behaviour and actions are more about achieving the economic performance which benefits its own political connections. In this research, the state is seen as having an alliance and being a collaborator with the company as they share the same ideology. The state can show that it does its best for the civil society as a guardian of public interest but only in the form of 'masking' its own interests. Therefore, in this research, the stakeholder engagement process has a symbolic and legitimating purpose.

Chapter 7 Discussion

7.1 Introduction

This chapter presents discussion of the main findings discussed in Chapter 5 and 6. Section 7.2 shows how the sustainability field is a 'field of struggle' where it is the state of the relations of power between players that defines the structure of the field. Only by exploring the field of sustainability, can the whole structure of field in the palm oil and mining sectors be viewed with each stakeholder positioned with certain kinds of capital. In this sustainability field, the stakeholders (as identified in Chapter 5) constantly struggle, according to their capital and dispositions through upbringing, education, experiences and systems structure, which later transform their understanding and perception of the concept of sustainability. Section 7.3 addresses the way the selected palm oil and mining companies structure their position of valued capital and plan their possible actions in accordance to their interest in winning the 'game'. This is where stakeholder engagement is seen as their 'feel for the game' which looks at how the interactions and relationships among the stakeholders work. Their positioning of capital creates power and domination in the sustainability field. Section 7.4 concludes this chapter.

7.2 Sustainability of the palm oil and mining sectors in Malaysia's sustainability field

The lens of Bourdieu framework that integrates 'a theory of social structure (the field), a theory of power relations (the various forms of capital) and a theory of the individual (habitus) is used to understand sustainability as a social practice (Malsch *et al.* 2011, p.198). The sustainability field is analysed to show the objective structure of the relations between the positions occupied by the stakeholders who compete for a legitimate form of authority. In a similar vein, the different systems of dispositions of those stakeholders which have acquired by internalising a determinate type of social and economic condition are analysed.

7.2.1 The sustainability field in Malaysia as a 'field of struggle'

In Malaysia, sustainability is still at an embryonic level and seen as a 'field of struggle' where the key stakeholders are confronting each other according to their position in the structure of Malaysian palm oil and mining sectors. In this research, the sustainability field is an arena of social practice wherein the key stakeholders are positioned with certain interests in mind. All forms of social engagement in this field are analysed in terms of its particular logic of practice. Sustainability has to be viewed by having a complete picture of both sectors; palm oil and mining, as well as of the political economy of Malaysia. Thus, the sustainability field involves many other fields as well, for example the government, the economy and the nuclear field and, as a result, this discourse and practice involves and requires the existence of a variety of knowledge in the extraction industry; palm oil and mining sectors, and disciplines such as law, agriculture, ecology and biodiversity. However, the main

focus is to understand a sociological whole as a set of sustainability practices within the structures and powers in the palm oil and mining sector in Malaysia. The key stakeholders and their relationship with one another, their behaviour and interest in sustainability were extracted through the concept of field in the Bourdieu framework. This field of sustainability is the 'gaming space' (Friedland 2009) and 'a field of forces' where the key stakeholders in palm oil and mining sectors confront each other with different stakes and influence, contesting over the resources in the field of sustainability, *"with differentiated means and ends according to their position in the structure of the field of forces, thus contributing to conserving or transforming its structure"* (Bourdieu cited in Reed-Danahay, 2005, p. 134). The findings in Chapter 5 (section 5.2 and 5.3) show that the field of sustainability is shaped by the historical exigencies and autonomous and heteronomous influences which contextualise how stakes, contests and power relations play out in a given sustainability code (Andon *et al.* 2014, p.80).

The companies in this study compete for legitimacy in operating their activities and engage their stakeholders in getting the 'social contract' and their blessing (Archel *et al.* 2009). To continue developing their economic capital, the companies seek to boost their social and cultural capital (Andon *et al.* 2014) which is then transformed into recognition, honour and prestige, and eventually creates symbolic capital. These actions include acquiring the recognition and trust from the state and the global supply chain as these two key stakeholders are the main contributors towards the companies' economic capital. This study found that there are stakeholder engagement within and between companies and their stakeholders and the

companies see this engagement as their 'feel for the game', as strategies to legitimise their actions in behaving in (un)sustainability activities. This will be discussed further in Section 7.3.1. The structural positioning of these key players in their fields, specifically the companies, the state and the civil society, bestowed a potential for power and influence (see Section 7.3.2). The 'games' for seeking legitimate 'social contract' are framed through the deployment of specific resources, tactics and dispositions by each player's 'feel for the game' as well as the conditions of the respective fields which structured the structuring structure. In this study, the two mini case studies show how the key players in Gold and Silver, while competing for similar stakes in similar fields, played the game differently.

From the findings in Chapter 5, in the palm oil and mining sectors, the sustainability field is a field of struggle between the active key stakeholders, the companies, the state and the civil society, which possess particular forms of capital and right habitus (Jeacle *et al.* 2012). Once the sustainability field has been formed, forces of change are activated and the active stakeholders such as the company, the state and the civil society are set in motion. They acquire as much capital as they can and they are in the position to obtain power and domination for them to be operating in the field according to their sense of the game. The next section will look at how the key players in sustainability field interpret their understanding of the sustainability concept itself while they claim their actions in upholding sustainability.

7.2.2 The understanding of the contested notion of sustainability

This study has benefited from Bourdieu's framework in understanding of the concept of sustainability among the key stakeholders identified in the sustainability field in Chapter 5. In this study, most of the stakeholders interviewed gave their own interpretation of sustainability which generally seems to regard sustainability as the balance of three elements: people, planet and profit (see page 181). They believe that sustainability activities should consider the impact on the people and planet, not only aiming just for profit. All the stakeholders identified (see figure 6.1 and 6.4) have their specific habitus. They constitute their understanding on sustainability based on the *"history incarnate in the body, in the form of [a] system of durable dispositions"* (Garrett 2007, p.228) that they collected through their work experiences, education background, professional social networking and the way they were brought up. This finding is consistent with Goddard (2004) which uses habitus as cultural values in understanding the perceptions and practices of accountability and accounting.

The fact that Malaysia is being governed by one of the longest ruling party coalitions in the world which makes use of the executive power, the 'I am following order' culture and the reward and punishment system has shaped the way a person (for example top and government officials) behaves. This, along with their life and work experiences, contributes to the way the sustainability concept is defined and/or accepted. As Bourdieu contends, habitus is *"society written into the body"* (Bourdieu 1990a, p.63); the body *"does not memori[s]e the past, it enacts the past, bringing it back to life"* (Bourdieu 1990b, p.73). Thus, the stakeholders' understanding of sustainability is confined within their own habitus and capital which they acquired

throughout their life. In a similar vein, habitus provides *"a deeper, interpretive understanding of this routine nature by focusing on the meanings of such routines and the way in which such meanings lead to action"* (Goddard 2004, p.567).

The findings discussed in Chapter 5 suggest that one's understanding of the sustainability concept depends on which category they are in; regulators, accounting professional or local community/NGOs. For example, Bursa Malaysia as a regulator believes that corporate social responsibility (CSR) is the key to sustainability and does not differentiate it from sustainability. It is admitted by one of the regulators in their interview that Bursa Malaysia has not actually addressed on the sustainability concept well and has focused more on CSR which has created misunderstandings and resulted in some companies interpreting sustainability as philanthropy. However, there have recently been some changes on Bursa's website which give a different and more precise perception on sustainability (accessed on 3 November 2015). From the acknowledgement section in the new 'Sustainability Reporting Guide' it seems that Bursa Malaysia consulted professional accountant and sustainability consultant in making their way forward on sustainability (Bursa Malaysia 2015a). Thus, it looks like Bursa Malaysia seeks to improve its cultural capital; i.e., its knowledge on sustainability from the experts. This cultural capital gain has shaped the way Bursa Malaysia views sustainability, in understanding and interpreting it, and it has also shaped the attitudes and judgments on applying it.

7.3 Capital and symbolic violence in stakeholder engagement

In stakeholder engagement, the companies have put effort into laying out their strategies by positioning their valued capital such as knowledge, social networks and obedience to the rules in the sustainability field of palm oil and mining sectors. As such, the companies maintain and enhance their relative positions in the field of struggle where all the capitals acquired are form into symbolic capital through recognition, such as reputation, prestige and honour, which then allow them to gain and exercise symbolic power. This symbolic power creates domination which forms a symbolic violence. This is discuss further in subsequent sub-sections.

7.3.1 Stakeholder engagement as 'feel for the game'

> *"…feel for the game. Having the feel for the game is…to master in a practical way the future of the game, is to have a sense of the history of the game. While the bad player is off tempo, always too early or too late, the good player is the one who anticipates, who is ahead of the game." (Bourdieu 1998b, p.80)*

The 'feel for the game' in Bourdieu's work is what enables an *"infinite number of moves to be made"* (Bourdieu 1990a, p.9) and leads people to choose the best match possible given the game they have at their disposal (Garrett 2007). In this study, as understood from the findings discussed in Chapter 6, the companies, Gold and Silver, have chosen to conduct their stakeholder engagement according to their 'feel for the game'.

7.3.1.1 Palm oil sector - Gold Berhad

Gold Berhad has a range of customers from European countries. At the same time, their big protestors are also from international NGOs such as Greenpeace and Friends of Earth, US ban Trans fats as well as the European community from where they have to face the new EU labelling food in 2014 and accusations made by France's Ecology Minister. All these pressures made Gold realise that it needs to move strategically for its stakeholder engagement as such accusations and campaigns against them will affect their economic capital (Deegan and Blomquist 2006; Pak 2015). Thus, Gold locates the specific capital as part of the structuring process of habitus and as used within the sustainability field as a source to power and domination. This kind of practical sense is *"a 'feel for the game', that is, the art of anticipating the future of the game, which inscribed in the present state of play"* (Bourdieu 1998b, p.25).

As discussed in Chapter 6, Gold seems to be making its stakeholder engagement with its internal and external stakeholders. It started with strengthening its internal sustainability governance structure and spread the cultural capital, i.e., knowledge about sustainability, to its internal stakeholders starting with the board of directors, executive management, and all level of staff (O'Connell *et al.* 2005). Gold applies the top down approach as it is easier to disseminate the knowledge about sustainability and reproduce the knowledge for the use of all levels of staff in the company. This movement towards a better sustainability governance structure is reported in its annual and sustainability report which shows the company's attitudes and judgment on applying sustainability. This illustrates that the company exercise and applies the concept of sustainability and proves to their stakeholders, especially

the supply chain, that they are benefitting and not harming the environment and the society. This indicates that Gold takes into consideration the pressures that it has received from civil society and it has been changing or modifying its behaviour accordingly. This is consistent with the finding in Deegan and Blomquist (2006) where evidence is provided that the mining organisations are prepared to listen to an NGO and change their behaviour.

Gold made an effort for the appointment of an environmentalist as its sustainability advisor and indicated that this expert in sustainability would be able to disseminate his knowledge on sustainability practices and direct the company to do the right thing for the planet and the people. The sustainability committee in the board was also chaired by a staunch conservation activist who could advise on the decision making in relation to the sustainability actions. This made Gold the leading producer of palm oil which also follows sustainability practices as characterised by both the external and internal advisors. With such knowledgeable on sustainability issues experts Gold actually exhibits cultural capital. However, to what extend does Gold actually practise sustainability and is willing to forego economic profit?

With all this expertise on the board, Gold is now seen to response to those negative allegations against the palm oil industry by challenging their claims. Gold prefers not to answer to their allegations but to do research on the subject matter of their claim, as was done for example in the case of the claim on the High Carbon Stock by Greenpeace. In that case, Gold with other key players in the industry funded an independent study by the Steering Committee chaired by the former Chief

Research Scientist from Australia's Commonwealth Scientific and Industrial Research Organisation (CSIRO) (CarbonStockStudy.com 2015). The draft report was available for second public consultation from 5th to 19th October 2015 for public accountability and transparency; the study is also observed by some key stakeholders[20] (CarbonStockStudy.com 2015). This is how Gold responded to the High Carbon Stock issue that was first developed in collaboration with the TFT, Greenpeace, Nestle and the major palm oil producer Golden Agri Resources (GAR) in 2010. Gold believes that by funding research on and, as a result, developing High Carbon Stock, the company will gain more knowledge on this issue and any allegation made by NGOs can be denied and proved wrong with this study result, by using that is scientific fact.

In this study Gold is viewed as engaging with its stakeholders through improving and advancing their cultural capital in sustainability by strengthening its internal governance structure and improving its scientific knowledge on the issues regarding which it has been attacked by the international NGOs. With this knowledge, the representative of Gold and Malaysian Palm Oil Council (MPOC) could respond to the questions and concerns of the delegates (supply chain) who have attended the overseas exhibitions held by the company or MPOC. The cultural capital (knowledge on the issue related to palm oil industry) is the 'trump card'[21] in the field

[20] The Roundtable on Sustainable Palm Oil (RSPO), IDH (The Sustainable Trade Initiative), Nestle Oil, the Malaysian Palm Oil Board, the Indonesian Palm Oil Association (GAPKI), Global Environment Centre (GEC), Proforest, the Indonesian Oil Palm Research Institute (IOPRI) and the Zoological Society of London.

[21] Trump cards are master cards whose force varies depending on the game: just as the relative value of cards changes with each game, the hierarchy of the different species of capital varies across different fields.

of sustainability in palm oil sector as it is reflected in the increasingly large amount of the economic profit that the company can earn. With the value of cultural capital and as an experienced palm oil producer, Gold has earned trust and prestige from the global supply chain agents.

The social capital generated through direct engagement with the all level of staff in Gold, as mentioned earlier (see page 258), also gives a signal to the external stakeholders that the company really cares about sustainability and that sustainability is embedded within its day-to-day operations; as part of the DNA of the company in other words. In addition to that, the collaborations with the local and international researchers, NGOs and environmentalists show that Gold is really serious in regard to the sustainability issues. At the same time, it shows that Gold tries to gain the trust of the agents of the supply chain and convince them on its sustainability actions. As one of the earliest producers of palm oil, Gold has taken a great care of its relationship with the global supply chain. Some of the supply chains are the co-founders of the Roundtable on Sustainable Palm Oil (RSPO), which is the palm oil industry standard setting board. Thus, as one of the members of RSPO, Gold has a very reputable image and this good reputation has awarded it the trust, honour and prestige from the global supply chain.

7.3.1.2 Mining sector - Silver Sdn Bhd

The Silver case shows a different perspective on playing the game in the sustainability field. Silver has a good strategy in determining the rules of the game by

assessing the strengths and weaknesses of the players in the field of sustainability, especially those of the state. Bourdieu contends that *''[s]ocial agents obey the rule when it is more in their interest to obey it than to disobey it''* (Bourdieu 1990a, p.76). Silver has positioned its participation and conducted its stakeholder engagement according to its 'feel for game' and used capital to establish its domination and power as not all the players in mining sector will play the game in the same way.

The management executive of SilverCorp has the advantage of the rare earth technology as compared to the state as this technology is new to Malaysia. Rare earth field is not new to SilverCorp, especially to its chairman; his experiences working in China's aluminium industry have shaped his presence into this field and have given him an advantage in influencing the state and regulators in Malaysia (Tasker 2012). The Atomic Energy and Licensing Board (AELB) is not really competent in this field and has failed to exercise full enforcement and properly regulate the previous Asian Rare Earth in Bukit Merah. AELB's executive officer was also not well-versed in law-related matters when AELB decided to issue temporary operating licence (TOL). The AELB executive officer said *"the residue that is produced is the responsibility of the company and if necessary, will be returned to its source"* (Teoh 2012b) without applying the Commonwealth legislation which prohibits the importation by Australia of any waste product produced from offshore (Teoh 2012c).

Before SilverCorp decided to build its plant in Malaysia, the chairman intended to build it in China, but because of the enforcement on the export quota he had to search for another location (Behrmann 2011). Among the shortlisted locations

were Abu Dhabi and Malaysia, but he eventually decided to build in Malaysia because due to its stable government and clear regulatory environment there is no political risk (Tasker 2012). SilverCorp did its background check on the law and regulation in Malaysia and compared to China and its own country. Even in his own country, SilverCorp's project obtained the approval. However, SilverCorp hid from the public that that proposal was approved under stringent conditions (Greenpeace 2014b). The table below shows the comparison of the conditions in his own country and Malaysia.

Australia	**Malaysia**
Bury the waste at the place where it originally came from. No accumulation of waste at the refinery, the waste is to be shipped to the burial site immediately as it is produced.	No permanent waste disposal plan. Temporarily dump on-site.
Distance between the mining area and the refinery site is 880km by road.	Raw materials transported to Malaysia over 1000km are transported by land and those over more than 4000km by sea.
Nearest population centre is 35km away, with only 1,500 inhabitants.	700,000 people living within a 35km range
Waste diluted to 2.3 Bq/g.	Waste not diluted, radioactivity nearly 3 times higher at 6.1 Bq/g.
Impermeable ponds, progressively buried after full.	Temporarily cover the waste by an unspecified method.
Located at the desert away from the aquifer. Annual rainfall 234mm.	Located at reclaimed swamp land. Underground water just 0.95-3.5m below surface. Annual rainfall 2,860mm, area prone to flooding.
Total containment policy. All waste water evaporated and left-over residues returned to mining area.	500 tonnes/hour of water discharged to the South China Sea.

Table 7.1: Double standards under the Australian proposal compared to plant in Malaysia

(Source from Greenpeace (2014b))

In Malaysia, SilverCorp knew that public engagement is not one of the requirements under the Malaysian law. This was confirmed by the Department of Environment:

> "*SilverCorp was not legally required in 2008 to prepare a detailed Environmental Impact Assessment (DEIA) for its rare earths refinery…the only key difference between the preliminary Environmental Impact Assessment and DEIA was merely the element of public engagement.*" (Chooi 2012a)

Thus, Silver's management is well-versed on law and regulation regarding this industry. For example, in their annual report, SilverCorp emphasise the engagement with the state and regulators as highly important for the company.

From the beginning, it was obvious that Silver is appeasing and lobbying the state through complying with their rules and regulations. From the analysis conducted in Chapter 6, it is shown that Silver strengthened its social capital with the state and regulators and ignored the local community. The aim was to get the licence from the state to operate; this is what gives legitimacy to the company to operate. The company just listened to the international expert review and the special parliamentary committee was just consulted to legitimise their actions and get a 'rubber-stamped' endorsement to alleviate the public's concerns on any impact on the environment and their health. The unique relationship established between the company and the state was viewed as an honour and prestige to Silver. This special recognition in Bourdieu's framework is regarded as symbolic capital which, in turn, gives symbolic power to the company (symbolic power will be explained further in the next section).

7.3.1.3 Summary of stakeholder engagement as 'feel for game'

Gold and Silver have the 'feel for the game' in conducting their stakeholder engagement in order for them to be in power and dominate the sustainability field in palm oil and mining sectors. Both companies have used all the available capital; social and cultural to establish their position in the sustainability field. Thus, Gold and Silver have made use of:

> *"the social inscribed in the body of the biological individual, makes it possible to produce the infinite acts that inscribed in the game, in the form of possibilities and objective requirements. The constraints and requirements of the game, although they are not locked within a code of rules, are imperative for those, and only those, who, because they have a sense of the game's immanent necessity, are equipped to perceive them and carry them out." (Lamaison 1986, p.113)*

It is clear that stakeholder engagement can be interpreted as a mechanism for both companies to bring about change in the distribution of capitals among stakeholders. This accumulation of capitals can bring about change in the positioning of stakeholders in the sustainability field. In this study, instead of state enforces the companies into sustainability action, state is acting as collaborator and alliance to those companies and give symbolic power to act accordingly in the economy. The finding shows that civil society's power is weak in embracing their pressures into a better sustainability lobbying actions. The companies are continuously exploiting their (un)sustainability actions to respond to the demand by the global market capitalism (Dillard and Layzell 2014).

7.3.2 Symbolic violence in stakeholder engagement

In relation to the logic of practice in the 'gaming space' (Friedland 2009), the sustainability practices and actions are informed and shaped by the field's habitus, its distribution of capital and how the key players have positioned their valued capital in the sustainability field. In the field of sustainability, the analysis, as previously discussed in Chapter 5, reveals the necessity to look into the engagement made between and around the three dominant stakeholders; the state, company and civil society. These three stakeholders play an important role in structuring the sustainability discourse. This section elaborates on the way the company made use of the stakeholder engagement as contesting stakes which can bring symbolic capital (prestige, honour and trust) which, in its turn, can then be converted to economic capital (maximization of profit). The symbolic capital that is acquired through *"a reputation for competence and an image of respectability and honourability"* (Bourdieu 1984) gives the company its symbolic power. Then, it *"goes without saying"* that the company can exercise this symbolic power (Bourdieu and Wacquant 1992, p.168). This stakeholder engagement processes may be used by powerful groups with powerful interests for their own deeds (Bebbington *et al.* 2007).

7.3.2.1 Palm oil sector

As explained in Chapters 5 and 6, the sustainability field in palm oil sector is an arena in which Gold plays a game and plans its stakeholder engagement in such a way that it can benefit from the *"historical relations between positions anchored in certain forms of power (or capital)"* (Bourdieu and Wacquant 1992, p.16). Gold has positioned its relative value of capital (in this case cultural and social capital, see

7.3.1.1) in the field of struggle and has managed to generate these two capitals into symbolic capital through the recognition and trust given to it by the dominated players in the industry; Roundtable on Sustainable Palm Oil (RSPO) and the global supply chain. Since the state has a controlling interest in Gold, the behaviour and actions taken by the company are structured by the state's 'transposable dispositions' (Bourdieu 1977) but with the company's naturalised beliefs and values (Andon *et al.* 2014).

When looking at the sustainability practices within the sustainability field of palm oil sector, as discussed in Chapter 5, most of the companies operating in this sector are largely those that are controlled by the state and have political connections in the ruling party (Gomez 2003; Djama and Daviron 2010). The state in this sector is seen as having the power to control the productivity and economic growth (Gomez and Jomo 1999). As explained in Chapter 6, the state has ultimate power (in exercising the executive power) in Gold's management decision making in relation to the appointment of the chairman and the board of directors. The state's controlling interest is already represented in the board directors since state agents are members of that board. Thus, any decision made collectively gets the state's blessing. In similar vein, the other companies which have political connections need to follow what the state says since only with ruling party connections can they get incentives for a project, concessions or project. This has become the *"structured structures predisposed to function as structuring structures that is, as principles which generate and organi[s]e practices and representations"* in palm oil industry (Bourdieu 1990b, p.53). Therefore, in this study, Gold as a state controlled company has similar

interests with the state in terms of expanding the economic capital; i.e., economic growth and maximization of profit. This is similar with the finding in Archel *et al.* (2009) where the state projected discourse on flexibility and lean production as for the 'public interest' and regards as national importance which benefit to all of the society.

In the palm oil industry, Gold has established a very good reputation and is respected as one of the main sustainable producers in the world (Pak 2015). As one of the co-founders of the Roundtable on Sustainable Palm Oil (RSPO)[22], Gold has complied with all the principles and criteria set by this industry standard setting organisation; this positively affects the sustainable palm oil product that the company produces. This effort made by Gold in complying RSPO requirements was endorsed by the supply chain which are the regular buyers who support the sustainable palm oil. Unilever chief procurement officer highlighted that:

> *"We see in Gold a likeminded partner who is as dedicated to operating sustainably and responsibly as we are. We are both founding members of the RSPO and we work closely together on our sustainable journey." (The Grocer 2010)*

At the same time, the Malaysian Palm Oil Council (MPOC) has already been promoting sustainability as a representative of the industry and the state. Gold and MPOC are connected to each other and one of Gold's director is also part of the executive management in MPOC. Thus, Gold is positioned with strong possession of

[22] "The Roundtable on Sustainable Palm Oil (RSPO) aims to transform markets to make sustainable palm oil the norm. As a not-for-profit association, we unite stakeholders from the palm oil industry to develop and implement global standards for sustainable palm oil. We have over 2000 members globally that represent 40% of the palm oil industry, covering all sectors of the global commodity supply chain" – see Roundtable on Sustainable Palm Oil (2015) *Why RSPO?*, available: http://www.rspo.org/ [accessed 12 November 2015].

capital (in this case social capital from industry key players: RSPO, supply chain and MPOC) which ensures Gold *"gain[s] the profits of recognition"* (Bourdieu 1990a, p.127).

At Gold's organisational level, the composition of its board of directors comprises of a mixture of experienced individuals who can represent the company in any avenue from environment, social, bureaucratic to the people on the ground. This internally built social capital in return generates the cultural capital, in terms of skills and knowledge about the industry and sustainability issues. As the world's largest producer of sustainable palm oil, the stakeholder engagement, internally and externally, as discussed in Chapter 6, is *"nothing more than economic or cultural capital which is acknowledged and recogni[s]ed"* (Bourdieu 1990a, p.135) by the majority of other stakeholders (i.e. global supply chain, RSPO and MPOC) in that industry. The internal changes in sustainability governance structure generated changes in the internal culture of the company, which, in turn, expanded the cultural capital (knowledge and skills in practising sustainability) of the organisation.

In the context of the palm oil sector, certain visible strategies and dispositions were actively employed by Gold to bolster its legitimacy in engaging the stakeholders. It is evident that Gold embodies a palm oil sector habitus, which has been cultivated from its many years of operations in this field. Gold's management has skills and knowledge in sustainability and uses that valued cultural capital to enhance its strength in engaging the stakeholders. This accumulated value of cultural capital accolades from the lengthy operations in palm oil sector, along with an

extensive social capital (strong network and support from the global supply chain, MPOC and RSPO) accorded Gold with a general standing, trust and prestige within the sustainability field (Golsorkhi *et al.* 2009; Kerr and Robinson 2012; Andon *et al.* 2014). This recognition and honour awarded to Gold is converted into the more widely recognised form of the symbolic capital. As Gold accumulated symbolic capital in their stakeholder engagement, and was seen to be a legitimate 'sustainable palm oil producer', it also earned power not just to form the 'rules of the game' but to initiate counter challenges to confront the negative allegation against the industry in general and its sustainable product specifically.

While not all stakeholders happily accept its status in the field, the international NGOs who represent the civil society keep on bashing the way Gold practices sustainability. This group of NGOs tries to create a social network with the producer and supply chain, for example, the High Carbon Stock (HCS) Approach by Greenpeace, forest group TFT and Golden Agri-Resources in 2011 (Climate Adviser 2014) which is supported by some palm oil producers like Wilmar and various consumer companies, such as Unilever. However, this HCS Approach was challenged by a new HCS study funded by Gold and other giant producers, including Wilmar (Butler 2014a; CarbonStockStudy.com 2015), and supported by consumer companies, including Unilever (sit as Steering Committee) (Unilever 2015). Thus, whatever movement and action made by Gold will be supported by the key industry players such as RSPO, giant producers and consumer companies as they share common illusio and aim to protect the industry's reputation (so as to gain trust from the final buyer in a consumer companies context, for example). Most of them were the co-founders of RSPO, which resembles one voice representation in decision making for

producing sustainable palm oil. Gold put into action the symbolic capital which it has acquired in previous struggles to gain power and domination in this field.

Gold has been gaining symbolic power from the embodiment of the social order instituted by historically accumulated cultural capital (knowledge from long outstanding experiences in this sector and in sustainable practices such as zero burning and integrated pest management) and social capital (relations with government officers, patronage relations, relation with industry players like MPOC and RSPO, and global supply chain). This symbolic power is legitimised by other stakeholders in the field as they share the same illusio. The illusio allows the relationships between Gold and other stakeholders in the sustainability field to be regulated in such a way that the stakes and rules of the field favour Gold (which already has the best established position, benefits from the higher amount of capital and has the best dispositions). This would result Gold in engaging the symbolic violence where the other stakeholders would recognise that its action speaks for them (recognition) and would believe Gold is at their side (misrecognition). This symbolic violence is *"the violence which is exercised upon a social agent with his or her complicity"* (Bourdieu and Wacquant 1992, p.167). It is a *"form of power that is exerted on bodies directly and as if by magic, without any physical constraint; but this magic works only in the basis of dispositions deposited, like springs, at the deepest level of body"* (Bourdieu 2001, p.38 in Swartz, 2013, p.92). This symbolic violence is a kind of domination which acts upon other stakeholders but goes unrecognised. This symbolic violence is embedded in the normal practice of those key players in the palm oil industry and shapes social experiences and subjectivities

in myriad of ways. The symbolic violence depicted in the Figure 7.2 shows that Gold, as a public listed company, has the same objective with the state, the industry and the global supply chain. With such goal congruence and the positioning of social, cultural and economic capitals in Gold's side, symbolic violence has been created. This symbolic violence made Gold is in control and any action made is in favour of the company as discussed above.

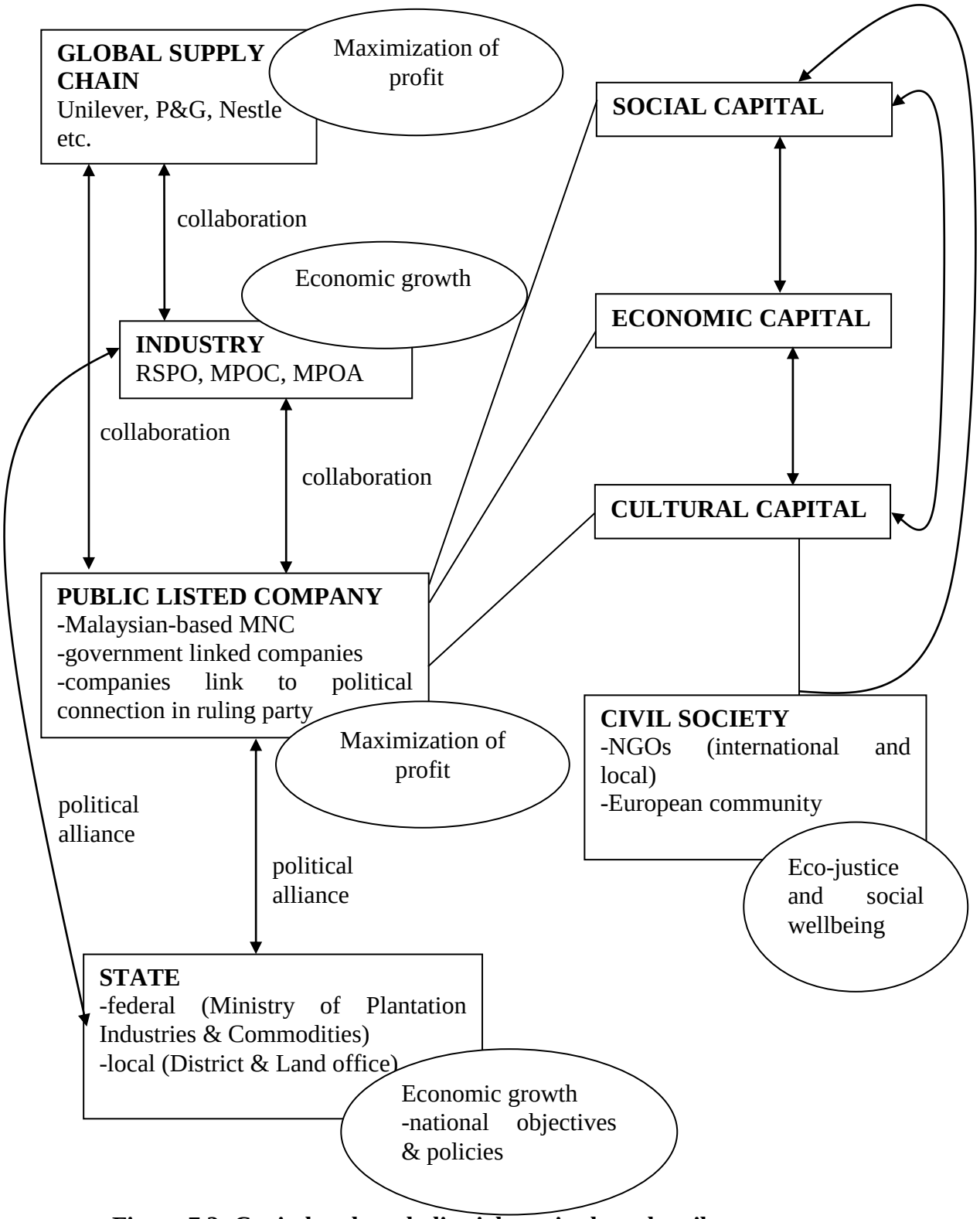


Figure 7.2: Capital and symbolic violence in the palm oil sector

7.3.2.2 Mining sector

As Bourdieu claimed, *"[p]roduced by the experience of the game and therefore of the objective structures within which it is played out, 'the feel for the game' is what gives the game its subjective sense – a meaning and a raison d' être, but also a direction, an orientation, an impending outcome, for those who take part"* (Bourdieu 1990b, p.66). Silver is seen as possessed a habitus containing 'the feel for the game' when planning its strategies in relation to stakeholder engagement.

The findings in Chapter 6 reveal that Silver positioned its social capital in the field of sustainability and succeeded in gaining the trust of the state. Here, one can see that Silver prioritises its stakeholder engagement towards seeking for the legitimacy for its continued economic benefit in Malaysia from the regulator. Silver believes the historical and cultural power (long and established ruling party and executive power) shapes the state's disposition to award the legitimacy to the company as they have the same illusio.

The situation changed after the local community found out about this project on 11 March 2011. The local community opposed this project due to no prior public consultation. The local community has lost trust in the state which has allowed Silver to operate in their area without any consultation made. The invitation of the international expert panel, International Atomic and Energy Agency (IAEA), and subsequently the appointment of the special parliamentary committee (SPC) were seen as a way to legitimise their action in protecting and allowing the plant to

continue operating in Malaysia. At the same time, Silver believed that this action would benefit the company and the company bowed to it as a gesture of obeying to the state's order in legitimising the company's operation. Both the report from IAEA, which is based on scientific data from nuclear experts, as well as the SPC report, which was formulated with multiple views from the experts (local and international), the society and professionals, were taken into account when the state made its decision to grant Silver a permanent operating licence. Silver is seen as receiving prestige and trust from the state as a result of obeying the law (i.e., fulfilling all the regulative requirements imposed by the Malaysian regulators).

However, this evidence does not give consolation to those local communities who protest this project. Groups such as Green Assembly and Save Malaysia Stop Silver query the ability of IAEA because it only looks at the nuclear aspect and regard the recommendations made by SPC as not efficient regarding their enforcement implementation. They claimed that there is no transparency and accountability in giving the permanent licence to Silver as until now the company has not given a definite answer to the issue of radioactive toxic waste. No permanent disposal facility is being disclosed and there is no indication about what will happen to the compilation of waste which is currently being produced and piled up in the plant. What is more, the state did not allow any other expert appointed by the local communities to access the plant. The local communities have cast doubt on the competency of the enforcement team because it has staff with fewer than five years of experience is overseeing the plant. The inefficiency of the state and regulators' enforcement team has always been questioned as the long represented

institutionalised party-states (Slater 2003) (the United Malays National Organisation [UMNO]) have the control and power to legitimise their actions.

Despite the objections from the local communities, the state claimed that Silver's operation will not harm the environment and the society. This is because Silver has been granted prestige and honor which is conferred by the state. In this study, Silver has been gaining symbolic capital through *"the esteem, recognition, belief, credit, confidence"* (Bourdieu 2000, p.166) of the state. The state is *"a great reservoir of symbolic power, the central bank of symbolic credit"* (Wacquant 1993, p.39) and acknowledgement given by the state gave Silver legitimation as the dominant agent in the mining sector's sustainability field even though the local community defies it. The state, in this study, is seen as the protector of the company and as trying to legitimise the operating licence of Silver by covering all the consequences with measures taken by state, such as report from IAEA and recommendation from SPC. Since the power and domination given to Silver is transferred by the state which is *"the holder of the monopoly of legitimate symbolic violence"* (Wacquant 1993, pp.39-40) any allegations made by the local society against Silver are seen as a politically linked strategy against the ruling party formulated by the opposition party. This domination, which *"operates through belief, through a doxic relation to structures"* (Wacquant 1993, p.34), is taken for granted and seen as symbolic violence. The state is seen as exercising its despotic executive power in giving the power to Silver (it has awarded Silver with a permanent operating licence even though the permanent disposal facility that is supposed to store the radioactive waste has not been disclosed to the local community). The local community demands for more transparency in relation to how this licence was

granted, as also advocated by IAEA. However, this has been ignored by the state which seems to be exploiting the stakeholder accountability through misrecognition, i.e., by only recognising whatever documents Silver provided with the intention to legitimise its operations. As argued by Bourdieu, *"[s]ymbolic violence can only be exercised by the person who exercises it, and endured by the person who endures it, in a form which results in its misrecognition as such, in other words, which results in its recognition as legitimate"* (1991, p.140).

The state exploits its executive power and reacts towards the economic benefits and transfers its domination to Silver in the sustainability field. The state has the power over the local citizen as the ruling party which decides what is good for the economic development. The state then legitimises its actions by bringing forward cultural capital (factual and scientific proof from multiple experts both local and international). Thus, the state as *"the monopoly of legitimate symbolic violence"* (Bourdieu and Wacquant 1992, p.112) has formed a coalition and ties with Silver so as to fulfill their vested interest. This contradicts the engagement specified by Bebbington *et al.* (2007) as the state uses and abuses its power to achieve its predetermined outcomes; i.e., economic growth.

This symbolic violence can be summarised in Figure 7.3 below where the state has achieved goal congruence with Silver. As 'a great reservoir of symbolic power' the state has transferred its power to Silver as soon as the company had fulfilled all the rules and regulations stipulated even though doing so was just a way to 'tick the box' as discussed above (see section 7.3.1.1). Silver is seen as positioning

its social, cultural and economic capitals in a way so as to achieve its own goal by operating in alliance with the state.

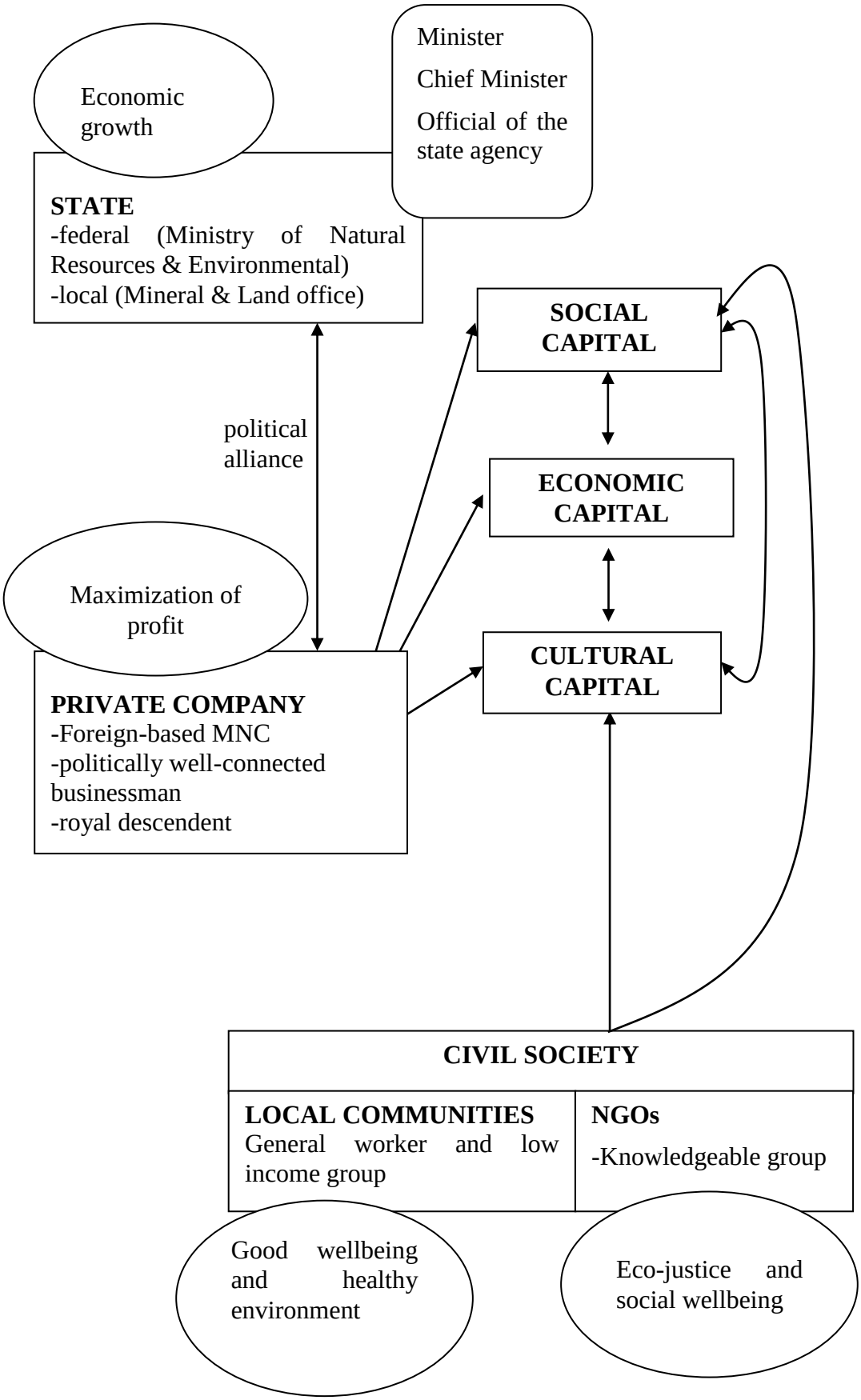


Figure 7.3: Capital and symbolic violence in the mining sector

7.3.2.3 Summary of symbolic violence in stakeholder engagement

In Malaysia's field of sustainability, the companies are engaging their stakeholders through the symbolic violence which embedded in 'normal' routines of their engagements. This form of domination and power conferred by the state made stakeholder engagement as a mechanism of public management instead of providing accountability to the stakeholders. This occur when the state as an alliance and a collaborator (to/with the companies) acts upon civil society against their interests, yet those affected are allowed no elements of choice, or freedom to resist (Gunder and Mouat 2002). However, the pressure from the consumer from western countries does give a small impact in changing the sustainability behavior of companies in palm oil sectors but not in mining sector.

7.4 Concluding remarks

This chapter has discussed the research findings described in Chapter 5 and 6. It has provided a detailed discussion on the stakeholder engagement in the palm oil and mining sector in Malaysia through the lens of Bourdieu's framework; by referring to the concepts of field, capital and habitus. This chapter has discussed how the field of sustainability is structured in the palm oil and mining sectors. The understanding of the concept of sustainability arises from the internalising structures of their habitus and the capital they acquired throughout their life; for example through work experiences and their social networks.

Within the sustainability field, the company does engage with its stakeholders but with certain interests in mind. At the same time, there is engagement between the

stakeholders, such as the state and civil society, when there is dispute over the decision made by the state in giving licence for the company to operate. In this study, the company regards the stakeholder engagement as a strategy for the company to be legitimatised by the state and to dominate the field through symbolic power. This symbolic power together with the collaboration and alliance with the state and industry players give the company the ability to achieve, establish and exercise its domination. This domination creates the insidious and invisible symbolic violence which acts upon the civil society but which goes unrecognised. Thus, this symbolic violence can be elusive and camouflaged but nonetheless effective in its impact and regarded as legitimate**.**

Chapter 8 Conclusion

8.1 Introduction

This chapter concludes this thesis by bringing together the conclusions derived from the findings of this research as well as the implications of the whole study for both research and practice. In particular, it provides a synthesis of the empirical evidence in light of the Bourdieusian framework and in relation to stakeholder engagement.

This study was set out to examine the stakeholder engagement practices in Malaysia in the field of sustainability by focusing on the palm oil and mining sector. This social practice has been viewed from the lens of Bourdieu's notion of field, capitals, habitus and symbolic violence. From this perspective, this study aimed to answer the question of how the Malaysian companies in the palm oil and mining sector engage with their stakeholders. This objective was achieved by analysing the field of sustainability in identifying the key stakeholders to understand their roles, relationships and interactions. After identifying the key stakeholders in these two sectors, their perceptions on the concept of sustainability were delineated.

The following section presents the synthesis of the empirical findings on how the companies in palm oil and mining sectors engage with their stakeholders. The concept of field in Bourdieu's framework is used to explore the structure of sustainability field as a 'field of struggle' for power and domination on the part of the

key stakeholders. The positioning of these key stakeholders' valued resources capital (economic, cultural, social and symbolic capital) creates strategies for these companies to use so as to act in accordance to their interest to win the 'game'. This 'feel for the game' in engaging their stakeholders through the positioning of their valued capital then creates power and domination which are regarded as symbolic violence. Section 8.3 discusses some of the limitations and provides future directions for study in relation to this research. Lastly, section 8.4 concludes this chapter.

8.2 Synthesis of empirical findings

This study set out to answer the main research questions: *How is the field of sustainability in Malaysia structured?* and sub-research questions:

1. How do the key stakeholders (i.e. regulators, corporations and community/NGOs) in Malaysia perceive the concept of sustainability?

2. How do Malaysian companies (in the palm oil and mining sector) engage with their stakeholders?

According to the findings in this study, stakeholder engagement made by the companies with the support from the state has sought to naturalise the view that the companies' operation is not harmful to the environment and society. The state is seen as having the same basic ideology with the companies' objective, which is the maximisation of profit and an increased GDP. It is argued then that it is not likely to witness any significant changes in companies' behaviour in the future. Thus, the regulatory action needed to spur companies into action may not be likely to be taken and companies have proven adept in the past at working their way around regulatory

regimes. Furthermore, it could be inferred that the state actions in supporting the companies directly have given legitimacy to the unsustainability operation of the companies. Hence, this gives the companies power and the ability of domination in the economy and creates symbolic violence.

This study raised a number of important issues for the development of the understanding of sustainability accounting, in particular stakeholder engagement. When making sense of sustainability practices, stakeholder engagement is recognised and incorporated as a method of discharging companies' sustainability responsibilities. The findings of this study point at a process of stakeholder management which has taken over any meaningful moves towards upholding the company's accountability towards the stakeholders (Owen *et al.* 2001). Be it a local or foreign multinational company, it does not play a role on their (un)sustainability behaviour. Nevertheless, the pressures received from civil society do slightly direct their behaviour towards sustainability when such pressures affect their economic performance. Thus, the stakeholder engagement conducted is usually just a little more than empty rhetoric (Owen and Swift 2001) and a 'corporate spin' (New Economics Foundations 2000).

Understanding the field of sustainability in these two sectors, i.e., the palm oil and mining sectors, is critical to making sense of observed stakeholder engagement practices. It is believed that the Bourdieu's concept of field can make significant contributions to such understanding. It can help to identify different stakeholder roles (i.e. active or passive stakeholder dynamics), differences in ideologies, rationalities

and values in relation to the problem. It can also help to recognise a wide range of interactions and engagement dynamics among companies, the civil society, the state as well as the regulators appointed by the state. This study identified that the active stakeholder engagement in the sustainability field (of palm oil and mining sectors) is made between the company and the state (as well as the regulators) and only when there is pressure (pressure that has an impact on their economic performance) there is engagement between the company and the civil society. In such cases, the state is seen to meddle in this stakeholder engagement and help the company in engaging straight with the civil society to reduce the pressure. Even though there are actions made by the civil society against the companies and the state, the state is seen to naturalise their own (un)sustainability actions and control the situation as if it has made to the best of the society and environment. Thus, by examining this field of sustainability, the researcher is able to identify the dominant stakeholders with whom company engaged with and was forced to engage with due to pressure the company received.

There are different understandings of the concept of sustainability among the key stakeholders in Malaysia due to their habitus. From the findings in Chapter 5, it seems that the stakeholders generally believe that sustainability is the balance of three P's; profit, people and planet. They regard that all sustainability activities must take into account the impact on the people and planet, not only to aim for profit. In the findings chapter, it is noted that the way most of the stakeholders conceptualise the meaning of sustainability depends on their environment, work experiences and their way of upbringing. This is what Bourdieu calls *habitus* which is inscribed in the body of the biological individual (Reay 2004, p.433). Most previous studies concerned

with this issue only discussed the vague concept of sustainability an endeavour which leads to many interpretations. However, this study has taken a step further in examining the understanding of the way the key stakeholders comprehend and embed the concept of sustainability in their everyday lives. Even though the stakeholders believe that sustainability should be the balance of the 3Ps; profit, people and planet, for most companies profit is the ultimate target. These stakeholders contend that there should be an expense in sustainability to achieve sustainable development. With this in mind, there are stakeholders who reject the concept of sustainability as they believe that sustainability does not exist if the companies and state prioritise economic development.

Meanwhile, the findings in Chapter 6 give indication that there is some degree of engagement among the companies and their stakeholders in Malaysia but just so as to improve the company's legitimacy. By looking at the two mini cases of Gold and Silver, this study shows that the companies strategically use stakeholder engagement to manipulate the civil society perception on their corporate sustainability performance and make use of this stakeholder engagement to achieve their economic benefits. In the field of sustainability in Malaysia, even though this study has examined the way the companies engage with their stakeholders, the role of state cannot be ignored as it has a role to play in contributing towards unsustainability practices. In this study, the state has been shown to use its executive power to legitimise the operation of the companies even though such companies do not benefit the public at large. The state is seen to serve the interest of its patronage businesses and to ignore the public interest. Every action taken by the state in achieving

sustainable development is seen as serving its system of patronage by legitimising certain actions and companies. In this scenario, the state can be viewed as the great producer of 'social problems' (Bourdieu 1998b, p.38), the cause of the social and environmental problems. The state may set certain policies but it does not enforce them in the right way in order to serve the public interest; instead, its aim is to monopolise the economy. The state transfers the power to the companies by legitimising their operation and actions. The companies gain the power and domination conferred by the state through collaboration and alliances so as to achieve economic benefit. In this study, the local MNC, such as Gold, has a collaborative relationship with the state so as to fulfil its economic aspirations, whilst, the foreign MNC, such as SilverCorp, has an alliance with the state. This study gives evidence to suggest that stakeholder engagement practices are explained by the power differentials. The power structure held by the long ruling party (the state) is reproduced by the inculcation of internalised controls, a fact which, as it is claimed, makes coercion superfluous (Lakomski 1984). As a result, there is little evidence to suggest that stakeholder engagement serves to solve the social and environmental controversy.

8.3 Limitations of this study and directions for future research

This study has been conducted based on the primary data obtained from interviewing key stakeholders in the palm oil and mining sectors. Despite best efforts

and although this study has reached its aims, there are some unavoidable limitations. The main limitation comes from the approach taken, which then relates to the data obtained for the analysis. The approach used was the conduct of interviews with key stakeholders and to complement this with any relevant secondary data such as annual/sustainability report, information through companies' website, social networks such as LinkedIn, Facebook, blogs and Twitter, available online news and documentary evidence. Observation was carried out on three occasions; a parliament session for tabling a petition to protest the approval of permanent operating licence to Silver, a demonstration in front of the Silver's rare earth factory (622 Silver Shut Down) and a meeting conducted by the Bar Council Environmental and Climate Change Committee. However, a visit to a palm oil plantation was not possible due to time constraints and poor timing. Thus, two concerns arise in relation to the above. To start with, not all targeted main stakeholders were interviewed. The researcher was unable to interview key personnel from mining and related mining industry companies and regulators such as AELB due to negative replies. Nevertheless, the findings are still valid as the researcher was able to find statements from the regulators and companies from online news sites and interviews on YouTube. Secondly, because the fieldwork was conducted in Malaysia with a time frame of around three months, time constraints made it impossible for the researcher to put more effort in obtaining access to targeted participants.

In seeking to understand the stakeholder engagement practice in Malaysia, only a sample of key stakeholders was interviewed. Any explanation for this practice is limited to this particular sample and no claims can be made for their

generalizability. Hence, the understanding of stakeholder engagement practice stemming from this study only applies to this sample only.

The Bourdieu's notion of habitus is quite difficult to observe through the interview itself but can be comprehend interpretively (Reay 2010). Even though habitus is derived from individual attributes, it can give an overall understanding at the group level, the organisational level and even the societal level (Goddard 2004, p.563). Therefore, in this study the analysis of the Gold board of director's composition and the executive chairman of Silver is used for understanding the organisational level and their understanding of the executive power held by the state resembles their actions in stakeholder engagement.

Research in sustainability is an appealing research area and it is foreseeable to continue being studied in the future. Further research can be explored focusing on the civil society's actions and behaviour in achieving sustainability of the environment and the society in Malaysia. There are many issues related to environmental disaster and the environmentalists are active in giving awareness and listening to the local community environmental issues. As Malaysia has been ruled by the same coalition party since its independence, most of its businesses are under the influence of their political connections and the royal descendants. Future research can be focused on how this civil society reacts and fights against these powerful businesses. An example is the recent issue on the bauxite mining in Malaysia, which is facing environmental disaster, and its impact on the everyday lives and health of the local community because of its toxic contaminated dust and water.

It is also a good idea to examine how the regulator appointed by the state discharges their accountability towards the civil society. In this study, the stakeholders such as environmentalists, NGOs and opposition political parties accuse the regulator for not doing their job in upholding the sustainability issue in terms of regulating the rules and in terms of their enforcement. Malaysia may have a number of good laws in preserving the environment and may support the right of the local community in sustainability but how the regulators implement these laws is still in question and doubted by the civil society.

This study uses the relational concept of Bourdieu to understand stakeholder engagement and sustainability in Malaysia. In terms of future research, this study can lead to further investigation into the stakeholder engagement by using other theories such as institutional logic theory, actor-network theory and stakeholder theory. Another theory such as the actor-network theory may provide a completely different analysis of how the actors or agents act towards achieving sustainability in the stakeholder engagement process.

8.4 Concluding remarks

Clearly, the stakeholder engagement in Malaysia generally is lacking due to the symbolic violence which is deeply rooted in the structure of the state which empowers the companies by legitimising their (un)sustainability activities. If the policy maker makes use of the policies just to legitimise their interest in economic

development, sustainability does not exist. As a guardian of the public interest, the state should use rules and regulations to protect civil society and save the environment, not only consider the economic development. Compliance to the rules does not assure sustainability. On a similar vein, the companies are under pressure to show their commitment to sustainability due to pressure coming from international consumers and the local community when this pressure impacts their economic gains. In appeasing this pressure, the companies use stakeholder engagement as a strategy to gain legitimization; to get the 'licence to operate'. In this case, to have a truly sustainability behaviour, the internalised principle of the dominant culture need to be changed in order to have a tacit shared understanding on sustainability and on engaging the stakeholders.

References

ACCA (2005) *Sustainability reporting guidelines for Malaysia companies*, Malaysia: ACCA.

ACCA (2009) *ACCA Malaysia sustainability reporting awards*, Student Accountant, available: http://www.accaglobal.com/uk/en/student/acca-qual-student-journey/sa/articles/sa-archive/2009-archive/february-2009/acca-news.html [accessed 1 August 2013].

ACCA (2013) *The Business Benefits of Sustainability Reporting in Singapore: ACCA Sustainability Roundtable Dialogue On 24 January 2013*, available: http://www.accaglobal.com/content/dam/acca/global/PDF-technical/other-PDFs/sustainability-roundtable.pdf [accessed 21 December 2014].

ACCA (2014a) *Malaysian corporations encouraged to embrace sustainability reporting and transparency*, available: http://www.accaglobal.com/my/en/discover/news/malaysia/2014/malaysian-corporations-encouraged-to-embrace-sustainability-repo.html [accessed 16 February 2015].

ACCA (2014b) *Sustainability matters: ACCA policy paper*, available: http://www.accaglobal.com/uk/en/technical-activities/technical-resources-search/2014/april/sustainability-matters.html [accessed 1 June 2014].

ACCA (2015) *ACCA Malaysia MASRA Awards*, available: http://www.accaglobal.com/my/en/malaysia_MaSRA.html [accessed 14 February 2015].

Adams, C.A. (2002) 'Internal organisational factors influencing corporate social and ethical reporting: Beyond current theorising', *Accounting, Auditing & Accountability Journal*, 15(2), 223 - 250.

Adams, C.A. (2004) 'The ethical, social and environmental reportingperformance portrayal gap', *Accounting, Auditing & Accountability Journal*, 17(5), 731-757.

Adams, C.A. and Frost, G.R. (2008) 'Integrating sustainability reporting into management practices', *Accounting Forum*, 32(4), 288-302, available: http://dx.doi.org/10.1016/j.accfor.2008.05.002.

Adams, C.A. and Larrinaga-González, C. (2007) 'Engaging with organisations in pursuit of improved sustainability accounting and performance', *Accounting,*

Auditing & Accountability Journal, 20(3), 333-355, available: http://dx.doi.org/10.1108/09513570710748535.

Adams, C.A. and McNicholas, P. (2007) 'Making a difference: Sustainability reporting, accountability and organisational change', *Accounting, Auditing & Accountability Journal*, 20(3), 382-402, available: http://dx.doi.org/10.1108/09513570710748553.

Adams, C.A. and Whelan, G. (2009) 'Conceptualising future change in corporate sustainability reporting', *Accounting, Auditing & Accountability Journal*, 22(1), 118-143.

Admin-s (2013) 'Experts' Opinions of the Silver Rare Earth Refinery Project in Malaysia', *Malaysia Today*, 25 November 2015, available: http://www.malaysia-today.net/experts-opinions-of-the-lynas-rare-earth-refinery-project-in-malaysia/ [accessed 1 December 2015].

Adnan, H. and Han, C.E. (2013) *Good money in mining*, available: http://www.thestar.com.my/Business/Business-News/2013/07/27/Good-money-in-mining-Huge-capital-investments-required-though/?style=biz [accessed 1 August 2015].

AELB (2015) *Profile* available: http://portal.aelb.gov.my/sites/aelb/en/about-aelb/profile [accessed 1 March 2015].

Al-Tuwaijri, S.A., Christensen, T.E. and Hughes Ii, K.E. (2004) 'The relations among environmental disclosure, environmental performance, and economic performance: a simultaneous equations approach', *Accounting, Organizations and Society*, 29(5–6), 447-471, available: http://dx.doi.org/10.1016/s0361-3682(03)00032-1.

Al Jazeera (2012) 'Is Malaysia risking it all for rare earths?', [video], available: https://www.youtube.com/watch?v=5sF7sp4Kxjk [accessed 15 May 2014].

Alawattage, C. (2011) 'The calculative reproduction of social structures–The field of gem mining in Sri Lanka', *Critical Perspectives on Accounting*, 22(1), 1-19.

Amaeshi, K.M. and Crane, A. (2006) 'Stakeholder engagement: a mechanism for sustainable aviation', *Corporate Social Responsibility and Environmental Management*, 13(5), 245-260.

Amran, A. and Devi, S.S. (2008) 'The impact of government and foreign affiliate influence on corporate social reporting: The case of Malaysia', *Managerial Auditing Journal*, 23(4), 386-404.

Amran, A. and Haniffa, R. (2011) 'Evidence in development of sustainability reporting: a case of a developing country', *Business Strategy & the Environment (John Wiley & Sons, Inc)*, 20(3), 141-156, available: http://dx.doi.org/10.1002/bse.672.

Amran, A., Zain, M.M., Sulaiman, M., Sarker, T. and Ooi, S.K. (2013) 'Empowering society for better corporate social responsibility (CSR): The case of Malaysia', *Kajian Malaysia*, 31(1), 57-78.

Andon, P. and Free, C. (2012) 'Auditing and crisis management: The 2010 Melbourne Storm salary cap scandal', *Accounting, Organizations and Society*, 37(3), 131-154, available: http://dx.doi.org/10.1016/j.aos.2012.01.004.

Andon, P., Free, C. and Sivabalan, P. (2014) 'The legitimacy of new assurance providers: Making the cap fit', *Accounting, Organizations and Society*, 39(2), 75-96.

Andriof J, Waddock S, Husted B and S., R. (2002) *Unfolding Stakeholder Thinking: Theory, Responsibility and Engagement*, Sheffield: Greenleag Publishing.

Aras, G. and Crowther, D. (2009) 'Corporate Sustainability Reporting: A Study in Disingenuity?', *Journal of Business Ethics*, 87, 279-288, available: http://dx.doi.org/10.1007/s10551-008-9806-0.

Archel, P., Husillos, J., Larrinaga, C. and Spence, C. (2009) 'Social disclosure, legitimacy theory and the role of the state', *Accounting, Auditing & Accountability Journal*, 22(8), 1284-1307.

Archel, P., Husillos, J. and Spence, C. (2011) 'The institutionalisation of unaccountability: Loading the dice of Corporate Social Responsibility discourse', *Accounting, Organizations and Society*, 36(6), 327-343, available: http://dx.doi.org/10.1016/j.aos.2011.06.003.

Arnholtz, J. and Hammerslev, O. (2013) 'Transcended power of the state: the role of actors in Pierre Bourdieu's sociology of the state', *Distinktion: Scandinavian Journal of Social Theory*, 14(1), 42-64.

Arnstein, S.R. (1969) 'A ladder of citizen participation', *Journal of the American Institute of planners*, 35(4), 216-224.

Ayuso, S., Rodriguez, M.A. and Ricart, J.E. (2006) 'Responsible competitiveness at the ‘‘micro’’level of the firm: Using stakeholder dialogue as a source for new ideas: A dynamic capability underlying sustainable innovation', *Corporate Governance*, 6(4), 475-490.

Azizul Islam, M. and Deegan, C. (2008) 'Motivations for an organisation within a developing country to report social responsibility information: evidence from Bangladesh', *Accounting, Auditing & Accountability Journal*, 21(6), 850-874.

Bailey, D., Harte, G. and Sugden, R. (2000) 'Corporate disclosure and the deregulation of international investment', *Accounting, Auditing & Accountability Journal*, 13(2), 197-218.

Ball, A. (2005) 'Environmental accounting and change in UK local government', *Accounting, Auditing & Accountability Journal*, 18(3), 346-373, available: http://dx.doi.org/10.1108/09513570510600738.

Barone, E., Ranamagar, N. and Solomon, J.F. (2013) 'A Habermasian model of stakeholder (non) engagement and corporate (ir) responsibility reporting', in *Accounting Forum*, Elsevier, 163-181.

Baxter, J. and Chua, W.F. (2003) 'Alternative management accounting research—whence and whither', *Accounting, Organizations and Society*, 28(2-3), 97-126, available: http://dx.doi.org/10.1016/s0361-3682(02)00022-3.

Baxter, J. and Chua, W.F. (2008) 'Be(com)ing the chief financial officer of an organisation: Experimenting with Bourdieu's practice theory', *Management Accounting Research*, 19(3), 212-230, available: http://dx.doi.org/10.1016/j.mar.2008.06.001.

BBC (2015) *French minister says Nutella spread 'damages environment'*, available: http://www.bbc.co.uk/news/world-europe-33163534 [accessed 3 August 2015].

BBC News (n/a) *Read Unilever's full response here - BBC News*, available: http://news.bbc.co.uk/nol/shared/bsp/hi/pdfs/panorama_unilever.pdf [accessed 1 October 2015].

Bebbington, J. (1997) 'Engagement, education and sustainability: a review essay on environmental accounting', *Accounting, Auditing & Accountability Journal*, 10(3), 365-381.

Bebbington, J. (2001) 'Sustainable development: a review of the international development, business and accounting literature', *Accounting Forum*, 25(2), 128-157.

Bebbington, J. (2009) 'Measuring sustainable development performance: Possibilities and issues', *Accounting Forum*, 33(3), 189-193, available: http://dx.doi.org/10.1016/j.accfor.2008.09.002.

Bebbington, J., Brown, J., Frame, B. and Thomson, I. (2007) 'Theorizing engagement: the potential of a critical dialogic approach', *Accounting, Auditing & Accountability Journal*, 20(3), 356-381, available: http://dx.doi.org/10.1108/09513570710748544.

Bebbington, J. and Gray, R. (2000) 'Accounts of sustainable development: The construction of meaning within environmental reporting', *Aberdeen Papers in Acct, Finance and Mgmt Working Paper No. 00-18*.

Bebbington, J. and Gray, R. (2001) 'An Account of Sustainability: Failure, Success and a Reconceptualization', *Critical Perspectives on Accounting*, 12(5), 557-588, available: http://dx.doi.org/10.1006/cpac.2000.0450.

Bebbington, J. and Larrinaga, C. (2014) 'Accounting and sustainable development: an exploration', *Accounting, Organizations and Society*, 39(6), 395-413.

Bebbington, J., Larrinaga, C. and Moneva, J.M. (2008) 'Corporate social reporting and reputation risk management', *Accounting, Auditing & Accountability Journal*, 21(3), 337-361, available: http://dx.doi.org/10.1108/09513570810863932.

Bebbington, J. and Thomson, I. (2007) 'Social and environmental accounting, auditing, and reporting: a potential source of organisational risk governance?', *Environment and Planning C: Government and Policy*, 25(1), 38-55.

Bebbington, J., Unerman, J. and O'Dwyer, B. eds. (2014) *Sustainability accounting and accountability*, 2nd ed., Oxon, UK: Routledge.

Beddewela, E. and Herzig, C. (2013) 'Corporate social reporting by MNCs' subsidiaries in Sri Lanka', in *Accounting Forum*, Elsevier, 135-149.

Bedi, R.S. (2011) *Debate over rare earth plant*, available: http://www.thestar.com.my/story/?file=%2f2011%2f4%2f10%2fnation%2f8440098&sec=nation [accessed 21 March 2014].

Behrmann, E. (2011) *Silver's chairman builds fortune with bet on rare earths*, available: http://www.bloomberg.com/news/articles/2011-03-07/lynas-s-nick-curtis-builds-fortune-with-bet-on-rare-earths [accessed 1 September 2015].

Belal, A.R. (2000) 'Environmental reporting in developing countries: empirical evidence from Bangladesh', *Eco - Management and Auditing*, 7(3), 114-121.

Belal, A.R. and Cooper, S. (2011) 'The absence of corporate social responsibility reporting in Bangladesh', *Critical Perspectives on Accounting*, 22(7), 654-667, available: http://dx.doi.org/10.1016/j.cpa.2010.06.020.

Belal, A.R. and Owen, D.L. (2007) 'The views of corporate managers on the current state of, and future prospects for, social reporting in Bangladesh: An engagement-based study', *Accounting, Auditing & Accountability Journal*, 20(3), 472-494.

Benston, G.J. (1982) 'Accounting and corporate accountability', *Accounting, Organizations and Society*, 7(2), 87-105, available: http://dx.doi.org/10.1016/0361-3682(82)90014-9.

Berg, B.L. (2009) *Qualitative research methods for the social science.*, Boston: Pearson.

Bernama (2014a) 'Cause of Cameron Highlands floods an unforgivable act, says Muhyiddin - Bernama', *themalaysiainsider.com*, 9 November 2014, available: http://www.themalaysianinsider.com/malaysia/article/cause-of-cameron-highlands-floods-an-unforgivable-act-says-muhyiddin-bernam [accessed 1 December 2014].

Bernama (2014b) ''No palm oil' labelling is discriminatory', *Free Malaysia Today*, 10 December 2014, available: http://www.freemalaysiatoday.com/category/nation/2014/12/10/no-palm-oil-labelling-is-discriminatory/ [accessed 6 January 2015].

Bernama (2014c) 'Pahang state assemblymen visit Silver rare earth plant', *New Straits Time*, 24 April 2014, available: http://www2.nst.com.my/latest/pahang-state-assemblymen-visit-lynas-rare-earth-plant-1.577646 [accessed 12 December 2014].

Besi Limited (2007) *Sustainability Report 2007*.

Besi Limited (2008) *Sustainability report 2008*.

Besi Limited (2011) *Sustainability Report 2011*.

Besi Limited (2012) *Sustainability Report 2012*.

Blumer, H. (1969) *Symbolic interactionism*, Englewood Cliffs, NJ: Prentice Hall.

Boesso, G. and Kumar, K. (2009) 'An investigation of stakeholder prioritization and engagement: who or what really counts', *Journal of Accounting & Organizational Change*, 5(1), 62-80.

Bongiovanni, R. and Lowenberg-Deboer, J. (2004) 'Precision Agriculture and Sustainability', *Precision Agriculture*, 5(4), 359-387, available: http://dx.doi.org/10.1023/B:PRAG.0000040806.39604.aa.

Bourdieu, P. (1977) *Outline of a Theory of Practice*, translated by Nice, R., Cambridge: Cambridge University Press.

Bourdieu, P. (1984) *Distinction: a social critique of the judgement of taste*, translated by Nice, R., London: Routledge.

Bourdieu, P. (1985) 'The social space and the genesis of groups', *Theory and society*, 14(6), 723-744.

Bourdieu, P. ed. (1986a) *The forms of capital*, New York: Greenwood.

Bourdieu, P. (1986b) 'From rules to strategies', *Cultural Anthropology*, 1(1), 110-120.

Bourdieu, P. (1989) 'Social space and symbolic power', *Sociological Theory*, 7(1), 14-25.

Bourdieu, P. (1990a) *In other words: Essays towards a reflexive sociology*, translated by Adamson, M., Cambridge: Polity Press.

Bourdieu, P. (1990b) *The Logic of Practice*, translated by Nice, R., Cambridge: Polity Press.

Bourdieu, P. (1990c) 'Social Space and Symbolic Power' in *In other words: essays towards a reflexive sociology*, Cambridge: Polity Press, 123-139.

Bourdieu, P. (1991) *Language and symbolic power*, translated by Raymond, G. and Adamson, M., Massachusetts: Harvard University Press.

Bourdieu, P. (1993) *Sociology in question*, translated by Nice, R., Milton Keynes: Sage Publication.

Bourdieu, P. (1998a) 'The left hand and the right hand of the state' in *Acts of Resistance: Against the Tyrannies of the Market*, New York: New Press, 1-11.

Bourdieu, P. (1998b) *Practical reason: On the theory of action*, Cambridge: Polity Press.

Bourdieu, P. (1998c) *The State Nobility: Elite Schools in the Field of Power.*, translated by Clough, L. C., Stanford: Stanford University Press.

Bourdieu, P. (2000) *Pascalian Meditations*, translated by Nice, R., Cambridge: Polity Press.

Bourdieu, P. (2005a) 'Habitus' in Hillier, J. and Rooksby, E., eds., *Habitus: a sense of place*, 2nd edition ed., Hants, UK: Ashgate Publishing Limited.

Bourdieu, P. (2005b) 'The political field, the social science field, and the journalistic field' in Benson, R. and Neveu, E., eds., *Bourdieu and the journalistic field*, Cambridge: Polity Press, 29-47.

Bourdieu, P., Christin, O. and Will, P.-E. (2000) 'Sur la science de l'État', *Actes de la recherche en sciences sociales*, 133(1), 3-11.

Bourdieu, P. and Wacquant, L. (1992) *An invitation to reflexive sociology*, Cambridge: Polity Press.

Bradsher, K. (2011a) 'The fear of a toxic rerun', *The New York Times*, 29 June 2011, available: http://www.nytimes.com/2011/06/30/business/global/30rare.html?_r=0 [accessed 13 April 2013].

Bradsher, K. (2011b) 'Taking a Risk for Rare Earths', *The New York Times*, 8 March 2011, available: http://www.nytimes.com/2011/03/09/business/energy-environment/09rare.html?pagewanted=all&_r=0 [accessed 14 April 2013].

Bradsher, K. (2012) 'Rare Earth Metal Refinery Nears Approval', *The New York Times*, 31 January 2012, available: http://www.nytimes.com/2012/02/01/business/global/rare-earth-metal-refinery-nears-approval-in-malaysia.html [accessed 13 April 2013].

Brivot, M. and Gendron, Y. (2011) 'Beyond panopticism: On the ramifications of surveillance in a contemporary professional setting', *Accounting, Organizations and Society*, 36(3), 135-155.

Brown, J. (2009) 'Democracy, sustainability and dialogic accounting technologies: Taking pluralism seriously', *Critical Perspectives on Accounting*, 20(3), 313-342.

Brown, J. and Dillard, J. (2013a) 'Agonizing over engagement: SEA and the "death of environmentalism" debates', *Critical Perspectives on Accounting*, 24(1), 1-18.

Brown, J. and Dillard, J. (2013b) 'Critical accounting and communicative action: on the limits of consensual deliberation', *Critical Perspectives on Accounting*, 24(3), 176-190.

Brown, J. and Fraser, M. (2006) 'Approaches and perspectives in social and environmental accounting: an overview of the conceptual landscape', *Business Strategy and the Environment*, 15(2), 103-117, available: http://dx.doi.org/10.1002/bse.452.

Burchell, J. and Cook, J. (2006) 'It's good to talk? Examining attitudes towards corporate social responsibility dialogue and engagement processes', *Business Ethics: A European Review*, 15(2), 154-170, available: http://dx.doi.org/10.1111/j.1467-8608.2006.00439.x.

Burrell, G. and Morgan, G. (1979) *Sociological paradigms and organisational analysis*, Hants, England: Sage Publication.

Burritt, R.L. and Schaltegger, S. (2010) 'Sustainability accounting and reporting:fad or trend?', *Accounting, Auditing & Accountability Journal*, 23(7), 829-846.

Bursa Malaysia (2005) *Corporate Social Responsibility in Asia Pasific: Malaysia's Role in promoting CSR*, available: http://www.sc.com.my/post_archive/speech-by-dato-zarinah-anwar-deputy-chief-executive-securities-commission-on-corporate-social-responsibility-in-asia-pacific-malaysias-role-in-promoting-csr-at-lex-mundi-asia-pacific-region/ [accessed 1 February 2013].

Bursa Malaysia (2006) *Corporate social responsibility (CSR) framework for malaysian public listed companies*, Kuala Lumpur: Bursa Malaysia.

Bursa Malaysia (2015a) *Sustainability*, available: http://www.bursamalaysia.com/market/sustainability/ [accessed 3 November 2015].

Bursa Malaysia (2015b) *What is sustainability?*, available: http://www.bursamalaysia.com/market/sustainability/introduction/what-is-sustainability/ [accessed 13 March 2015].

Butler, R. (2014a) *Big palm oil companies move forward on carbon study*, available: http://news.mongabay.com/2014/08/big-palm-oil-companies-move-forward-on-carbon-study/ [accessed 11 November 2015].

Butler, R. (2014b) *EU adopts law mandating palm oil labeling on food products*, available: http://news.mongabay.com/2014/12/eu-adopts-law-mandating-palm-oil-labeling-on-food-products/ [accessed 31 December 2014].

Butler, R. (2014c) *Malaysian palm oil company destroys Borneo forests, despite buyer's zero deforestation commitment*, available: http://news.mongabay.com/2014/09/malaysian-palm-oil-company-destroys-borneo-forests-despite-buyers-zero-deforestation-commitment/ [accessed 19 May 2015].

Calton, J.M. (2006) 'Social contracting in a pluralist process of moral sense making: A dialogic twist on the ISCT', *Journal of Business Ethics*, 68(3), 329-346.

Camoens, A. and Lim, J. (2014) 'Undeground tunnel at Jalan Pudu-Jalan Hang Tuah intersection collapses', *thestar.com.my*, 2 July 2014, available: http://www.thestar.com.my/News/Nation/2014/07/02/Underground-tunnel-collapses/ [accessed 1 December 2014].

Campbell, T. (1997) 'Technology, multimedia, and qualitative research in education', *Journal of Research on Computing in Education*, 30(2), 122-132.

CAP (2011) *No confidence in IAEA review team report on Silver project*, available: http://www.consumer.org.my/index.php/development/environment/482-no-confidence-in-iaea-review-team-report-on-lynas-project [accessed 24 May 2014].

CAP (2012) *Silver TOL public feedback session a mockery* available: http://www.consumer.org.my/index.php/development/environment/519-a-mockery-in-seeking-public-feedback-for-application-of-temporary-operating-licence-by-lynas [accessed 1 March 2014].

CarbonStockStudy.com (2015) *High carbon stock study*, available: http://www.carbonstockstudy.com/The-Manifesto/About [accessed 1 October 2015].

Carvalho, M., Meikeng, Y., Sivanandam, H. and Murad, A. (2014) 'Two PKR reps ejected from Parliament', *The Star Online*, 17 June 2014, available: http://www.thestar.com.my/news/nation/2014/06/17/pkr-reps-ejected-from-parliament/ [accessed 17 June 2014].

Case, W. (2001) 'Malaysia's resilient pseudodemocracy', *Journal of Democracy*, 12(1), 43-57.

Chant, S. and Mcllwaine, C. (2009) *Geographies of development in the 21st century*, Cornwall: Edward Elgar.

Cheng, N. (2014) 'Probe into accident at LRT site', *thestar.com*, 28 June 2014, available: http://www.thestar.com.my/News/Nation/2014/06/28/Probe-into-accident-at-LRT-site-Concern-over-contractors-not-following-safety-procedure/ [accessed 1 December 2014].

Chenhall, R.H., Hall, M. and Smith, D. (2010) 'Social capital and management control systems: A study of a non-government organization', *Accounting, Organizations and Society*, 35(8), 737-756.

Chieh, Y.H. (2011) 'Silver flogs investment benefits in wake of latest protest', *The Malaysian Insider*,, 12 October 2012, available: http://www.themalaysianinsider.com/malaysia/article/lynas-flogs-investment-benefits-in-wake-of-latest-protest [accessed 1 October 2015].

Cho, C.H., Freedman, M. and Patten, D.M. (2012a) 'Corporate disclosure of environmental capital expenditures: A test of alternative theories', *Accounting, Auditing & Accountability Journal*, 25(3), 486-507, available: http://dx.doi.org/10.1108/09513571211209617.

Cho, C.H., Guidry, R.P., Hageman, A.M. and Patten, D.M. (2012b) 'Do actions speak louder than words? An empirical investigation of corporate environmental reputation', *Accounting, Organizations and Society*, 37(1), 14-25, available: http://dx.doi.org/10.1016/j.aos.2011.12.001.

Cho, C.H., Laine, M., Roberts, R.W. and Rodrigue, M. (2015) 'Organized hypocrisy, organizational façades, and sustainability reporting', *Accounting, Organizations and Society*, 40, 78-94.

Cho, C.H., Roberts, R.W. and Patten, D.M. (2010) 'The language of US corporate environmental disclosure', *Accounting, Organizations and Society*, 35(4), 431-443, available: http://dx.doi.org/10.1016/j.aos.2009.10.002.

Chooi, C. (2012a) 'DoE: No need for detailed EIA from Silver ', *The Malaysian Insider*, 24 March 2012, available: http://www.themalaysianinsider.com/malaysia/article/doe-no-need-for-detailed-eia-from-lynas [accessed 1 May 2015].

Chooi, C. (2012b) 'PM: Silver plant 'factually and scientifically' safe', *The Malaysian Insider*, 26 February 2012, available: http://www.themalaysianinsider.com/malaysia/article/pm-lynas-plant-factually-and-scientifically-safe [accessed 8 June 2014].

Chua, W.F. (1986) 'Radical Developments in Accounting Thought', *The Accounting Review*, 61(4), 601-632, available: http://dx.doi.org/10.2307/247360.

Clarkson, M.B.E. (1995) 'A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance', *The Academy of Management Review*, 20(1), 92-117.

Clarkson, P.M., Li, Y., Richardson, G.D. and Vasvari, F.P. (2008) 'Revisiting the relation between environmental performance and environmental disclosure: An empirical analysis', *Accounting, Organizations and Society*, 33(4–5), 303-327, available: http://dx.doi.org/10.1016/j.aos.2007.05.003.

Climate Adviser (2014) *Overseeing the High Carbon Stock Approach for Implementing 'No Deforestation' Commitments*, available: http://www.climateadvisers.com/hcs-steering-group/ [accessed 11 November 2015].

Cohen, S., Demeritt, D., Robinson, J. and Rothman, D. (1998) 'Climate change and sustainable development: towards dialogue', *Global Environmental Change*, 8(4), 341-371.

Connolly, C., Hyndman, N. and McConville, D. (2013) 'UK charity accounting: An exercise in widening stakeholder engagement', *The British Accounting Review*, 45, 58-69.

Cooper, C. and Joyce, Y. (2013) 'Insolvency practice in the field of football', *Accounting, Organizations and Society*, 38(2), 108-129.

Cooper, D.J. and Morgan, W. (2008) 'Case Study Research in Accounting', *Accounting Horizons*, 22(2), 159-178.

Cooper, D.J. and Robson, K. (2006) 'Accounting, professions and regulation: Locating the sites of professionalization', *Accounting, Organizations and Society*, 31(4–5), 415-444, available: http://dx.doi.org/10.1016/j.aos.2006.03.003.

Cooper, S.M. and Owen, D.L. (2007) 'Corporate social reporting and stakeholder accountability: The missing link', *Accounting, Organizations and Society*, 32(7–8), 649-667, available: http://dx.doi.org/10.1016/j.aos.2007.02.001.

Corbin, J. and Strauss, A. (2008) *Basics of Qualitative Research* 3rd ed., Thousand Oaks, CA: Sage Pubications.

Cormier, D., Gordon, I.M. and Magnan, M. (2004) 'Corporate environmental disclosure: contrasting management's perceptions with reality', *Journal of Business Ethics*, 49(2), 143-165.

Correa, C. and Larrinaga, C. (2015) 'Engagement research in social and environmental accounting', *Sustainability Accounting, Management and Policy Journal*, 6(1), 5-28.

Creswell, J.W. (2007) *Qualitative inquiry & research design: choosing among five approaches*, 2nd ed., Thousand Oaks, CA: Sage.

Creswell, J.W. (2009) *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, 3rd ed., Thousand Oaks, CA: Sage Publications

Crossley, N. (2003) 'From reproduction to transformation social movement fields and the radical habitus', *Theory, Culture & Society*, 20(6), 43-68.

Daily Express (2012) *Silver processing plant safest in the world, says SPC chairman*, available: http://www.dailyexpress.com.my/news.cfm?NewsID=81470 [accessed 17 June 2015].

Dawkins, C.E. (2014) 'The principle of good faith: Toward substantive stakeholder engagement', *Journal of Business Ethics*, 121(2), 283-295.

de Villiers, C. and van Staden, C.J. (2006) 'Can less environmental disclosure have a legitimising effect? Evidence from Africa', *Accounting, Organizations and Society*, 31(8), 763-781, available: http://dx.doi.org/10.1016/j.aos.2006.03.001.

Deegan, C. (2002) 'Introduction: The Legitimising Effect of Social and Environmental Disclosures – A Theoretical Foundation', *Accounting, Auditing and Accountability Journal*, 15(3), 282-311.

Deegan, C. (2014) 'An overview of legitimacy theory as applied within the social and environmental accounting literature' in Bebbington, J., Unerman, J. and O'Dwyer, B., eds., *Sustainability accounting and accountability*, 2nd ed., Oxon: Routledge, 248-285.

Deegan, C. and Blomquist, C. (2006) 'Stakeholder influence on corporate reporting: An exploration of the interaction between WWF-Australia and the Australian minerals industry', *Accounting, Organizations and Society*, 31(4–5), 343-372, available: http://dx.doi.org/10.1016/j.aos.2005.04.001.

Deegan, C., Rankin, M. and Tobin, J. (2002) 'An examination of the corporate social and environmental disclosures of BHP from 1983-1997: A test of legitimacy theory', *Accounting, Auditing & Accountability Journal*, 15(3), 312-343.

Deegan, C. and Unerman, J. (2011) *Financial accounting theory*, 2nd European ed., Maidenhead: McGraw Hill.

Deetz, S. (1996) 'Describing Differences in Approaches to Organization Science: Rethinking Burrell and Morgan and Their Legacy', *Organization Science*, 7(2), 191-207.

Deng, E. and Chiu, C.C. (2012) *Transformation journey begins with 12 key economic areas*, available: http://www.scmp.com/article/1045957/transformation-journey-begins-12-key-economic-areas [accessed 19 October 2014].

Department of Environment (2015) *National policy on the environment*, available: http://www.doe.gov.my/portalv1/en/tentang-jas/pengenalan/dasar-alam-sekitar [accessed 13 March 2015].

Dillard, J. and Layzell, D. (2014) 'An ongoing journey of corporate social responsibility', in *Accounting Forum*, Elsevier, 212-226.

Djama, M. and Daviron, B. (2010) 'Managerial rationality and power reconfiguration in the multi-stakeholder initiatives for agricultural commodities: the case of the Roundtable for Sustainable Palm Oil (RSPO)', in *European Group for Organizational Studies summer workshop, Margaux, France*, 26-28.

Donaldson, T. and Preston, L.E. (1995) 'The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications', *The Academy of Management Review*, 20(1), 65-91, available: http://dx.doi.org/10.2307/258887.

Dow Jones Sustainability Index (2013) *Corporate Sustainability*, available: http://www.sustainability-indices.com/sustainability-assessment/corporate-sustainability.jsp [accessed 1 March 2013].

Drexhage, J. and Murphy, D. (2010) *Sustainable Development: From Brundtland to Rio 2012*, available: http://www.un.org/wcm/webdav/site/climatechange/shared/gsp/docs/GSP1-6_Background%20on%20Sustainable%20Devt.pdf [accessed 1 December 2014].

Dunn, J. (2010) *Nestle makes palm oil pledge*, available: http://ausfoodnews.com.au/2010/05/19/nestle-makes-palm-oil-pledge.html [accessed 1 October 2015].

Economic Planning Unit (2010) *Tenth Malaysia plan (10th MP)*, available: http://www.epu.gov.my/en/tenth-malaysia-plan-10th-mp- [accessed 1 October 2014].

Edmondson, A.C. and McManus, S.E. (2007) 'Methodological fit in management field research', *Academy of Management Review*, 32(4), 1246-1264.

Edmund Terence Gomez and Jomo, K.S. (1999) *Malaysia's political economy: politics, patronage and profits*, Cambridge, UK: Cambridge University Press.

Edwards, M. (2000) *NGO rights and responsibilities A new deal for global governance*, London: National Council for Voluntary Organisations

Eisenhardt, K.M. and Graebner, M.E. (2007) 'Theory building from cases: opportunities and challenges', *Academy of Management Journal*, 50(1), 25-32.

Elijido-Ten, E. (2008) 'The Case For Reporting Pro-Active Environmental Initiatives: A Malaysian Experiment On Stakeholder Influence Strategies', *Issues in Social & Environmental Accounting*, 2(1), 36-60.

Elijido-Ten, E., Kloot, L. and Clarkson, P. (2010) 'Extending the application of stakeholder influence strategies to environmental disclosures: An exploratory study from a developing country', *Accounting, Auditing & Accountability Journal*, 23(8), 1032-1059, available: http://dx.doi.org/10.1108/09513571011092547.

Elkington, J. (1997) *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, Oxford: Capstone.

Emas Limited (2007) *Annual Report 2007*.

Emirbayer, M. and Schneiderhan, E. (2011) 'Dewey and Bourdieu on democracy' in Gorskhi, P. S., ed., *Bourdieuian Theory and Historical Analysis*, Durham: Duke University Press, 131-157.

Ethical Consumer (2013) *Taking palm oil off the shelf*, available: http://www.ethicalconsumer.org/commentanalysis/ethicalsceptic/palmoil.aspx [accessed 21 January 2014].

Everett, J. (2002) 'Organizational research and the praxeology of Pierre Bourdieu', *Organizational Research Methods*, 5(1), 56-80.

Everett, J., Neu, D. and Rahaman, A.S. (2007) 'Accounting and the global fight against corruption', *Accounting, Organizations and Society*, 32(6), 513-542, available: http://dx.doi.org/10.1016/j.aos.2006.07.002.

Feher, M., Krikorian, G. and McKee, Y. eds. (2007) *Nongovernmental politics*, New York: Zone Books.

Foo, L.M. (2007) 'Stakeholder engagement in emerging economies: considering the strategic benefits of stakeholder management in a cross-cultural and geopolitical context', *Corporate Governance*, 7(4), 379-387.

Food Navigator-USA (2010) *Unilever says palm oil deal edges it closer to 2015 pledge* available: http://mobile.foodnavigator-usa.com/Suppliers2/Unilever-says-palm-oil-deal-edges-it-closer-to-2015-pledge [accessed 1 April 2014].

Fossey, E., Harvey, C., McDermott, F. and Davidson, L. (2002) 'Understanding and evaluating qualitative research', *Australian and New Zealand journal of psychiatry*, 36(6), 717-732.

Foster, D. and Jonker, J. (2005) 'Stakeholder relationships: the dialogue of engagement', *Corporate Governance: The international journal of business in society*, 5(5), 51-57.

France-Presse, A. (2015) 'Stop eating Nutella and save the forests, urges French ecology minister', *The Guardian*, 17 June 2015, available: http://www.theguardian.com/environment/2015/jun/17/stop-eating-nutella-and-save-the-forests-urges-french-ecology-minister [accessed 15 August 2015].

Fraser, M. (2012) '"Fleshing out" an engagement with a social accounting technology', *Accounting, Auditing & Accountability Journal*, 25(3), 508-534, available: http://dx.doi.org/10.1108/09513571211209626.

Freeman, R.E. (1984) *Strategic management: A stakeholder approach*, Boston: Pitman.

Friedland, R. (2009) 'The endless fields of Pierre Bourdieu', *Organization*, 16(6), 887-917.

Friend of the Earth Australia (2011) *Silver Must Reveal details of Malaysian Rare Earths Facility*, available: http://www.scoop.co.nz/stories/WO1105/S00438/lynas-must-reveal-details-of-malaysian-rare-earths-facility.htm [accessed 1 September 2014].

Friends of Earth Europe (2010) *"Sustainable" palm oil driving deforestation*, available: http://www.foe.co.uk/sites/default/files/downloads/iluc_palm_oil.pdf [accessed 13 December 2014].

Friends of Earth International (2013) *Gold and land grabs in Liberia*, available: http://www.spectacle.co.uk/spectacleblog/wp-content/uploads/2013/12/Sime_Darby_and_land_grabs_in_Liberia_June_2013.pdf [accessed 14 December 2014].

Friends of the Earth Australia (2013a) *Malaysian environmentalists target Silver Corporation's activities*, available: https://www.foe.org.au/articles/2013-11-26/shareholders-urged-divest-lynas [accessed 16 March 2015].

Friends of the Earth Australia (2013b) *New Report: Australian rare earth corporation dumping toxic waste on the environment and future generations in Malaysia*, available: https://www.foe.org.au/articles/2013-03-14/new-report-australian-rare-earth-corporation-dumping-toxic-waste-environment-and [accessed 1 July 2015].

Fukuyama, F. (2001) 'Social capital, civil society and development', *Third world quarterly*, 22(1), 7-20.

Gander, K. (2015) 'We should stop eating Nutella' because of global warming, says French ecology minister Ségolène Royal', *Independence*, 17 June 2015, available: http://www.independent.co.uk/life-style/food-and-drink/news/we-should-stop-eating-nutella-because-of-global-warming-says-french-ecology-minister-s-gol-ne-royal-10327020.html [accessed 19 December 2015].

Gao, S.S. and Zhang, J.J. (2006) 'Stakeholder engagement, social auditing and corporate sustainability', *Business Process Management Journal*, 12(6), 722-740, available: http://dx.doi.org/10.1108/14637150610710891.

Garrett, P.M. (2007) 'Making social work more Bourdieusian: Why the social professions should critically engage with the work of Pierre Bourdieu', *European Journal of Social Work*, 10(2), 225-243.

Gartland, A. (2014) *Greenpeace urges Procter & Gamble to clean up its palm oil supply chain*, available: https://time2transcend.wordpress.com/2014/02/26/greenpeace-urges-procter-gamble-to-clean-up-its-palm-oil-supply-chain/ [accessed 9 September 2014].

Georgakopoulos, G. and Thomson, I. (2008) 'Social reporting, engagements, controversies and conflict in an arena context', *Accounting, Auditing &*

Accountability Journal, 21(8), 1116-1143, available: http://dx.doi.org/10.1108/09513570810918788.

Geuss, R. (1981) *The idea of a critical theory: Habermas and the Frankfurt School*, Cambridge University Press.

Ghazali, R. (2013) 'Deputy minister's Silver safe as 'kicap' factory statement leads to scuffle', *The Star*, 26 September 2013, available: http://www.thestar.com.my/News/Nation/2013/09/26/lynas-abu-bakar-mohamed-diah/ [accessed 19 May 2014].

Gies, E. (2014) *Greenpeace report on P&G's palm oil sources could spur industry change*, available: http://www.theguardian.com/sustainable-business/greenpeace-procter-gamble-palm-oil-change [accessed 1 April 2015].

GLC Transformation Manual (2005), available: http://www.pcg.gov.my/trans_manual.asp [accessed 1 December 2014].

Global Business Initiative on Human Rights (2011) *Roundtable for ASEAN business leaders: implementing corporate respect for human rights*, available: http://www.global-business-initiative.org/wp-content/uploads/2012/05/Business-Roundtable-Report-Malaysia-NEW-STYLE-FINAL.pdf [accessed 9 November 2014].

Global Reporting Initiatives (2006) *Sustainability Reporting Guidelines*, available: https://www.globalreporting.org/resourcelibrary/G3-Guidelines-Incl-Technical-Protocol.pdf [accessed 1 March 2014].

Goddard, A. (2004) 'Budgetary practices and accountability habitus: A grounded theory', *Accounting, Auditing & Accountability Journal*, 17(4), 543-577, available: http://dx.doi.org/10.1108/09513570410554551.

Godden, L. (2005) 'Water Law Reform in Australia and South Africa: Sustainability, Efficiency and Social Justice', *Journal of Environmental Law*, 17(2), 181-205, available: http://dx.doi.org/10.1093/envlaw/eqi016.

Golafshani, N. (2003) 'Understanding reliability and validity in qualitative research', *The Qualitative Report*, 8(4), 597-606.

Gold Berhad (2007) *Annual Report 2007*.

Gold Berhad (2008) *Annual Report 2008*.

Gold Berhad (2010) *Annual Report 2010*.

Gold Berhad (2011a) *Annual Report 2011*.

Gold Berhad (2011b) *Sustainability Report 2011*.

Gold Berhad (2012) *Annual Report 2012*.

Gold Berhad (2013) *Sustainability Report 2013*.

Gold Berhad (2014a) *Annual Report 2014*.

Gold Berhad (2014b) *Sustainability Report 2014*.

Gold Berhad (2015) *Hotspot Alert 2015*, available: http://www.simedarby.com/hotspot-alerts/2015 [accessed 7 October 2015].

Golsorkhi, D., Leca, B., Lounsbury, M. and Ramirez, C. (2009) 'Analysing, accounting for and unmasking domination: on our role as scholars of practice, practitioners of social science and public intellectuals', *Organization*, 16(6), 779-797.

Gomez, E. (2003) *Political Business in East Asia*, London: Routledge.

Gomez, E.T. and Jomo, K.S. (1999) *Malaysia's political economy: politics, patronage and profits*, Cambridge, UK: Cambridge University Press.

Gracia, L. and Oats, L. (2012) 'Boundary work and tax regulation: A Bourdieusian view', *Accounting, Organizations and Society*, 37(5), 304-321, available: http://dx.doi.org/10.1016/j.aos.2012.03.004.

Gray, R. (1992) 'Accounting and environmentalism: An exploration of the challenge of gently accounting for accountability, transparency and sustainability', *Accounting, Organizations and Society*, 17(5), 399-425, available: http://dx.doi.org/10.1016/0361-3682(92)90038-t.

Gray, R. (2002a) 'Of Messiness, Systems and Sustainability: Towards a More Social and Environmental Finance and Accounting', *The British Accounting Review*, 34(4), 357-386, available: http://dx.doi.org/10.1006/bare.2002.0217.

Gray, R. (2002b) 'The social accounting project and Accounting Organizations and Society Privileging engagement, imaginings, new accountings and pragmatism over critique?', *Accounting, Organizations and Society*, 27(7), 687-708, available: http://dx.doi.org/10.1016/s0361-3682(00)00003-9.

Gray, R. (2006a) 'Does sustainability reporting improve corporate behaviour?: Wrong question? Right time?', *Accounting and Business Research*, 36(sup1), 65-88.

Gray, R. (2006b) 'Social, environmental and sustainability reporting and organisational value creation?: Whose value? Whose creation?', *Accounting, Auditing & Accountability Journal*, 19(6), 793-819, available: http://dx.doi.org/10.1108/09513570610709872.

Gray, R. (2010) 'Is accounting for sustainability actually accounting for sustainability…and how would we know? An exploration of narratives of organisations and the planet', *Accounting, Organizations and Society*, 35(1), 47-62, available: http://dx.doi.org/10.1016/j.aos.2009.04.006.

Gray, R., Adams, C. and Owen, D. (2014) *Accountability, social responsibility and sustainability: accounting for society and the environment*, Pearson Higher Ed.

Gray, R., Bebbington, J. and Collison, D. (2006) 'NGOs, civil society and accountability: making the people accountable to capital', *Accounting, Auditing & Accountability Journal*, 19(3), 319-348, available: http://dx.doi.org/10.1108/09513570610670325.

Gray, R. and Collison, D. (2002) 'Can't see the wood for the trees, can't see the trees for the numbers? Accounting education, sustainability and the Public Interest', *Critical Perspectives on Accounting*, 13(5–6), 797-836, available: http://dx.doi.org/10.1006/cpac.2002.0554.

Gray, R., Dey, C., Owen, D., Evans, R. and Zadek, S. (1997) 'Struggling with the praxis of social accounting: Stakeholders, accountability, audits and procedures', *Accounting, Auditing & Accountability Journal*, 10(3), 325-364, available: http://dx.doi.org/10.1108/09513579710178106.

Gray, R. and Milne, M. (2002) 'Sustainability Reporting: Who's Kidding Whom?', *Chartered Accountants Journal*, 81(6), 66-70.

Gray, R., Owen, D. and Adams, C. (1996) *Accounting & accountability: changes and challenges in corporate social and environmental reporting*, Upper Sadle River: Prentice Hall.

Gray, R.H. (2008) 'Envisioning sustainability and re-envisioning the large corporation: A short review essay on business and sustainable development', *Social and Environmental Accountability Journal*, 28(1), 45-48.

Greenpeace (2008) *Greenpeace campaign forces Unilever u-turn on palm oil*, available:

http://www.greenpeace.org/international/en/press/releases/greenpeace-campaign-forces-uni/ [accessed 3 July 2014].

Greenpeace (2010) *Need a break? So does the rain forest*, available: http://www.greenpeace.org/international/en/campaigns/climate-change/kitkat/ [accessed 26 May 2014].

Greenpeace (2013) *Certifying destruction: why consumer companies need to go beyond the RSPO to stop forest destruction*, available: http://www.greenpeace.de/files/publications/rspo-certifying-destruction.pdf [accessed 16 May 2014].

Greenpeace (2014a) *Greenwash alert as palm oil companies sign onto continued deforestation* [press release], available: http://www.greenpeace.org/international/en/press/releases/Greenwash-alert-as-palm-oil-companies-sign-onto-continued-deforestation/ [accessed 1 December 2014].

Greenpeace (2014b) *Report Silver: a radioactive ruse*, available: http://act.greenpeace.org/ea-action/action?ea.client.id=1827&ea.campaign.id=29724 [accessed 1 April 2015].

Greenpeace International (2014a) *P&G's dirty secret: Media briefing on Greenpeace International's investigation of how P&G's palm oil suppliers are pushing Sumatran tigers and orang-utans closer to extinction*, available: http://www.greenpeace.org/international/Global/international/briefings/forests/2014/ProcterGambleDS_MediaBriefing_Final.pdf [accessed 17 October 2014].

Greenpeace International (2014b) *Procter & Gamble brings rainforest destruction into bathrooms*, available: http://www.greenpeace.org/international/en/press/releases/2014/ProcterGamble-brings-rainforest-destruction-into-bathrooms/ [accessed 1 November 2014].

Greenwood, M. (2007) 'Stakeholder Engagement: Beyond the Myth of Corporate Responsibility', *Journal of Business Ethics*, 74(4), 315-327, available: http://dx.doi.org/10.1007/s10551-007-9509-y.

Greenwood, M. and Kamoche, K. (2013) 'Social accounting as stakeholder knowledge appropriation', *Journal of Management & Governance*, 17(3), 723-743.

GRI (2015a) *G4 Online - Stakehlder Inclusiveness*, available: https://g4.globalreporting.org/how-you-should-report/reporting-principles/principles-for-defining-report-content/stakeholder-inclusiveness/Pages/default.aspx [accessed 1 April 2016].

GRI (2015b) *Reporting principles and standard disclosures*, available: https://www.globalreporting.org/resourcelibrary/GRIG4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf [accessed 1 April 2016].

Gunder, M. and Mouat, C. (2002) 'Symbolic Violence and Victimization in Planning Processes: A Reconnoitre of the New Zealand Resource Management Act', *Planning Theory*, 1(2), 124-145.

Habermas, J. (1990) *Moral consciousness and communicative action*, translated by Lendhardt, C. and Nicholsen, S. W., London: MIT press.

Habisch, A., Patelli, L., Pedrini, M. and Schwartz, C. (2011) 'Different talks with different folks: a comparative survey of stakeholder dialog in Germany, Italy, and the US', *Journal of Business Ethics*, 100(3), 381-404.

Hallebone, E. and Priest, J. (2009) *Business & Management research: paradigms and practice*, Basingstoke: Palgrave Macmillan.

Hamann, R. and Acutt, N. (2003) 'How should civil society (and the government) respond to'corporate social responsibility'? A critique of business motivations and the potential for partnerships', *Development Southern Africa*, 20(2), 255-270.

Harker, R., Mahar, C. and Wilkes, C. eds. (1990) *An Introduction to the Work of Pierre Bourdieu*, New York: St. Martin Press.

Harker, R. and May, S.A. (1993) 'Code and habitus: comparing the accounts of Bernstein and Bourdieu', *British Journal of Sociology of Education*, 14(2), 169-178.

Harrison, J.S. and John, C.H.S. (1996) 'Managing and partnering with external stakeholders', *The Academy of Management Executive*, 10(2), 46-60.

Haugaard, M. (2002) *Power: A reader*, Manchester: Manchester University Press.

Held, D. (1980) *Introduction to critical theory: Horkheimer to Habermas*, Berkeley and Los Angeles: Univ of California Press.

Hendrick, C. (1983) 'A middle-way metatheory', *Contemporary psychology*, 28, 504-507.

Henri, J.-F. and Journeault, M. (2010) 'Eco-control: The influence of management control systems on environmental and economic performance', *Accounting, Organizations and Society*, 35(1), 63-80, available: http://dx.doi.org/10.1016/j.aos.2009.02.001.

Hillier, J. and Rooksby, E. (2005) *Habitus: A sense of place*, Hants: Ashgate Publishing, Ltd.

Hohnen, P. (2013) 'The future of sustainability reporting: how can we make it better? ', *The Guardian*, 20 May 2103, available: http://www.theguardian.com/sustainable-business/blog/future-of-sustainability-reporting [accessed 21 April 2014].

Hooi, K.Y. (2014) 'The "saya yang menurut perintah" generation', *The Malaysian Insider*, 9 June 2014, available: http://www.themalaysianinsider.com/opinion/khoo-ying-hooi/article/the-menurut-perintah-generation [accessed 15 April 2015].

Hopper, T. and Powell, A. (1985) 'Making sense of research into the organizational and social aspects of management accounting: A review of its underlying assumptions [1]', *Journal of Management Studies*, 22(5), 429-465.

Hopwood, A., Unerman, J. and Fries, J. eds. (2010) *Accounting for sustainability: practical insights*, London: Earthscan.

Hopwood, A.G. (2009a) 'Accounting and the environment', *Accounting, Organizations and Society*, 34(3–4), 433-439, available: http://dx.doi.org/10.1016/j.aos.2009.03.002.

Hopwood, A.G. (2009b) 'The economic crisis and accounting: Implications for the research community', *Accounting, Organizations and Society*, 34(6), 797-802.

Howell, J. and Pearce, J. (2001) *Civil society and development: A critical exploration*, Colorado: Lynne Rienner Publishers, Inc.

Hower, M. (2013) *Unilever pledges 100% traceable palm oil by end of 2014*, available: http://www.sustainablebrands.com/news_and_views/food_systems/mike-hower/unilever-promises-100-palm-oil-will-be-traceable-known-source [accessed 1 October 2015].

Huckle, J. (1993) 'Environmental education and sustainability: A view from critical theory', *Environmental education: A pathway to sustainability*, 43-68.

Humphreys, D. (2000) 'A business perspective on community relations in mining', *Resources Policy*, 26(3), 127-131.

IAEA (2011) *Report of the international review mission on the radiation safety aspects of a proposed rare earths processing facility (the Silver project) 29 May - 3 June 2011, Malaysia*, Vienna: International Atomic Energy Agency, available: https://www.iaea.org/sites/default/files/lynasreport2011.pdf [accessed 4 March 2014].

IAEA (2014) *Report of the international post-review mission on the radiation safety aspects of the operation of a rare earth processing facility and assessment of the implementation of the 2011 mission recommendations 13 - 17 October 2014, Malaysia*, Vienna: International Atomic Energy Agency, available: https://www.iaea.org/sites/default/files/lynas-report-20052015.pdf [accessed 1 October 2015].

ICAEW (2013) *What is sustainability?*, available: http://www.icaew.com/en/about-icaew/what-we-do/sustainable-business/just-good-business/what-is-sustainability [accessed 14 July 2013].

Institute of Social and Ethical AccountAbility (1999) *AccountAbility 1000 (AA1000): Standard, Guidelines and Professional Qualification*, London: Institute of Social and Ethical AccountAbility.

Institute of Social and Ethical AccountAbility (2011) *AA1000 Stakeholder Engagement Standards 2011*, London: Institute of Social and Ethical AccountAbility.

Islam, M. and Dellaportas, S. (2011) 'Perceptions of corporate social and environmental accounting and reporting practices from accountants in Bangladesh', *Social Responsibility Journal*, 7(4), 649-664.

Islam, M.A. and Deegan, C. (2010) 'Media pressures and corporate disclosure of social responsibility performance information: a study of two global clothing and sports retail companies', *Accounting & Business Research (Wolters Kluwer UK)*, 40(2), 131-148.

Jamil, S. (2016) 'Red2Green's 254km walk against bauxite', *Berita Daily*, 11 March 2016, available: http://www.beritadaily.com/news/2016-03-11/36338/red2greens-254km-walk-against-bauxite [accessed 21 March 2016].

Jayasinghe, K. and Wickramasinghe, D. (2011) 'Power over empowerment: Encountering development accounting in a Sri Lankan fishing village', *Critical Perspectives on Accounting*, 22(4), 396-414.

Jeacle, I., Cooper, C. and Johnston, J. (2012) 'Vulgate accountability: insights from the field of football', *Accounting, Auditing & Accountability Journal*, 25(4), 602-634.

Jenkins, R. (1992) *Key sociologists: Pierre Bourdieu*, London: Routledge.

Johnson, P. and Duberley, J. (2000) *Understanding management research: An introduction to epistemology*, Thousand Oaks: Sage.

Jomo, K.S., Chang, Y. and Khoo, K.J. (2004) *Deforesting Malaysia: the political economy and social ecology of agricultural expansion and commercial logging*, London: Zed Books.

Joyfulsuper (2012) 'Silver CEO Nick Curtis Exclusive Interview on Malaysian Rare Earths Processing Plant', [video], available: http://www.dailymotion.com/video/x2up89q [accessed 9 September 2015].

Kakkuri-Knuuttila, M.-L., Lukka, K. and Kuorikoski, J. (2008) 'Straddling between paradigms: A naturalistic philosophical case study on interpretive research in management accounting', *Accounting, Organizations and Society*, 33(2–3), 267-291, available: http://dx.doi.org/10.1016/j.aos.2006.12.003.

Kaptein, M. and Van Tulder, R. (2003) 'Toward effective stakeholder dialogue', *Business and society review*, 108(2), 203-224.

Kenway, J. and McLeod, J. (2004) 'Bourdieu's reflexive sociology and 'spaces of points of view': whose reflexivity, which perspective?', *British Journal of Sociology of Education*, 25(4), 525-544.

Kerr, R. and Robinson, S. (2012) 'From symbolic violence to economic violence: The globalizing of the Scottish banking elite', *Organization Studies*, 33(2), 247-266.

Key, S. (1999) 'Towards a new theory of the firm: a crtique of stakeholder theory', *Management Decision*, 34(4), 317-328.

Killian, S. (2015) '"For lack of accountability": The logic of the price in Ireland's Magdalen Laundries', *Accounting, Organizations and Society*, 43, 17-32.

Killian, S. and O'Regan, P. (2016) 'Social accounting and the co-creation of corporate legitimacy', *Accounting, Organizations and Society*, 50, 1-12.

King, N. (2004) 'Using interviews in qualitative research' in Cassell, C. and Symon, G., eds., *Essential guide to qualitative methods in organizational research*, Thousand Oaks, CA: SAGE, 11-22.

Knellwolf, C., Norris, C. and Osborn, J. (2006) *The Cambridge History of Literary Criticism: Volume 9, Twentieth-Century Historical, Philosophical and Psychological Perspectives*, Cambridge: Cambridge University Press.

KPMG (2013) *The KPMG survey of Corporate Responsibility Reporting 2013*: KPMG International, available: https://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/corporate-responsibility/Documents/corporate-responsibility-reporting-survey-2013-exec-summary.pdf [accessed 9 March 2014].

Krais, B. (1993) 'Gender and symbolic violence: Female oppression in the light of Pierre Bourdieu's theory of social practice' in LiPuma, E. and Postone, M., eds., *Bourdieu: critical perspectives*, Cambridge: Polity Press, 156-177.

Kuasirikun, N. (2005) 'Attitudes to the development and implementation of social and environmental accounting in Thailand', *Critical Perspectives on Accounting*, 16(8), 1035-1057.

Kuasirikun, N. and Sherer, M. (2004) 'Corporate social accounting disclosure in Thailand', *Accounting, Auditing & Accountability Journal*, 17(4), 629-660.

Kurunmäki, L. (1999) 'Professional vs financial capital in the field of health care—struggles for the redistribution of power and control', *Accounting, Organizations and Society*, 24(2), 95-124, available: http://dx.doi.org/10.1016/s0361-3682(98)00030-0.

Kvale, S. (1996) *Interviews: An Introduction to Qualitative Research Interviewing*, Thousand Oaks, California: Sage Publications.

Kvale, S. and Brinkmann, S. (2009) *InterViews: Learning the craft of qualitative research interviewing*, 2nd ed. ed., Thousand Oaks, CA: Sage Publication Inc.

Lai Cheng, W. and Ahmad, J. (2010) 'Incorporating stakeholder approach in corporate social responsibility (CSR): a case study at multinational corporations (MNCs) in Penang', *Social Responsibility Journal*, 6(4), 593-610.

Lai, I. (2012) 'Bar Council condemns decision to grant TOL to Silver ', *The Star Online*, 7 February 2012, available: http://www.thestar.com.my/news/nation/2012/02/07/bar-council-condemns-decision-to-grant-tol-to-lynas/ [accessed 1 December 2015].

Laine, M. (2005) 'Meanings of the term 'sustainable development' in Finnish corporate disclosures', *Accounting Forum*, 29(4), 395-413, available: http://dx.doi.org/http://dx.doi.org/10.1016/j.accfor.2005.04.001.

Laine, M. (2010) 'Towards sustaining the status quo: Business talk of sustainability in Finnish corporate disclosures 1987–2005', *European Accounting Review*, 19(2), 247-274.

Lakomski, G. (1984) 'On agency and structure: Pierre Bourdieu and Jean-Claude Passeron's theory of symbolic violence', *Curriculum Inquiry*, 14(2), 151-163.

Lamaison, P. (1986) 'From rules to strategies: An interview with Pierre Bourdieu', *Cultural Anthropology*, 1(1), 110-120.

Langley, A. (1999) 'Strategies for theorizing from process data', *Academy of Management Review*, 24(4), 691-710.

Laplume, A.O., Sonpar, K. and Litz, R.A. (2008) 'Stakeholder theory: Reviewing a theory that moves us', *Journal of Management*, 34(6), 1152-1189.

Larrinaga-González, C., Carrasco-Fenech, F., Caro-González, F.J., Correa-Ruiz, C. and María Páez-Sandubete, J. (2001) 'The role of environmental accounting in organizational change-An exploration of Spanish companies', *Accounting, Auditing & Accountability Journal*, 14(2), 213-239.

Lather, P. (1986) 'Research as praxis', *Harvard educational review*, 56(3), 257-278.

Laughlin, R. (1995) 'Empirical research in accounting: alternative approaches and a case for "middle-range" thinking', *Accounting, Auditing & Accountability Journal*, 8(1), 63-87.

Lauwo, S. (2011) *Analysis of corporate social responsibility (csr) and accountability practices in a developing country context: a study of mining industry in Tanzania*, unpublished thesis (PhD), University of Essex.

Lehman, G. (1999) 'Disclosing new worlds: a role for social and environmental accounting and auditing', *Accounting, Organizations and Society*, 24(3), 217-241, available: http://dx.doi.org/10.1016/s0361-3682(98)00044-0.

Lépineux, F. (2005) 'Stakeholder theory, society and social cohesion', *Corporate Governance*, 5(2), 99-110.

Lim, I. (2012) *Despite legal threat, anti-Silver groups say not cowed*, The Malaysian Insider, available: http://www.themalaysianinsider.com/malaysia/article/despite-legal-threat-anti-lynas-groups-say-not-cowed#sthash.ztiEqjum.dpuf [accessed 19 March 2014].

Lincoln, Y.S. and Guba, E.G. (1985) *Naturalistic inquiry*, Newbury Park: Sage.

Lindlof, T.R. and Taylor, B.C. (2010) *Qualitative communication research methods*, Thousand Oaks: Sage.

Livesey, S.M. and Kearins, K. (2002) 'Transparent and Caring Corporations? : A Study of Sustainability Reports by the Body Shop and Royal Dutch/Shell', *Organization and Environment*, 15(3), 233-258.

Lodhia, S. and Jacobs, K. (2013) 'The practice turn in environmental reporting: A study into current practices in two Australian commonwealth departments', *Accounting, Auditing & Accountability Journal*, 26(4), 595-615.

Loveman, M. (2005) 'The Modern State and the Primitive Accumulation of Symbolic Power1', *American Journal of Sociology*, 110(6), 1651-1683.

Lukka, K. and Modell, S. (2010) 'Validation in interpretive management accounting research', *Accounting, Organizations and Society*, 35(4), 462-477, available: http://dx.doi.org/10.1016/j.aos.2009.10.004.

Mahathir, M. (2011) 'Signing off for the niceties', *The Star Online*,, 6 June 2011, available: http://www.thestar.com.my/opinion/columnists/musings/2011/06/08/signing-off-for-the-niceties/ [accessed 23 March 2015].

Mäkelä, H. and Näsi, S. (2010) 'Social responsibilities of MNCs in downsizing operations: A Finnish forest sector case analysed from the stakeholder, social contract and legitimacy theory point of view', *Accounting, Auditing & Accountability Journal*, 23(2), 149-174.

Malaysia Nuclear Agency (2016) *Mission and vision*, available: http://www.nuclearmalaysia.gov.my/ [accessed 1 March 2016].

Malaysia Palm Oil Association (2016) *Home page of Malaysia Palm Oil Association*, available: http://mpoa.org.my/ [accessed 1 March 2016].

Malaysia Palm Oil Board (2012a) *Presentation of MPOB*, available: http://gallery.mpob.gov.my/upload/docs/Sustainability%20Slides/mpobDoc1350396758.pdf [accessed 13 March 2015].

Malaysia Palm Oil Board (2012b) *Sustainable Palm Oil Developments In Malaysia*, available: http://www.palmoilworld.org/sustainability.html [accessed 12 December 2012].

Malaysiakini (2011) 'Proposed Gebeng rare earth plant is safe: Ongkili', *Malaysia Kini*, 22 March 2011, available: http://www.malaysiakini.com/news/159393 [accessed 3 June 2015].

Malaysiakini (2012) 'Pakatan boycotts PSC on Silver', *Malaysia Kini*, 20 March 2012, available: http://www.malaysiakini.com/news/192628 [accessed 12 May 2014].

Malaysian Chamber of Mines (2016) *Council/secretariat*, available: http://www.mcom.com.my/index.php/council [accessed 1 March 2016].

Malsch, B. (2013) 'Politicizing the expertise of the accounting industry in the realm of corporate social responsibility', *Accounting, Organizations and Society*, 38(2), 149-168.

Malsch, B., Gendron, Y. and Grazzini, F. (2011) 'Investigating interdisciplinary translations: The influence of Pierre Bourdieu on accounting literature', *Accounting, Auditing & Accountability Journal*, 24(2), 194-228, available: http://dx.doi.org/10.1108/09513571111100681.

Manetti, G. (2011) 'The quality of stakeholder engagement in sustainability reporting: empirical evidence and critical points', *Corporate Social Responsibility & Environmental Management*, 18(2), 110-122, available: http://dx.doi.org/10.1002/csr.255.

Mann, M. (2003) 'The autonomous power of the state: its origins, mechanisms and results' in Brenner, N., Jessop, B., Jones, M. and Mcleod, G., eds., *State/space: A reader*, Cornwall: Blackwell Publishing, 53-64.

Marshall, C. and Rossman, G.B. (2011) *Designing qualitative research*, 5th ed., USA: SAGE Publication Inc.

Mason, C. and Simmons, J. (2014) 'Embedding corporate social responsibility in corporate governance: A stakeholder systems approach', *Journal of Business Ethics*, 119(1), 77-86.

Mathews, M.R. (1993) *Socially Responsible Accounting*, London: Chapman & Hall.

McManus, P. (1996) 'Contested terrains: Politics, stories and discourses of sustainability', *Environmental Politics*, 5(1), 48-73, available: http://dx.doi.org/10.1080/09644019608414247.

McNay, L. (1999) 'Gender, Habitus and the Field Pierre Bourdieu and the Limits of Reflexivity', *Theory, Culture & Society*, 16(1), 95-117.

Miles, M.B. and Huberman, A.M. (1994) *Qualitative Data Analysis: An expanded sourcebook*, Thousand Oaks, CA: Sage Publications Inc.

Miller, P. (1991) 'Accounting innovation beyond the enterprise: Problematizing investment decisions and programming economic growth in the U.K. in the 1960s', *Accounting, Organizations and Society*, 16(8), 733-762, available: http://dx.doi.org/10.1016/0361-3682(91)90022-7.

Mir, M.Z. and Rahaman, A.S. (2011) 'In pursuit of environmental excellence: A stakeholder analysis of the environmental management strategies and performance of an Australian energy company', *Accounting, Auditing & Accountability Journal*, 24(7), 848-878, available: http://dx.doi.org/10.1108/09513571111161620.

Mishra, S. and Suar, D. (2010) 'Does corporate social responsibility influence firm performance of Indian companies?', *Journal of Business Ethics*, 95(4), 571-601.

Mitchell, A. and Sikka, P. (2005) *Taming the corporations*, Basildon: Association for Accountancy & Business Affairs.

Mitchell, R.K., Agle, B.R. and Wood, D.J. (1997) 'Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts', *The Academy of Management Review*, 22(4), 853-886, available: http://dx.doi.org/10.2307/259247.

Mohamad, M. (1991) *Malaysian : The Way Forward (Vision2020)* available: http://unpan1.un.org/intradoc/groups/public/documents/apcity/unpan003223.pdf [accessed 6 February 2015].

Mohamad, R. (2011) 'Adnan: 'We may as well close Gebeng' ', available: http://www.thestar.com.my/story/?file=/2011/4/15/nation/8488539&sec=nation [accessed 6 June 2015].

Mokhtar, M. (2012) 'Teluk Rubiah: Vale of tears for the "Malaysia Project"', *Ipoh Echo*, 1 March 2012, available: http://ipohecho.com.my/v2/2012/03/01/teluk-rubiah-vale-of-tears-for-the-malaysia-project/ [accessed 1 September 2013].

Momin, M.A. and Parker, L.D. (2013) 'Motivations for corporate social responsibility reporting by MNC subsidiaries in an emerging country: The case of Bangladesh', *The British Accounting Review*, 45(3), 215-228.

Moneva, J.M., Archel, P. and Correa, C. (2006) 'GRI and the camouflaging of corporate unsustainability', *Accounting Forum*, 30(2), 121-137.

Monteil, E.d. (2015) *Nutella Is Causing A Geopolitical Storm In Europe* available: http://xpatnation.com/nutella-is-causing-a-geopolitical-storm-in-europe/#.E96j87b0w [accessed 16 December 2015].

Morgan, G. (1980) 'Paradigms, metaphors, and puzzle solving in organization theory', *Administrative science quarterly*, 25(4), 605-622.

Morgan, G. ed. (1983) *Beyond Method: Strategies for social research*, Beverly Hills, CA Sage Publications.

MPOC (2015) *Corporate profile*, available: http://www.mpoc.org.my/Corporate_Profile.aspx [accessed 22 December 2015].

MPOC Europe (2015) *Dr Yusof Basiron: "Our farmers hope to get full market access in the EU countries"*, available: http://www.mpoc.eu/?p=1523 [accessed 1 October 2015].

MPPAS2010 (2012) 'Penggulungan perbahasan SPC Silver - MP PR', [video], available: https://www.youtube.com/watch?v=9_5a2U4BbY8 [accessed 14 October 2015].

Murad, D. and Rodzi, N.H. (2014) '300-tonne concrete span at MRT construction site falls, three workers feared dead', *thestar.com.my*, 18 August 2014, available: http://www.thestar.com.my/News/Nation/2014/08/18/MRT-beam-collapse-3-feared-dead/ [accessed 1 December 2014].

Naguib, R. and Smucker, J. (2009) 'When economic growth rhymes with social development: The Malaysia experience', *Journal of Business Ethics*, 89(2), 99-113.

Neu, D., Cooper, D.J. and Everett, J. (2001) 'Critical accounting interventions', *Critical Perspectives on Accounting*, 12(6), 735-762.

Neu, D., Friesen, C. and Everett, J. (2003) 'The changing internal market for ethical discourses in the Canadian CA profession', *Accounting, Auditing & Accountability Journal*, 16(1), 70-103.

New Economics Foundations (2000) *Corporate Spin: the troubled teenage years of social reporting*, available: http://www.neweconomics.org/page/-/files/Corporate_Spin.pdf [accessed 3 March 2016].

Noland, J. and Phillips, R. (2010) 'Stakeholder Engagement, Discourse Ethics and Strategic Management', *International Journal of Management Reviews*, 12(1), 39-49, available: http://dx.doi.org/10.1111/j.1468-2370.2009.00279.x.

Norhashim, M. and Aziz, K.A. (2005) 'Smart partnership or cronyism? A Malaysian perspective', *International journal of sociology and social policy*, 25(8), 31-48.

Nuclear Malaysia Agency (2011) *The Silver fact sheet*, available: http://www.nuclearmalaysia.gov.my/lynas/The%20Lynas%20Fact%20Sheet.pdf [accessed 17 June 2014].

NY Daily News (2012) 'France proposes 'Nutella tax' on palm oil', *New York Daily News*, 9 November 2012, available: http://www.nydailynews.com/life-style/eats/france-proposes-nutella-tax-palm-oil-article-1.1199417 [accessed 1 March 2013].

O'Dwyer, B. (2002) 'Managerial perceptions of corporate social disclosure: An Irish story', *Accounting, Auditing & Accountability Journal*, 15(3), 406-436.

O'Dwyer, B. (2003) 'Conceptions of corporate social responsibility: the nature of managerial capture', *Accounting, Auditing & Accountability Journal*, 16(4), 523 - 557, available: http://dx.doi.org/10.1108/09513570310492290

O'Dwyer, B. (2005) 'The construction of a social account: a case study in an overseas aid agency', *Accounting, Organizations and Society*, 30(3), 279-296, available: http://dx.doi.org/10.1016/j.aos.2004.01.001.

O'Dwyer, B. and Unerman, J. (2016) 'Fostering rigour in accounting for social sustainability', *Accounting, Organizations and Society*, 49, 32-40.

O'Dwyer, B., Unerman, J. and Bradley, J. (2005a) 'Perceptions on the emergence and future development of corporate social disclosure in Ireland: Engaging the voices of non-governmental organisations', *Accounting, Auditing & Accountability Journal*, 18(1), 14-43, available: http://dx.doi.org/10.1108/09513570510584647.

O'Dwyer, B., Unerman, J. and Hession, E. (2005b) 'User needs in sustainability reporting: Perspectives of stakeholders in Ireland', *European Accounting Review*, 14(4), 759-787, available: http://dx.doi.org/10.1080/09638180500104766.

O'Riordan, L. and Fairbrass, J. (2008) 'Corporate social responsibility (CSR): Models and theories in stakeholder dialogue', *Journal of Business Ethics*, 83, 745-758.

O'Connell, L.L., Stephens, C.U., Betz, M., Shepard, J.M. and Hendry, J.R. (2005) 'An organizational field approach to corporate rationality: The role of stakeholder activism', *Business Ethics Quarterly*, 15(01), 93-111.

O'Donovan, G. (2002) 'Environmental disclosures in the annual report: Extending the applicability and predictive power of legitimacy theory', *Accounting, Auditing & Accountability Journal*, 15(3), 344-371.

O'Dwyer, B., Owen, D. and Unerman, J. (2011) 'Seeking legitimacy for new assurance forms: The case of assurance on sustainability reporting', *Accounting, Organizations and Society*, 36(1), 31-52, available: http://dx.doi.org/10.1016/j.aos.2011.01.002.

Office of the Prime Minister (2010) *The launch of sustainability guide and portal "powering business sustainability"*, available: http://www.pmo.gov.my/home.php?menu=speech&page=1908&news_id=381&speech_cat=2 [accessed 1 June 2014].

Orlikowski, W.J. and Baroudi, J.J. (1991) 'Studying Information Technology in Organizations: Research Approaches and Assumptions', *Information Systems Research*, 2(1), 1-28.

Othman, R. and Ameer, R. (2010) 'Environmental disclosures of palm oil plantation companies in Malaysia: a tool for stakeholder engagement', *Corporate Social Responsibility and Environmental Management*, 17(1), 52-62.

Othman, S.H. and Santhia, P. (2011) *Silver project safe: IAEA*, available: http://www.mysinchew.com/node/59690 [accessed 23 April 2014].

Owen, D. and Swift, T. (2001) 'Introduction Social accounting, reporting and auditing: Beyond the rhetoric?', *Business Ethics: A European Review*, 10(1), 4-8.

Owen, D.L. (2003) *Recent developments in European social and environmental reporting and auditing practice: A critical evaluation and tentative prognosis*, Research Paper Series: International Centre for Corporate Social

Responsibility, available: http://195.130.87.21:8080/dspace/bitstream/123456789/1113/1/03-Recent%20developments%20in%20European%20social%20and%20environmental%20reporting%20and%20auditing%20practic.PDF [accessed 12 April 2014].

Owen, D.L., Swift, T. and Hunt, K. (2001) 'Questioning the Role of Stakeholder Engagement in Social and Ethical Accounting, Auditing and Reporting', *Accounting Forum*, 25(3), 264.

Owen, D.L., Swift, T.A., Humphrey, C. and Bowerman, M. (2000) 'The new social audits: accountability, managerial capture or the agenda of social champions?', *European Accounting Review*, 9(1), 81-98, available: http://dx.doi.org/10.1080/096381800407950.

Pak, J. (2015) 'Is Malaysia's palm oil worth the cost?', *BBC News*, Asia, 4 August 2015, available: http://www.bbc.co.uk/news/world-asia-33729763 [accessed 12 November 2015].

Palani, T. (2011) 'Raring to go but is it worth the risk?', *FMT News*, 9 June 2011, available: http://www.freemalaysiatoday.com/category/nation/2011/06/09/raring-to-go-but-is-it-worth-the-risk/ [accessed 1 April 2015].

Palmer Berhad (2013) *Sustainability Report 2013*.

Patten, D.M. (1992) 'Intra-industry environmental disclosures in response to the Alaskan oil spill: A note on legitimacy theory', *Accounting, Organizations and Society*, 17(5), 471-475, available: http://dx.doi.org/10.1016/0361-3682(92)90042-q.

Patton, M.Q. (2002) *Qualitative research and evaluation methods*, Thousand Oaks: Sage.

Payne, S.L. and Calton, J.M. (2002) 'Towards a managerial practice of stakeholder engagement', *Journal of Corporate Citizenship*, 2002(6), 37-52.

Pendragon, R. (2012) *Silver issue: Not learning from bitter experience - Richard Pendragon*, available: http://www.themalaysianinsider.com/sideviews/article/lynas-issue-not-learning-from-bitter-experience-richard-pendragon/ [accessed 1 September 2015].

Pengukir cahaya (2012) *Jawatankuasa Pilihan Khas Parlimen (PSC) lawat kilang Silver - 10 Mei 2012*, available: https://www.youtube.com/watch?v=_cWE58CIwIE [accessed 10 June 2015].

Podnar, K. and Jancic, Z. (2006) 'Towards a categorization of stakeholder groups: An empirical verification of a three- level model', *Journal of Marketing Communications*, 12(4), 297-308.

Polonsky, M.J., Giraud Voss, Z., Voss, G.B. and Moorman, C. (2005) 'An empirical examination of the complex relationships between entrepreneurial orientation and stakeholder support', *European Journal of Marketing*, 39(9/10), 1132-1150.

Power, M. (1997) 'Expertise and the construction of relevance: Accountants and environmental audit', *Accounting, Organizations and Society*, 22(2), 123-146, available: http://dx.doi.org/10.1016/s0361-3682(96)00037-2.

PR Newswire (2009) "Morally Indefensible' Anti-Palm Oil Campaigns Threaten World's Poor, Reveals New Study', *PR Newswire*, 29 September 2009, available: http://www.prnewswire.co.uk/news-releases/morally-indefensible-anti-palm-oil-campaigns-threaten-worlds-poor-reveals-new-study-155523325.html [accessed 28 October 2015].

Preble, J.F. (2005) 'Toward a comprehensive model of stakeholder management', *Business and society review*, 110(4), 407-431.

PSC (2012) *Laporan Jawatankuasa Pilihan Khas mengenai projek Silver* Penggal ke-5, Kuala Lumpur: Parliament, available: http://www.parlimen.gov.my/images/webuser/jkuasa%20lamp/Laporan%20Jawatankuasa.pdf [accessed 1 October 2014}.

Rahaman, A.S., Everett, J. and Neu, D. (2007) 'Accounting and the move to privatize water services in Africa', *Accounting, Auditing & Accountability Journal*, 20(5), 637-670.

Ramirez, C. (2001) 'Understanding social closure in its cultural context: accounting practitioners in France (1920–1939)', *Accounting, Organizations and Society*, 26(4–5), 391-418, available: http://dx.doi.org/10.1016/s0361-3682(00)00023-4.

Ratner, B.D. (2004) '"Sustainability" as a Dialogue of Values: Challenges to the Sociology of Development', *Sociological Inquiry*, 74(1), 50-69, available: http://dx.doi.org/10.1111/j.1475-682X.2004.00079.x.

Razad, E. (2009) 'Perbetulkan frasa "saya yang menurut perintah"', *Utusan Malaysia*, 26 November 2009, available:

http://ww1.utusan.com.my/utusan/info.asp?y=2009&dt=1126&pub=Utusan_Malaysia&sec=Rencana&pg=re_06.htm [accessed 1 April 2015].

Reay, D. (1995) ''They employ cleaners to do that': Habitus in the primary classroom', *British Journal of Sociology of Education*, 16(3), 353-371.

Reay, D. (2004) ''It's all becoming a habitus': Beyond the habitual use of habitus in educational research', *British Journal of Sociology of Education*, 25(4), 431-444.

Reay, D. (2010) 'From the theory of practice to the practice of theory: Working with Bourdieu in research in higher education choice' in Silva, E. and Warde, A., eds., *Cultural Analysis and Bourdieu's Legacy: Settling Accounts and Developing Alternatives*, London: Routledge.

Reed-Danahay, D. (2005) *Locating Bourdieu*, Bloomington: Indiana University Press.

Reed, M.S. (2008) 'Stakeholder participation for environmental management: a literature review', *Biological conservation*, 141(10), 2417-2431.

Resigneddelay (2015) 'Tensed scenario during debate on SPC Silver', [video], available: http://www.dailymotion.com/video/x2tjfkd [accessed 20 June 2014].

Rhianon Edgley, C., Jones, M.J. and Solomon, J.F. (2010) 'Stakeholder inclusivity in social and environmental report assurance', *Accounting, Auditing & Accountability Journal*, 23(4), 532-557.

Ribeiro Soriano, D., Peris-Ortiz, M., Wagner Mainardes, E., Alves, H. and Raposo, M. (2011) 'Stakeholder theory: issues to resolve', *Management Decision*, 49(2), 226-252.

Rinaldi, L., Unerman, J. and Tilt, C. (2014) 'The role of stakeholder engagement and dialogue within the sustainability accounting and reporting process' in Jan Bebbington, Jeffrey Unerman and O'Dwyer, B., eds., *Sustainability accounting and accountability*, 2nd ed., Oxon, UK: Routledge.

Rio+20 (2013) *What is sustainability?*, available: http://www.un.org/en/sustainablefuture/sustainability.shtml [accessed 4 July 2013].

Ritchie, J. and Lewis, J. (2003) *Qualitative research practice: A guide for social science students and researchers*, Trowbridge: Sage.

Roberts, J. (1990) 'Strategy and accounting in a U.K. conglomerate', *Accounting, Organizations and Society*, 15(1–2), 107-126, available: http://dx.doi.org/10.1016/0361-3682(90)90017-o.

Roberts, J. (1996) 'From discipline to dialogue: individualizing and socializing forms of accountability' in Munro, R. and Mouritsen, J., eds., *Accountability: Power, ethos and the technologies of managing*, London: International Thomson, 40-61.

Rotheroe, N., Keenlyside, M. and Coates, L. (2003) 'Local agenda 21; articulating the meaning of sustainable development at the level of the individual enterprise', *Journal of Cleaner Production*, 11(5), 537-548.

Roundtable on Sustainable Palm Oil (2013) *Online debate on deforestation*, available: http://www.rspo.org/file/palm-oil-debate/RSPO_Mongabay%20debate_transcript.pdf [accessed 10 October 2014].

Roundtable on Sustainable Palm Oil (2015) *Why RSPO?*, available: http://www.rspo.org/ [accessed 12 November 2015].

Rowley, T.J. (1997) 'Moving beyond dyadic ties: A network theory of stakeholder influences', *Academy of Management Review*, 22(4), 887-910.

Salleh, F. (2011) *Reply letter from MP Fuziah Salleh to Nick Curtis*, available: http://www.slideshare.net/Lynas_Malaysia/reply-letter-from-mp-fuziah-salleh-to-nick-curtis [accessed 1 March 2014].

Salzmann, O., Ionescu-somers, A. and Steger, U. (2005) 'The Business Case for Corporate Sustainability:: Literature Review and Research Options', *European Management Journal*, 23(1), 27-36, available: http://dx.doi.org/10.1016/j.emj.2004.12.007.

Saniman, M.R. (2008) *Fifty year of merdeka: The role of the New Economic Policy (NEP) in building a united Malaysian nation in diversity*, available: https://bigdogdotcom.wordpress.com/2008/08/10/the-role-of-the-new-economic-policy-nep-in-building-a-united-malaysian-nation-in-diversity/ [accessed 1 June 2015].

Saunders, M., Lewis, P. and Thornhill, P. (2009) *Research methods for business students*, 5th ed. ed., Harlow: Pearson.

Sawani, Y., Mohamed Zain, M. and Darus, F. (2010) 'Preliminary insights on sustainability reporting and assurance practices in Malaysia', *Social Responsibility Journal*, 6(4), 627-645.

Schaltegger, S. (2008) 'Contributions to Sustainability - What Kind of Information is Needed?', *Issues in Social & Environmental Accounting*, 2(1), 1-2.

Schaltegger, S. and Burritt, R.L. (2010) 'Sustainability accounting for companies: Catchphrase or decision support for business leaders?', *Journal of World Business*, 45(4), 375-384, available: http://dx.doi.org/10.1016/j.jwb.2009.08.002.

Schlosberg, D. (2007) *Defining environmental justice: Theories, movements, and nature*, Oxford: Oxford University Press.

Schmitt, M. (2005) *We're all environmentalists now*, available: http://www.prospect.org/cs/articles?article=were_all_environmentalists_now. [accessed 5 March 2016].

Schultze, U. and Boland, R. (2000) 'Knowledge management technology and the reproduction of knowledge work practices', *The Journal of Strategic Information Systems*, 9(2), 193-212.

Seale, C. (1999) 'Quality in qualitative research', *Qualitative Inquiry*, 5(4), 465-478.

Sean, O.H. (2011) *Heated dialogue at public hearing on rare earth plant*, available: http://www.thestar.com.my/story/?file=/2011/4/7/nation/8428433&sec=nation [accessed 7 May 2014].

Sean, O.H. (2013) 'No health impact from gold mining in Raub', *The Star Online,*, 25 November 2013, available: http://www.thestar.com.my/news/nation/2013/11/25/no-health-impact-from-gold-mining-in-raub/ [accessed 17 May 2015].

Securities Commision Malaysia (2012) *Malaysian Code on Corporate Governance*, available: http://www.sc.com.my/wp-content/uploads/eng/html/cg/cg2012.pdf [accessed 1 June 2014].

Securities Commission Malaysia (2004a) *Keynote Address by Dato' Seri Najib Tun Abdul Razak Deputy Prime Minister of Malaysia At the Corporate Social Responsibility Conference – CSR: Creating Greater Competitive Advantage "The Role of CSR in Achieving Vision 20*, available: http://www.sc.com.my/post_archive/keynote-address-by-dato-seri-najib-tun-abdul-razak-deputy-prime-minister-of-malaysia-at-the-corporate-social-responsibility-conference-csr-creating-greater-competitive-advantage-the-role-of-csr/ [accessed 6 June 2014].

Securities Commission Malaysia (2004b) *Speeches at the Corporate Social Responsibility Conference – CSR: Creating Greater Competitive Advantage "CSR & SRI: The Way Forward for Malaysia" 21-22 June 2004* available: http://www.sc.com.my/post_archive/special-address-by-ybhg-tan-sri-nor-mohamed-yakcop-second-finance-minister-of-malaysia-at-the-corporate-social-responsibility-conference-csr-creating-greater-competitive-advantage-csr-sri/ [accessed 1 April 2014].

Seong, L.K. (2011) *Independent panel to review Silver plan to produce rare earth*, available: http://www.thestar.com.my/story/?file=/2011/4/22/nation/20110422173129&sec=nation [accessed 7 April 2014].

Shari, I. (2010) 'New index proposed', *The Star Online*, 24 October 2010, available: http://www.thestar.com.my/story/?file=%2F2010%2F11%2F24%2Fnation%2F7490733&sec=nation [accessed 1 Jun 2014].

Sharom, A. (2015) *Replacing Najib changes nothing -Dr. Azmi Sharom* available: http://www.rakyattimes.com/index.php/columnist/3674-replacing-najib-changes-nothing-dr-azmi-sharom [accessed 10 July 2015].

Shenkin, M. and Coulson, A.B. (2007) 'Accountability through activism: learning from Bourdieu', *Accounting, Auditing & Accountability Journal*, 20(2), 297-317, available: http://dx.doi.org/10.1108/09513570710741037.

Shocker, A.D. and Sethi, S.P. (1973) 'An approach to incorporating societal preferences in developing corporate action strategies', *California Management Review*, 15(4), 97-105.

Shukry, A. and Izwan, M. (2015) 'Najib a very good student of Dr Mahathir, says Musa Hitam ', *The Malaysian Insider*, 6 December 2015, available: http://www.themalaysianinsider.com/malaysia/article/najib-a-very-good-student-of-dr-mahathir-says-musa-hitam [accessed 8 December 2015].

Siakor, S. (2014) *Palm oil, poverty and 'imperialism': a reality check from Liberia*, available: https://www.globalwitness.org/blog/palm-oil-poverty-and-imperialism-reality-check-liberia/ [accessed 1 February 2015].

Sikka, P. (2010) 'Smoke and mirrors: Corporate social responsibility and tax avoidance', *Accounting Forum*, 34(3–4), 153-168, available: http://dx.doi.org/10.1016/j.accfor.2010.05.002.

Sikka, P. (2014) 'Break the stranglehold of shareholders ', *The Guardian*, 11 December 2014, available: http://www.theguardian.com/commentisfree/2014/dec/11/break-stranglehold-shareholders-company-funding-key-decisions [accessed 1 February 2015].

Silver (2015) *Silver corporate brochure*, available: https://www.lynascorp.com/SiteCollectionDocuments/Fact%20Sheets/Lynas_Corporate_Brochure-_Updated.pdf [accessed 1 July 2015].

Silver Corporation Ltd (2007) *Annual Report 2007*.

Silver Corporation Ltd (2008) *Annual Report 2008*.

Silver Corporation Ltd (2009) *Annual Report 2009*.

Silver Corporation Ltd (2010) *Annual Report 2010*.

Silver Corporation Ltd (2011) *Annual Report 2011*.

Silver Corporation Ltd (2014) *Annual Report 2014*.

Silver Malaysia (2011a) *Public briefing on Silver Malaysia Organised by PKNP*, available: http://www.slideshare.net/Lynas_Malaysia/lynas-malaysia-public-communication-july-13-2009-pknp-presentation?related=2 [accessed 13 April 2014].

Silver Malaysia (2011b) *Silver Malaysia - Chairman on why Silver chose Malaysia*, available: https://www.youtube.com/watch?v=LjfYXqRqpIw [accessed 19 April 2014].

Silverman, D. (2011) *Qualitative Research*, 3rd ed., London: SAGE Publication Inc.

Simnett, R., Vanstraelen, A. and Chua, W.F. (2009) 'Assurance on sustainability reports: An international comparison', *The Accounting Review*, 84(3), 937-967.

Simon, J.K. (1971) 'A conversation with Michel Foucault', *Partisan Review*, 38(2), 192-201.

Singapore Institute of International Affairs (2014) 'Environment and Growth: Conflict or Convergence?', in *Singapore Dialogue On Sustainable World Resources*, Singapore, 20 May 2014.

Sivalingam, J. (2014) 'WWF: We are not anti-palm oil', *FMT News*, 16 August 2014, available: http://www.freemalaysiatoday.com/category/nation/2014/08/16/wwf-we-are-not-anti-palm-oil/ [accessed 17 April 2015].

Skocpol, T. (1984) *Vision and method in historical sociology*, Cambridge: Cambridge University Press.

Skoldeberg, J., Jones, V.N., Kupcu, M.F. and Cable, C. (2013) *Changing the game: communications and sustainability in the mining industry*, available: https://www.icmm.com/changing-the-game [accessed 1 May 2015].

Slater, D. (2003) 'Iron cage in an iron fist: authoritarian institutions and the personalization of power in Malaysia', *Comparative Politics*, 36(1), 81-101.

Smedley, T. (2014) *EU labelling changes force industry action on palm oil*, available: http://www.theguardian.com/sustainable-business/2014/dec/12/eu-labelling-changes-palm-oil-consumer-change [accessed 31 December 2014].

SMSS (2015) 'Media statement: The report of the International Post-review Mission of International Atomic Energy Agency (IAEA) on 26 Jun 2015', 1 October 2015, available: http://savemalaysia-stoplynas.blogspot.co.uk/ [accessed 1 October 2015].

Sobian, A. (2013) 'Perbetulkan salah faham amalan "saya yang menurut perintah"', *Berita Harian*, 17 March 2013, available: http://www.ikim.gov.my/index.php/ms/berita-harian/7944-perbetulkan-salah-faham-amalan-saya-yang-menurut-perintah [accessed 1 April 2014].

Spence, L.J. and Rinaldi, L. (2014) 'Governmentality in accounting and accountability: A case study of embedding sustainability in a supply chain', *Accounting, Organizations and Society*, 39(6), 433-452, available: http://dx.doi.org/10.1016/j.aos.2012.03.003.

Speth, J.G. (2008) *The bridge at the edge of the world: capitalism, the environment, and crossing from crisis to sustainability*, USA: Yale University Press.

Spitzeck, H. and Hansen, E.G. (2010) 'Stakeholder governance: how stakeholders influence corporate decision making', *Corporate Governance: The international journal of business in society*, 10(4), 378-391.

Stafford, E.R. and Hartman, C.L. (1996) 'Green alliances: Strategic relations between businesses and environmental groups', *Business Horizons*, 39(2), 50-59.

Stead, J.G. and Stead, E. (2000) 'Eco-enterprise strategy: Standing for sustainability', *Journal of Business Ethics*, 24(4), 313-329.

Stoney, C. and Winstanley, D. (2001) 'Stakeholding: Confusion or Utopia? Mapping the Conceptual Terrain', *Journal of Management Studies*, 38(5), 603-626, available: http://dx.doi.org/10.1111/1467-6486.00251.

SustainAbility (2013) *Sustainability: Can our society endure?*, available: http://www.sustainability.com/sustainability [accessed 14 July 2013].

Sustainable Palm Oil (2015) *Roundtable on Sustainable Palm Oil (RSPO)*, available: http://www.sustainablepalmoil.org/standards-certfication/certification-schemes/the-roundtable-on-sustainable-palm-oil-rspo/ [accessed 1 June 2015].

Swartz, D. (1997) *Culture and Power: The Sociology of Pierre Bourdieu*, Chicago: University of Chicago Press.

Swartz, D.L. (2013) *Symbolic powers, politics, and intellectuals: the political sociology of Pierre Bourdieu*, USA: The University of Chicago Press.

Sweetman, P. (2003) 'Twenty-first century dis-ease? Habitual reflexivity or the reflexive habitus', *The Sociological Review*, 51(4), 528-549, available: http://dx.doi.org/10.1111/j.1467-954X.2003.00434.x.

Swift, T. (2001) 'Trust reputation and corporate accountability to stakeholders', *Business Ethics: A European Review*, 10(1), 16-26.

Tan, B.T. (2014) 'An open letter to the CEO of Silver Corp', *Malaysia Kini*, 14 October 2014, available: http://www.malaysiakini.com/letters/277541 [accessed 12 December 2014].

Tan, L. (2012) *Silver rare earth project sparks huge campaign in Malaysia*, available: http://www.foe.org.au/lynas-rare-earth-project-sparks-huge-campaign-malaysia [accessed 1 November 2014].

Tan, Y. (2011) 'Malaysia's role in business sustainability', *The Star Online*, 11 March, available: http://www.thestar.com.my/Story/?file=%2F2011%2F3%2F11%2Fbusiness%2F8231545 [accessed 16 February 2015].

Tang, A. (2016) 'Fuziah flags off Red2Green anti-mining walk', *The Star Online*, 20 March 2016, available: http://www.thestar.com.my/news/nation/2016/03/20/fuziah-flags-off-red2green-anti-mining-walk/ [accessed 21 March 2016].

Tasker, S.-J. (2011) 'Protests threaten Silver's Malaysian rare-earths plant', *The Australian Business Review*, 26 April 2011, available: http://www.theaustralian.com.au/business/protests-threaten-lynass-malaysian-rare-earths-plant/story-e6frg8zx-1226044671530 [accessed 19 January 2014].

Tasker, S.J. (2012) 'Silver chief vows to fight on', *The Australian Business Review*, 15 December 2012, available: http://www.theaustralian.com.au/business/mining-energy/lynas-chief-vows-to-fight-on/story-e6frg9df-1226537177145 [accessed 1 May 2015].

Teegan, H., Doh, J. and Vachani, S. (2004) 'The importance of nongovernmental organizations (NGOs) in global governance and values creation: An business research agenda', *Journal of International Business Studies*, 35(6), 463-483.

Teh, C. (2010) 'Deforestation in Malaysia', *C.B.S. Teh*, 1 April 2015, available: http://christopherteh.com/blog/2010/06/deforestation-in-malaysia/ [accessed 29 May 2015].

Teoh, S. (2012a) *Silver's panel's tenure can be extended*, available: http://www.themalaysianinsider.com/malaysia/article/lynas-panels-tenure-can-be-extended [accessed 1 June 2015].

Teoh, S. (2012b) 'Silver gets temporary licence to start Kuantan plant', *The Malaysian Insider*, 1 February 2012, available: http://www.themalaysianinsider.com/malaysia/article/lynas-gets-temporary-licence-to-start-kuantan-plant [accessed 14 March 2014].

Teoh, S. (2012c) 'Western Australia says no to Silver waste', *The Malaysian Insider*, 23 March 2012, available: http://www.themalaysianinsider.com/malaysia/article/western-australia-says-no-to-lynas-waste [accessed 14 May 2014].

Terawis, M. (2013) *'Saya yang menurut perintah' or your humble servant?*, available: https://megaterawispanjialam.wordpress.com/2013/01/26/saya-yang-menurut-perintah-or-your-humble-servant/ [accessed 12 December 2014].

The Borneo Post (2012a) *GLCs play pivotal role as catalyst to spur economic growth – Najib*, available: http://www.theborneopost.com/2012/10/04/glcs-play-pivotal-role-as-catalyst-to-spur-economic-growth-najib/ [accessed 1 January 2015].

The Borneo Post (2012b) *Public views sought on licence application by Silver — Mosti secretary-general*, available:

http://www.theborneopost.com/2012/01/02/public-views-sought-on-licence-application-by-lynas-mosti-secretary-general/ [accessed 1 June 2014].

The Grocer (2010) *Unilever ahead of schedule on 100% sustainable palm oil goal*, available: http://www.thegrocer.co.uk/companies/unilever-ahead-of-schedule-on-100-sustainable-palm-oil-goal/212725.article [accessed 12 November 2015].

The Malaysian Insider (2011) 'Silver: A colossal catastrophe waiting to happen — MN D'Cruz ', *The Malaysian Insider*, 13 November 2011, available: http://www.themalaysianinsider.com/sideviews/article/lynas-a-colossal-catastrophe-waiting-to-happen-mn-dcruz#sthash.HgLrr1jb.dpuf [accessed 31 March 2014].

The Star Online (2011a) 'Gebeng project given green light after detailed review', *The Star*, available: http://www.thestar.com.my/story/?file=/2011/4/7/nation/8428735&sec=nation [accessed 8 April 2014].

The Star Online (2011b) 'One-month review will reconfirm safety, says Silver', *The Star Online*, 23 April 2011, available: http://www.thestar.com.my/story/?file=%2f2011%2f4%2f23%2fnation%2f8542349&sec=nation [accessed 1 May 2014].

The Star Online (2011c) 'Residents hope project will be scrapped', *The Star Online*, 3 June 2015, available: http://www.thestar.com.my/story/?file=%2F2011%2F4%2F23%2Fnation%2F8542348 [accessed 1 December 2013].

The Star Online (2011d) 'Your right to ask, Gebeng folk told', *The Star*, available: http://www.thestar.com.my/Story/?file=%2F2011%2F4%2F12%2Fnation%2F8463333 [accessed 1 May 2014].

TheEdgePROPERTY.com (2013) *Special Focus: Crusaders of sustainability*, available: http://www.theedgeproperty.com.my/content/special-focus-crusaders-sustainability [accessed 7 April 2014].

Thomson, I. and Bebbington, J. (2005) 'Social and environmental reporting in the UK: a pedagogic evaluation', *Critical Perspectives on Accounting*, 16(5), 507-533, available: http://dx.doi.org/10.1016/j.cpa.2003.06.003.

Tilt, C.A. (1994) 'The Influence of External Pressure Groups on Corporate Social Disclosure: Some Empirical Evidence', *Accounting, Auditing & Accountability Journal*, 7(4), 47-72.

Tregidga, H., Milne, M. and Kearins, K. (2014) '(Re) presenting 'sustainable organizations'', *Accounting, Organizations and Society*, 39(6), 477-494.

Umno HQ (2012) *Malaysia Destinasi Pilihan Projek Silver Kerana Lebih Ekonomik - Khaled Nordin*, available: https://www.youtube.com/watch?v=dEvjkfoAfzU [accessed 1 April 2014].

Unerman, J. (2007) 'Stakeholder engagement and dialogue' in Unerman, J., Bebbington, J. and O'Dwyer, B., eds., *Sustainability accounting and accountability*, Oxon: Routledge.

Unerman, J. (2011) 'Debate: The importance of an integrated understanding of sustainability in guiding accounting practices', *Public Money & Management*, 31(4), 233-235, available: http://dx.doi.org/10.1080/09540962.2011.586222.

Unerman, J., Bebbington, J. and O'Dwyer, B. eds. (2007) *Sustainability accounting and accountability*, Oxon: Routledge.

Unerman, J. and Bennett, M. (2004) 'Increased stakeholder dialogue and the internet: towards greater corporate accountability or reinforcing capitalist hegemony?', *Accounting, Organizations and Society*, 29(7), 685-707, available: http://dx.doi.org/10.1016/j.aos.2003.10.009.

Unerman, J. and Chapman, C. (2014) 'Academic contributions to enhancing accounting for sustainable development', *Accounting, Organizations and Society*, 39, 385-394.

Unilever (2015) *Leading market transformation in palm oil*, available: https://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/sustainable-sourcing/transforming-the-palm-oil-industry/leading-market-transformation-in-palm-oil.html [accessed 11 November 2015].

United Nations World Commission on Environment and Development (1987) *Our Common Future (The Brundtland Report)*, Oxford: Oxford University Press, available: http://www.un-documents.net/our-common-future.pdf [accessed 1 July 2013].

Ussahawanitchakit, P. (2011) 'Accounting Sustainability, Business Ethics and Corporate Image: Evidence from Listed Firms in Thailand', *Journal of International Business & Economics*, 11(4), 1-10.

Varkkey, H. (2012) 'Patronage politics as a driver of economic regionalisation: The Indonesian oil palm sector and transboundary haze', *Asia Pacific Viewpoint*, 53(3), 314-329.

Vijian, P. (2014) 'Mining sector could see silver lining ahead', *Free Malaysia*, available: http://www.freemalaysiatoday.com/category/business/2014/01/03/mining-sector-could-see-silver-lining-ahead/ [accessed 1 August 2015].

Villar, C. (2014) *ASEAN a 'world centre' of palm oil production*, available: http://www.theworldfolio.com/interviews/makhdzir-mardan-ceo-of-malaysian-palm-oil-association-malaysia-n2939/2939/ [accessed 23 April 2015].

Wacquant, L. (1989) 'Towards a reflexive sociology: a workshop with Pierre Bourdieu', *Sociological Theory*, 7(1), 26-63.

Wacquant, L. (1993) 'From ruling class to field of power: An interview with Pierre Bourdieu on La Noblesse d'Etat', *Theory Culture and Society*, 10, 19-19.

Wacquant, L. (2010) 'Crafting the Neoliberal State: Workfare, Prisonfare, and Social Insecurity', *Sociological Forum*, 25(2), 197-220.

Wacquant, L. (2013) 'Symbolic power and group-making: On Pierre Bourdieu's reframing of class', *Journal of Classical Sociology*, 13(2), 274-291, available: http://dx.doi.org/10.1177/1468795x12468737.

Waddock, S.A., Bodwell, C. and Graves, S.B. (2002) 'Responsibility: The new business imperative', *The Academy of Management Executive*, 16(2), 132-148.

Walden, W.D. and Schwartz, B.N. (1997) 'Environmental disclosures and public policy pressure', *Journal of Accounting and Public Policy*, 16(2), 125-154.

Webb, J., Schirato, T. and Danaher, G. (2002) *Understanding Bourdieu*, Crows Nest, Australia: Sage Publication Inc.

Welsh, B. (2013) 'Malaysia's Elections: A Step Backward', *Journal of Democracy*, 24(4), 136-150.

Wheeler, D. and Sillanpa, M. (1998) 'Including the stakeholders: the business case', *Long Range Planning*, 31(2), 201-210.

Willsher, K. (2012) *France's 'Nutella amendment' causes big fat international row*, available: http://www.theguardian.com/world/2012/nov/12/france-nutella-amendment-international-row [accessed 17 June 2014].

World Business Council for Sustainable Development (2007) *The times they are a-changin'*, WBCSD Annual Review, available: http://www.wbcsd.org/Pages/EDocument/EDocumentDetails.aspx?ID=13576&NoSearchContextKey=true [accessed 25 April 2013].

Yiswaree, P. (2014) 'Two PKR lawmakers booted out of Parliament', *The Rakyat Post*, 17 June 2014, available: http://www.therakyatpost.com/news/2014/06/17/two-pkr-lawmakers-booted-parliament/ [accessed 20 June 2014].

Yoon, R.D.R. (2014) 'Silver Corp wins full mining licence in Malaysia despite protests', *Asian Corespondent*, 3 September 2014, available: https://asiancorrespondent.com/2014/09/lynas-corp-wins-full-mining-licence-in-malaysia-despite-protests/ [accessed 1 December 2014].

Zahiid, S.J. (2014) 'Speaker sends two Pakatan MPs packing', *Malay Mail Online*, 17 June 2014, available: http://www.themalaymailonline.com/malaysia/article/speaker-sends-two-pakatan-mps-packing#sthash.Im0xHUSC.dpuf [accessed 17 June 2014].

Zurairi, A. (2013) 'Cyanide exposure from gold mining real, say Bukit Koman residents', *The Malaysian Insider*,, 7 February 2013, available: http://www.malaysianinsider.com/malaysia/article/Cyanide-exposure-from-gold-mining-real-,-say-Bukit-Koman-residents [accessed 17 May 2015].

Zurairi, A. (2015) 'Top Malaysian GLCs tripled worth in decade, Putrajaya reveals', *The Malay Mail*, available: http://www.themalaymailonline.com/malaysia/article/top-malaysian-glcs-tripled-worth-in-decade-putrajaya-reveals [accessed 1 May 2015].

Appendices

Appendix 1: Interview guide – Managers

Main theme 1: How is the concept of sustainability perceived by the managers?

1.1 What do you understand by the terms (1) sustainability, and (2) corporate social responsibility? Are these concepts important to you? Why/why not? How do these two concepts differ? Please provide some examples from your perspective.
1.2 What is your role and your involvement in sustainability?
1.3 What environmental/social impact does your organization have and how do they manage it? Can it be managed effectively? If any, how were previous incidents handled?
raw material, waste, energy, discharges or emission, storage and movement. Please give some examples.
1.4 What environmental standards and regulations are applied to the organisation and industry?
1.5 Do you think your organisation practises sustainability? How do think your organisation demonstrates sustainability? E.g. In what activities do they engage for this purpose? How? Why?
1.6 Does the vision and mission statement of your organisation refer to sustainability? Why or why not?
1.7 How does your organisation incorporate sustainability in their business strategy? Explain the activities and processes.
1.8 What do you think of the organisations that are involved in ACCA's leading edge reporting or other sustainability competition? Why are they involved (or not involved) in these activities?
1.9 Whether and, if so, how can corporations, regulators, and NGOs help improve sustainability practices? Please support your answer with examples, e.g., do they have a role to play?

Main theme 2: Why and how do the organisations in Malaysia report on their sustainability activities?

2.1 In your opinion, how does your organisation determine which sustainability issue they want to disclose in their report? Are there any issues that they have not disclosed but which have attracted media attention? Please provide some examples.

2.2 Why do they report on sustainability activities? What are the main internal motives for reporting? What are the main external motives for reporting? What resources do they have? How much time does this take?

2.3 What are the key benefits of reporting sustainability issues? What are the main obstacles/costs (if any)? Please provide some examples.
2.4 What do you think is the format sustainability accounting should take? For example, is the current format fit for its purpose? Should companies adopt integrated reporting – e.g. one report?
2.5 What guidelines and/or reporting standards do they follow? Are these guidelines useful or not? Please share your thoughts on these guidelines.
2.6 Do the organisations prepare their sustainability report in-house or outsource it? Why?
2.7 Is the report assured by a third party? Why? Are these assurers independent? Would they be willing to provide a qualified report? Are there any instances they have issued such report?
2.8 What standards do the assurers follow when providing assurance service?
2.9 How will accountability be communicated? What channel will be used for transmission of signal? How do they act on feedback from their stakeholders?
2.10 What do you think is the future for sustainability reporting?

Main theme 3: Which are the sustainability issues that organisations report on and what are the roles, if any, played by stakeholders in determining these sustainability issues?

3.1 Who are their stakeholders? How do they address their needs and expectations? How do they determine what issues are of interest to their stakeholders?
3.2 Can their stakeholders influence their sustainability reporting agenda and practices? If so how?
3.3 What type of disclosure is preferred by various stakeholder groups? How do they address their stakeholders' concerns?
3.4 How do they engage with your stakeholders? Why do they engage? What are the outcomes or impacts?
3.5 How do they measure or track the impacts of the engagement?
3.6 How is engagement integrated into the organisational practice and reporting?
3.7 How does the organisation react to the particular group of stakeholders' concern or activities?
3.8 Which stakeholder group(s) the organisation engage closely with, and why is it important to engage with them? Would you advise me to specifically talk to someone in one of these groups regarding accountability issues?
3.9 Are there cases where stakeholder engagement has failed or fallen short of expectations and, if so, what were the principal factors involved?
3.10 How might you demonstrate that it has taken sufficient account of sustainability issues and are there any viable alternatives to the active involvement of stakeholders in key decisions?
3.11 How should the various groups of stakeholders with different agendas be encouraged to take a meaningful and constructive approach to a company's policy and performance?
3.12 In what ways would it be helpful to develop a code of best practice for adoption by stakeholders and those organisations engaging with stakeholders?

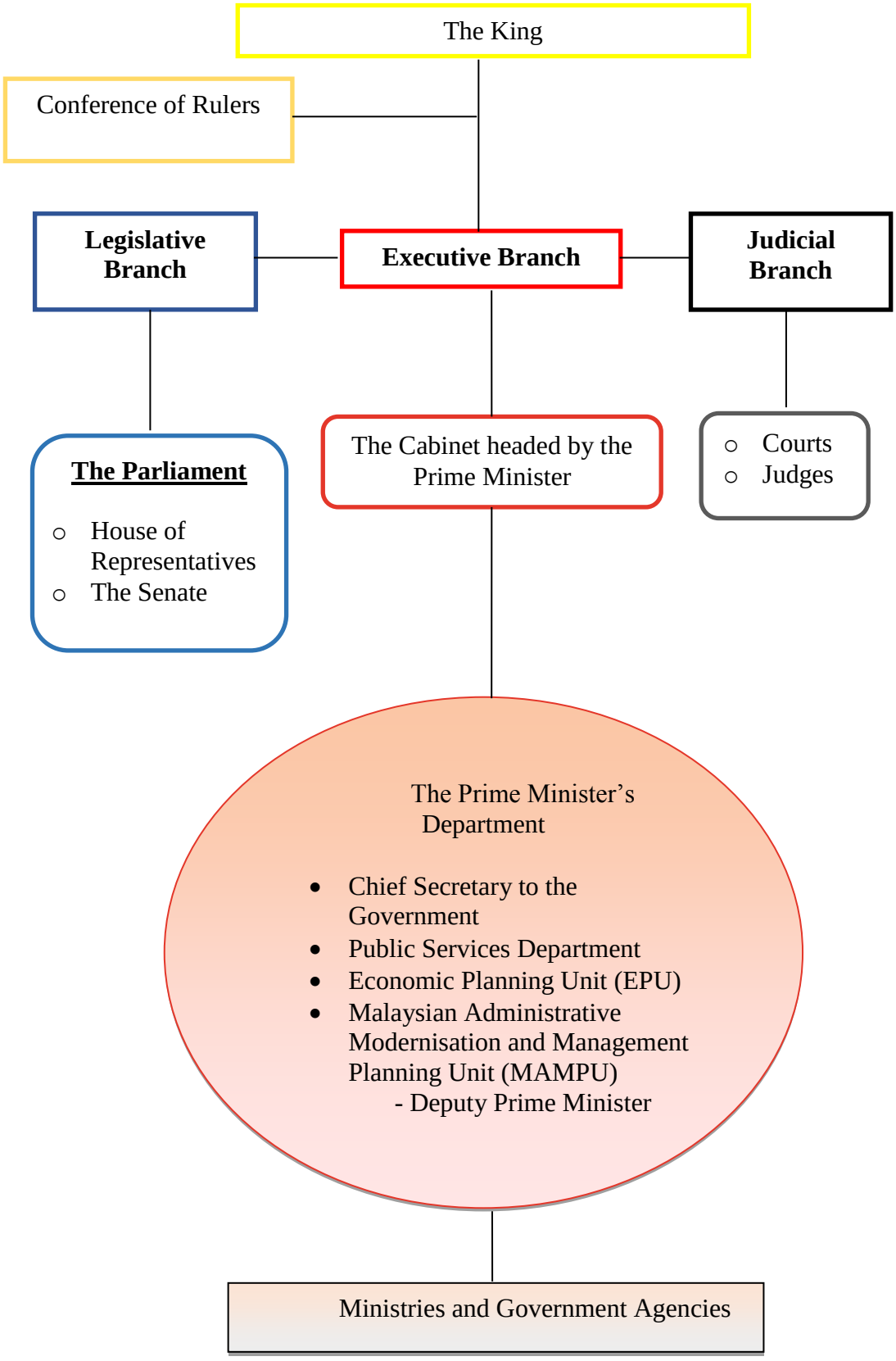
Main theme 4: What interests do the players have in the field of sustainability reporting?

4.1 What is your interest in sustainability?
4.2 How does your role affect the sustainability issues?
4.3 Are the stakeholders involved in determining which sustainability issues are to be reported?
4.4 Who is responsible for ensuring sustainability?
4.5 Do you think sustainability information should be embedded in the organisations' decision making? Why?
4.6 How does the organisation consider the information obtained in its engagement with the stakeholders?
4.7 Do you think sustainability should be integrated into a business strategy? Why?
4.8 Do you think the voluntary codes have a role in preventing shortcomings and in responding to challenging environmental and social issues?
4.8.1 To what extent do these codes support requirements and prohibitions in legislation and regulation?
4.8.2 Does the proliferation of codes cause problems and, if so, should these be addressed or left for the market forces to resolve them?
4.8.3 Given that some codes are evidently more successful than others, what are the criteria for success?
4.8.4 To what extent is it possible, without resorting to detailed rules, to provide guidance to assist organisations in translating the commitments involved in the codes into practical decision-making?
4.8.5 How might you demonstrate that your organisation has communicated its responsibility for environmental and social impact?
4.8.6 How would you say your organisation's level of transparency has met the demands of today's society?
4.8.7 How important sustainability is to the future of your organisation?
4.8.8 How do you ensure that sustainability is practised properly and is not merely a concept or idle talk?

Additional information:
Are there any informative corporate reports/plans or documents that you would like to share? Or, is there any person you would advise me to talk to?

Thank you. Your invaluable insights are very much appreciated.

Appendix 2: Government of Malaysia



Appendix 3: Gold – environment, wildlife & biodiversity projects

	PROJECT	**COLLABORATION WITH**	**RELATED TO OPERATING ACTIVITIES?**	**COMMENT(S)**
1	Northern Ulu Segama rehabilitation for orangutan conservation	Sabah Forestry Department	No	CSR activities
2	Hornbill conservation project in Royal Belum-Temenggor forest	Malaysian Nature Society	No	CSR activities
3	Biodiversity – replant rare and endangered tropical forest trees at certain plantation estates and some selected mangrove and coastal areas	Wild Asia	Yes	Contribute to biodiversity knowledge
4	Mangrove research centre	Institute of Biological Sciences and Institute of Ocean and Earth Sciences of University Malaya	Yes	Contribute to biodiversity knowledge
5	Tabin wildlife reserve	Sabah Wildlife Department	No	CSR activities
6	Borneo rhinoceros sanctuary	Sabah Wildlife Department, Borneo Rhino Alliance (BORA) and the World Wildlife Fund (WWF),	No	CSR activities
7	Mangrove replanting initiative	KPMG, The Forest Research Institute of Malaysia (FRIM)	Yes	Contribute to biodiversity knowledge
8	Stability of altered forest environments (SAFE) project	South East Asia Rainforest Research Programme (SEARRP) of the Royal Society of the United Kingdom and Commonwealth Academy of Science.	Yes	This research will contribute towards the development of sustainable solutions for oil palm and plantation management. The project will also help to establish solid and

				scientifically proven guidelines for both new and existing plantations, as well as provide future assessments on how the preservation of forest patches within plantations will benefit the agricultural industry and society at large.
9	Chair for climate change	UKM's Research Center for Tropical Climate Change System (IKLIM),	No	Contribute to climate change knowledge
10	Mangrove brigade	Primary and secondary schools on Carey Island	No	CSR activities
11	Chair for sustainable development	UKM (Universiti Kebangsaan Malaysia) - YSD Chair for Sustainable Development – Zero Waste Technology for the Palm Oil Industry	Yes – plantation mill	Contribute to zero waste management
12	Conservation and protection of the proboscis monkey	Sabah Wildlife Department	No	CSR activities
13	The Jentar Nursery project as a nursery to breed Endangered, Rare, and Threatened (ERT) forest tree species.		No	Contribute to biodiversity knowledge

Appendix 4: Silver – chronological events

Silver: Chronological events

2008	PSDC's approval obtained after a detailed review of the EIA and the Qualitative Risk Assessment.
22 January 2008	Silver obtained manufacturing licence to produce rare earth oxides and carbonates.
15 February 2008	DOE approved Environmental Impact Assessment (EIA) report.
July 2009	Public briefing on Silver Malaysia organised by PKNP. Presentation by state DOE, AELB, Nuclear Malaysia and representative from Silver.
June 2010	Revised version of Radiological Impact Assessment (RIA) was conducted but only made public on 30 May 2011; however, it did not have provisions for a future decommissioning of the plant or the final disposal plan.
11 March 2011	An article published by Keith Bradsher in the New York Times uncovered the Silver project in the area.
30 March 2011	Protest held by ordinary people who live around rare earth plant outside Parliament.
7 April 2011	8 public briefings were organised by AELB and PKNP but failed to address the people's concern and were stopped indefinitely after 2 sessions.
22 April 2011	IAEA panel appointed by the government.
29 May-3 June 2011	IAEA 6 days visit: the panel met the government officials, representatives of Silver, and there was briefing from members of the public, including residents, community associations, NGOs and professional bodies.
21 June 2011	The President of Penang Consumer Association issued a statement that RIA is full of holes.
21 June 2011	Letter from Silver's chairman to Member of Parliament to clarify the community's concern and call for greater clarity and transparency.
22 June 2011	Reply letter from Member of Parliament to Silver's chairman to clarify few misperceptions and accept the invitation to engage in a discussion.
27 June 2011	Acceptance letter to engage in a discussion on 1 July 2011 but only in the form of a private meeting with no media present.

29 June 2011	New York Times reported that Silver's plant had design problems; it was characterised as a hazardous construction plague.
30 June 2011	Silver's responded to an article in NYT regarding construction standards of Silver's plant.
30 June 2011	The IAEA concluded that the Silver's rare earth plant is safe but made 11 recommendations.
27 September 2011	Member of Parliament filed a complaint to Australian Securities and Investments Commission.
9 November 2011	Silver failed to meet the conditions set out by a government review despite three proposals made so far to obtain a pre-operating licence.
9 October 2011	1st peaceful anti-Silver rally: largest protest gathering as a platform for all citizen groups to come together and voice out their concerns.
20 December 2011	The Academy of Science (ASM) and National Professors' Council (NPC) issued a 63-page report stating that the processing of rare earth would produce some by products that could carry some low-level radioactive risks, but such risks should be manageable because of technologies available to effectively render the waste harmless and safe.
3 – 17 January 2012	Public engagement: Document for TOL application from Silver 4 locations: AELB head office – 3 copies (9am – 4pm) AELB temporary office, Silver industrial area – 1 copy (9am – 4pm) AELB east coast office, Terengganu – 1 copy (9am-4pm) Pahang State Secretary office, Kuantan – no mention of how many copy (9am – 4pm)
1 February 2012	Approved Temporary Operating Licence (TOL) under 5 conditions. The 5 conditions are: Silver is required to submit to AELB details of the plan and location of a proposed permanent disposal facility that will manage the residue, if any, generated by the factory. This submission must be made within 10 months from the date the TOL is issued. This requirement must be complied with, regardless of any alternative proposals Silver may make for the management or disposal of the factory residue (e.g. recycling, conversion into products that can be sold, etc.). Silver must agree to provide a USD 50 million security deposit to the government.

	AELB has the right to appoint an independent expert assessor to evaluate Silver' compliance with the safety and good practices requirements.
16 February 2012	Science, Technology and Innovation Ministry received appeal regarding the approval TOL for Silver. Issuance of TOL was postponed until decision was made after the hearing on 17 April 2012
26 February 2012	2nd anti-Silver rally: the first major demonstration since the Public Assembly Bill was enacted into law aimed to pressure the government to abort the plant.
20 March 2012	Special parliamentary committee (SPC) was appointed to study the issues that raised the concern of public and the safety standard of the plant. This committee was boycotted by the opposition party as they claimed it was 'a gimmick and a tool for public relations'.
24 March 2012	DOE said the rare earth plant did not need a detailed EIA as at that time it was not listed as a 'prescribed activity' that required DEIA under DOE rules. DOE made the amendments on July 20, 2011 after the panel IAEA completed their review. The only difference between PEIA and DEIA was merely the element of public engagement.
31 March 2011	A letter of demand was issued to 4 Save Malaysia Stop Silver members and 45 NGOs demanding the removal of offending statements.
12 April 2012	High Court dismissed a leave application filed by 10 local residents to revoke the temporary licence issued by AELB.
18 June 2012	SPC tabled a report on findings. See http://www.parlimen.gov.my/images/webuser/jkuasa%20lamp/Laporan%20Jawatankuasa.pdf for the SPC report.
3 September 2012	Issuance of 2 years TOL to Silver from 3 September 2012 to 2 September 2014 – with assurance that residue is removed from Malaysia if water leach purification (WLP) re-process of commercial product failed.
25 September 2012	Court suspends Silver TOL and share prices begin to drop.
30 November 2012	Silver releases a press conference and announce that they are loading the first feed to kiln.
28 January 2013	**R**esults of a study of Oeko-Institute on behalf of the Malaysian NGO SMSS are out. Title of press release: Rare earth refining in Malaysia without coherent waste management concept.
1 October 2013	Silver outlined in its June quarterly report that its processing plant had encountered "clogging and premature wearing" of equipment in the early stages of Phase 1.

17 June 2014	Speaker of the Parliament rejects a petition which was filed on the Silver's TOL by a member of the Parliament as he was satisfied with the government explanation of the project.
22 June 2014	The anti-Silver group Green Assembly reactivated its campaign to shut down the rare earth refinery.
2 September 2014	Silver received full operating licence.
13-17 October 2014	The delegation of experts from IAEA visited Silver plantation to verify and monitor the implementation of the 10+1 recommendations made during their first visit in 2011.
17 October 2014	IAEA concluded a follow-up of Silver plant and stated that radioactive risk low. The IAEA's final report is said to be submitted to the Malaysian government at the end of October, 2014, and that it would be made public.
27 June 2015	The IAEA 2014 report was released. The public questioned the 8 months delay of the release of this report.

Appendix 5: Silver – Social media: Twitter and Facebook

Tweets

[redacted] Malaysia @[redacted]_... 27/05/2013

Did you know that sports stadium lightings contain elements of scandium to achieve intense level of brightness?

2

[redacted] Malaysia @[redacted]_... 24/05/2013

Indium, commonly used in touch screens, is one of the rare earth elements that face the risk of depletion in 17 years' time.

1

[redacted] Malaysia @[redacted]_... 20/05/2013

Are you a fan of ball sports? Did you know that Scandium is used in golf clubs and baseball bats?