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# Environmental and social accountability in emerging economies: strategic pressures from and responses to vulnerable local communities

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## ABSTRACT

Drawing on Oliver's typology of strategic responses (1991), this study demonstrates the strategic pressures that vulnerable local communities in Nigeria have exerted on cement companies and the multiple strategies that these companies have devised to discharge their environmental and social accountability (ESA). The data for this study were obtained through semi-structured interviews and document analysis. By exploring the role of local communities in Nigeria, our findings highlight the changing context of ESA in emerging economies in which local communities, often referred to as weak and passive stakeholders, have forced multinational companies to respond to their commitment to ESA. However, the extent to which local communities' voices can alter companies' profit maximisation that compromises people's welfare and the environment has caused concern. The power and influence wielded by companies, which has enabled them to devise a multitude of strategic responses, has subtly dominated local voices and actions, confining ESA practices largely to the content of their annual statements. This raises concerns about current mechanisms for discharging ESA to promote sustainable development and attain sustainable development goals (SDGs) in emerging economies. In investigating the aforementioned, the paper also addresses the call made by prior work delineating the nexus between corporations and local communities in shaping ESA in the unique contexts of emerging economies.

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## 1. Introduction

This study stems from our interest in exploring corporate-community interactions and the discharging of environmental and social accountability (ESA) in emerging economy contexts. Corporate activities have continued to increase environmental pollution, exacerbated climate change and adversely affected the lives and livelihoods of the most vulnerable members of society in emerging economies (Egbon & Mgbame,

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2020; Qian et al., 2021). The consequences of such activities have often proved to be more detrimental at the community level (Phiri et al., 2019), increasing social injustice, poverty, and inequality (Belal et al., 2015) and escalating social issues such as forced labour and modern slavery (Qian et al., 2021).

Annual/sustainability reports (Usmani et al., 2020), particularly qualitative disclosures, have provided a popular means through which corporations can elucidate their ESA to the public and other stakeholders (Jones, 2003; Lauwo et al., 2020). However, divergent views have been expressed in the literature regarding the discharging of ESA by corporations (e.g. Belal et al., 2015; Noah et al., 2020), including the mechanisms they should adopt, as well as the role that communities can play in forcing companies to fulfil their social obligations. Studies have also outlined multiple environmental and social-related activities in relation to which the discharging of accountability is envisaged as paramount, including carbon footprint emissions (Haslam et al., 2014) and corporate sustainability (Baker et al., 2022), amongst others. Despite the adoption of several disclosure guidelines, such as the Global Reporting Initiative, the quality of environmental and sustainability reports presented by corporations has continued to attract scholarly attention (Kunz et al., 2024). Corporations have been criticised for strategically manipulating their activities in their reports, as part of their attempts to reiterate their commitments to sustainability and enhance their public image and legitimacy (Qian et al., 2021). For instance, Egbon and Mgbame (2020) assert that most companies whose activities have been linked to environmental disasters present such actions in a more favourable way to their stakeholders. Other scholars have shed light on the manipulative tactics that corporations have adopted, for instance embedding additional disclosures in their reports and developing narratives explicating the mitigating factors that allegedly cause environmental damage (Egbon & Mgbame, 2020; Uche & Khalid, 2022).

Prior studies have highlighted that corporations tend to respond more strategically and in diverse ways to their commitment to ESA (Belal et al., 2015; Khan et al., 2020; Lauwo et al., 2020). This is perhaps more evident in emerging economies (Lauwo et al., 2020; Reddy & Hamann, 2018). The ESA of companies operating in environmentally sensitive industries, which often involves extracting local resources, such as mining, has attracted greater scrutiny (Jenkins & Yakovleva, 2006). These companies have been accused of making local communities increasingly vulnerable (Belal et al., 2015; Hassan, 2022; Qian et al., 2021), as well as marginalising community members, as they continue to be perceived as weak and passive stakeholders (Alcadipani & de Oliveira Medeiros, 2020). It has been pointed out that corporate activities have further weakened the propensity of community members to raise their voices against social and environmental harm and the negative impacts that it causes to them (Adger, 2006; Belal et al., 2015). This is perhaps not surprising, as Adger (2006) claims that vulnerable groups are powerless, economically, and politically marginalised, and mostly ignored about matters that concern them. More specifically, Brown (2013) contends that the natural environment, local communities, and citizens tend to be more vulnerable, as they represent groups that remain largely silent in financial and sustainability statements. Local community members are less influential in terms of the power they wield to make companies accountable for their actions (Belal et al., 2015). Therefore, research that focuses on vulnerable groups (such as local communities) within the context of a specific industry has been

called for to engender deeper insights into the nexus between corporations and local communities and the operationalisation of ESA (see e.g. Hassan, 2022; Lauwo et al., 2020; Qian et al., 2021; Wijethilake et al., 2017).

Reflecting on current debates in the existing literature and drawing on Oliver's typology of strategic responses (1991), we pose two research questions in this study: What strategic pressures could local communities in emerging economies deploy to force corporations to discharge ESA, and; what strategic responses could corporations utilise in discharging their ESA to local communities? The data for the study were derived through document analysis and conducting 32 semi-structured interviews in three Nigerian local communities. To fulfil the purpose of the study, we selected two large cement companies in Nigeria, the production activities of which are concentrated in vulnerable local communities. Of the few studies that have explored environmental accounting practice in emerging economies (Qian et al., 2021), none have focused on the cement industry. The ESA practices of cement companies are particularly interesting given that these companies, similarly to mines, not only rely on local resources, but also operate in vulnerable local communities and emit a wide variety of pollutants with both immediate and far-reaching consequences for the surrounding environment and the welfare of community members. In addition, our research setting – Nigeria – is unique in that the cement industry has experienced unprecedented growth during the last decade, particularly since the introduction of the Backward Integration Policy in 2013, which has served to attract substantial foreign direct investment (Nigerian Bureau of Statistics [NBS], 2016; PanAfrica, 2011; The Global Cement, 2013). Along with oil and gas, the country has evolved into one of the major cement exporters in sub-Saharan Africa (Akinyoade & Uche, 2018). Evidence from official government reports shows that the Nigerian cement industry accounted for 63.6% of the West African region's cement output in 2011 (The Business Day Nigeria, 2014). The contribution of the cement industry to the country's GDP has been increasing over the past decade and had reached 10% by 2021 (NBS, 2022; The Central Bank of Nigeria [CBN], 2022). The environmental and social consequences of the cement industry, and its effects on climate change in particular, are therefore being increasingly felt at the community level (Okereke & Küng, 2013). For instance, the local inhabitants in the communities selected for the study have been constantly lobbying the cement companies to mitigate the impact of their operations on the former's livelihoods and surroundings.

Our contributions to the extant literature on environmental and social accounting in emerging economies are twofold. First, we illustrate how the marginalised stakeholders, i.e. vulnerable local communities, can influence the ESA practices of corporations via both hard and soft coercion, especially when there is a threat to lives and livelihoods. Such communities are often presented in the existing literature as passive and weak stakeholders with no influence on the discharging of corporate ESA (see e.g. Adger, 2006; Bass et al., 2023; Brown, 2013; Hassan, 2022; Qian et al., 2021). Second, we demonstrate how corporations can strategically devise a multitude of strategic responses to subtly dominate local communities' voices and actions and pursue their profit maximisation motives unhampered. In doing so, the paper also addresses the call made by prior work delineating the nexus and interactions between corporations and local communities in shaping ESA in the unique contexts of emerging economies (Qian et al., 2021).

The remainder of the paper is structured as follows: Section 2 presents a literature review and highlights the gaps in existing studies. Section 3 outlines the theoretical

framework adopted for this study, namely Oliver's typology of strategic responses. This is followed by an overview of the case studies and research methods used in the study in Section 4. In Section 5, we present and discuss our findings with reference to the issues that emerged from the interviews and the information derived from annual reports, official government documents, and print media sources. The paper ends with concluding remarks in Section 6.

## 2. Literature review

Environmental and social accountability (ESA) has drawn growing attention from accounting scholars (Baker et al., 2022; Qian et al., 2021). Beyond disclosures and regulatory compliance, discharging ESA has now become a part of organisational ethics in ensuring a commitment to human rights (Gallhofer et al., 2011; Hassan, 2022). However, several studies investigating the social and environmental practices and disclosures of multinational companies operating in emerging economies have shown inadequate and unsatisfactory outcomes (Belal et al., 2013; Hassan, 2022). Multinational companies are allegedly abstaining from their responsibilities regarding adverse consequences of their operations in emerging economies and contributing to the vulnerability of poor and marginalised communities and their environment (Hassan, 2022). The existing debate on ESA therefore emphasises the need to design and discharge ESA in a way that forces companies to be accountable for the related environmental and social consequences of their actions and the negative impacts they have on local vulnerable communities (Baker et al., 2022; Unerman & Bennett, 2004). For instance, Kunz et al. (2024) argue that the accounting system in practice today has been structured in a way that makes it difficult to embed a sustainability perspective.

In the context of emerging economies, increasing attempts of corporations to make voluntary disclosure have often been attributed to the growth in social and environmental accounting research (Qian et al., 2021). While the focus of earlier studies was on exploring how the discharging of ESA by corporations has become more philanthropic (Valente, 2012), more recent studies have studied ESA covering the multitude of sociocultural contexts in which multinational companies operate and across diverse industry settings, including timber, oil and gas and mining (Belal et al., 2013; Egbon & Mgbame, 2020; Lauwo et al., 2020; Phiri et al., 2019; Soobaroyen & Mahadeo, 2016; Uche & Khalid, 2022). Many of such studies have highlighted the prevailing culture of blame-shifting, as well as corporations' unwillingness to accept responsibility for the impact caused by their activities (Belal et al., 2015; Lauwo et al., 2020). For instance, in their study of Sri Lanka, Wijethilake et al. (2017) have illustrated how a multinational manufacturing company applied various strategic responses, including manipulation, using management control systems to respond to institutional pressures for sustainability. Lauwo et al. (2020) have demonstrated how Tanzanian mining companies, stigmatised for ignoring social well-being, devised strategies to conceal or transfer blame to others. In a similar vein, Egbon and Mgbame (2020) have delineated how multinational corporations (MNCs) operating in the Nigerian oil and gas sector have strategically mobilised blame avoidance narratives in framing the causes of oil spills. In doing so, the study demonstrates how companies have used corporate accounts to portray transparency while facilitating their environmental activities.

Beddewela and Herzig (2013) state that research on social and environmental accounting and accountability has started paying attention to the concerns of local communities given their increasing awareness of issues relating to sustainability and accountability. The importance of considering local contexts to engender comprehensive insights into sustainable development and ESA has also been outlined by scholars such as Qian et al. (2021) and Belal et al. (2015). Valente (2012) has delineated how the interrelationship between firms and local communities systematically influences firm-level ambitions for sustainable development. Similarly, Reddy and Hamann (2018) demonstrate how the local context and internal environment play a part in determining the corporate social responsibility (CSR) policies and responses of MNCs. Studies have also argued that the discharging of ESA by corporations can create the potential of forging a strong tie between corporations and local communities and promoting community welfare (Baker et al., 2022; Idemudia & Osayande, 2018; Valente, 2012). Gray et al. (1996) state that such a nexus between corporations and local communities can only be built if the former acknowledges the latter as one of their key stakeholders.

However, few attempts have been made, mainly in emerging economy contexts, to delineate how and to what extent vulnerable stakeholders – the local communities – could affect the discharge of ESA by corporations and the strategies that corporations could devise to address local voices and concerns and the discharging of ESA. Studies on ESA tend to show that vulnerability leads to further exploitation given that the demand for improved accountability and transparency will be limited (Hassan, 2022). The power dynamics of local communities and the way local pressures affect companies' sustainable development programs are rarely discussed in existing studies. In this study, we aim to address this gap in the existing literature by analysing the ESA practices of two Nigerian Multinational Cement Companies (MNCCs), which are among the largest producers and exporters of cement on the continent. In doing so, we also add to the wider literature on social and environmental accounting in emerging economies, shedding light on the nexus between corporations and local communities in the shaping of ESA.

Prior studies on ESA conducted in Nigeria have focused on environmental pollution resulting from the activities of large oil companies (Owolabi, 2008). Limited attention has been paid to cement companies, most of which operate within local communities where the required resources are more accessible (e.g. Akinyoade & Uche, 2018; Ogedengbe & Oke, 2011). However, a few exceptions do exist. For example, Adewuyi and Olowookere (2010) have examined the relationship between WAPCO Cement and its host communities. The study shows that the proportion of resources committed to CSR was relatively small and that CSR expenditures trailed sales growth. Noah et al. (2020) have argued that the discharging of accountability to local communities even in the ceremonial form has been of paramount importance for Nigerian cement companies due to the extraction of local resources. Similarly, Safari and Areeb (2020) have highlighted the need for corporations, such as cement companies, whose activities have a direct impact on vulnerable people, to identify and engage with these people in the process of discharging accountability. However, the perspectives of local communities affected by the cement companies' operations are absent in these studies. Local communities tend to be more responsive to cement companies given that these companies operate in local areas, consume local resources, and add to their vulnerability by affecting their lives and livelihoods. Therefore, cement companies are likely to trigger more local and community

responses than those operating in the timber and mining sectors. Responding to the call made by Belal et al. (2013), we also intend to bring forth in light the voices and concerns of such vulnerable local stakeholders and the shaping of corporate ESA in emerging economy contexts.

### 3. Theoretical framework: Oliver's typology of strategic responses to institutional pressure

A range of theories have been applied to study corporate environmental accountability, including, amongst others, the legitimacy theory (O'Dwyer et al., 2011), stakeholder theory (Unerman & Bennett, 2004), political economy theory (Kuasirikun & Sherer, 2004), regulatory capture theory (Noah et al., 2020), institutional theory (Carpenter & Feroz, 2001), and sense-giving and defensive behaviour (Egbon & Mgbame, 2020). In this study, we have drawn on Oliver's typology of strategic responses, given that our focus has been on demonstrating the community pressure for corporate ESA and organisational responses. The application of Oliver's typology has enabled us to highlight the interplay between cement companies, local communities, and other stakeholders involved in the process of discharging ESA.

To extend the institutional theory developed by Meyer and Rowan (1977) and DiMaggio and Powell (1983), Oliver (1991) has proposed various strategic responses to the institutional pressures that organisations frequently encounter. Previously, Oliver's framework has been used to analyse institutional pressures and associated strategic responses devised by organisations in fields as diverse as education, steel, and agriculture (Tingey-Holyoak & Pisaniello, 2017). The framework has also been applied in a country-wide context (e.g. Ireland) to examine the responses of dynamic actors to professional accounting regulations (Canning & O'Dwyer, 2013). Similarly, Shapiro and Matson (2008) have employed Oliver's framework to study firm compliance with the US Sarbanes – Oxley Act of 2002. They argue that most firms tend to adopt active rather than passive strategies to resist mandatory internal control and reporting systems. More recently, Harber et al. (2023) have drawn on Oliver's typologies to demonstrate how the resistance to audit regulatory intentions from the Big 4 firms was dispelled in South Africa. Regarding social and environmental accounting, Wijethilake et al. (2017) have applied Oliver's framework to investigate the role of management control systems in strategically responding to institutional pressures to achieve sustainability. In a similar vein, Khan et al. (2020) have used the framework to examine the regulatory influence of CSR practices within the banking sector in Bangladesh. These studies show that companies' responses to their activities differ based on the context and groups to which such responses are targeted. For instance, companies tend to be more direct and active in responding to externally imposed regulations and mandatory control mechanisms (Jackson et al., 2020).

Oliver's (1991) main concern has been to show the factors that urge organisations to interact with their external environment. The neo-institutional theory has propagated the view that organisational structures and procedures tend to become more alike (i.e. isomorphic) as a result of the structures and procedures prescribed by their external environment using the coercive, mimetic and normative mechanisms (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). However, a key criticism of the

neo-institutional theory concerns that it pays insufficient attention to organisations' responses and resistance to institutional pressures (Canning & O'Dwyer, 2013). Oliver's (1991) strategic model has, therefore, enabled researchers to address these limitations and theorise about organisational strategic choices and responses to institutional pressures. Specifically, Oliver (1991) has identified and discussed the following five institutional factors which compel organisations to conform to certain demands and expectations:

- **Cause:** Explains why organisations feel under pressure to conform to institutional rules and practices and demonstrate some level of efficiency in their practices.
- **Constituents:** The actors and/or factors, e.g. government agencies, regulators, NGOs, the media, and local communities that compel organisations to ensure that their practices are in line with institutionalised norms/regulations.
- **Content:** Types of norms/practices imposed on organisations, such as sustainability reporting.
- **Control:** Covers a variety of mechanisms, ranging from coercion to voluntary diffusion, which obliges organisations to conform to the expected norms/practices.
- **Context:** Enables predictions to be made about how organisations might behave in a given environment or circumstances. Oliver (1991) has identified two broad contexts: uncertainty and interconnectedness. While uncertainty determines the extent to which organisations comply with or resist institutional norms/practices, interconnectedness delineates inter-organisational relationships, which play an important role in shaping organisational strategic responses.

In addition, Oliver (1991) has discussed five strategic responses that organisations employ either to conform to or resist the external expectations and demands imposed on them:

- **Acquiescence:** Comprises habit, imitation, and compliance. Habit refers to “unconscious or blind adherence to preconscious or taken-for-granted rules or values” (Oliver, 1991, p. 152). Imitation, which is consistent with the concept of mimetic isomorphism, implies that organisations tend to imitate the good practices of so-called “successful organisations” operating in a similar context (see Carpenter & Feroz, 2001). Compliance is a “conscious obedience to or incorporation of values, norms, or institutional requirements, as enshrined in laws or regulations” (Oliver, 1991, p. 152).
- **Compromise:** An important tactic that can be deployed to enable organisations to suppress and/or confront pressures exerted by constituents/stakeholders at the appropriate time. Three different types of tactics were highlighted: balancing, pacifying, and bargaining. For instance, depending on the strength of institutional pressure, organisations need to achieve a balance between the demands of local communities and their corporate goal of profit maximisation. Pacifying tactics are adopted when an organisation is driven by the goal of ensuring partial conformity with external pressures and demands. Bargaining tactics refer to the efforts made by organisations to offer concessions to external constituents that impose certain demands. This tactic is particularly relevant for local communities and governments.



- **Avoidance:** This is executed by concealing nonconformity, buffering institutional pressures, or escaping institutional rules or expectations. Concealment tactics are used to avoid and disguise non-conformity behind a façade of acquiescence. Multinational corporations commonly use this tactic in emerging economies (Dunn & Sikka, 1999). Buffering reduces the likelihood of being externally inspected, scrutinised, or evaluated by partially detaching or decoupling organisations' technical/corporate activities from the demands of external constituents. Avoidance implies escaping and is perhaps the most dramatic response to institutional pressures, whereby organisations attempt to exit the domain from which pressure is being exerted.
- **Defiance** is the most active form of resistance that organisations deploy in response to external pressures. Three forms of defiance have been highlighted: dismissal, challenge, and attack. Dismissal occurs when organisations do not consider institutionalised rules and values. Challenge is a more active form of departure from rules, norms, or expectations than is dismissal. This tactic enables organisations to defy pressures more offensively by virtue of their insurrection. Attacking tactics are evident in a situation in which organisations strive to combat, belittle, or vehemently denounce institutionalised values and the external constituents through which they are expressed.
- **Manipulation:** A “purposeful and opportunistic attempt to co-opt, influence, or control institutional pressures and evaluations” (Oliver, 1991, p. 157). Organisations tend to adopt co-option or persuasive tactics when they feel pressure from a prominent community leader or government official to reduce the degree of power or influence exerted. Influencing tactics are usually directed at institutionalised values and beliefs, and towards the criteria of acceptable practices or performance upon which organisations are evaluated. Finally, controlling tactics can be seen as an aggressive response to institutional pressures, unlike co-option and influencing tactics. Through this strategy, an organisation aims to “dominate rather than to influence, shape, or neutralise institutional sources or processes” (Oliver, 1991, p. 158).

Oliver (1991) argues that organisations deploy active resistance strategies such as avoidance, defiance, and manipulation when they experience softer and less visible institutional pressures and when compliance with them will reap lower economic rewards. Active resistance strategies are also likely to occur when organisations are not overly dependent on the institutional environment for essential resources and when multiple institutional actors are engaged in propagating contradictory views. Conversely, the likelihood of organisations embracing resistance strategies is reduced when institutional pressures are coercively enforced. Prior studies have demonstrated that the strategies that companies deploy against institutional pressures depend on their capacity and access to wealth and information as well as the way they perceive the power and role of the institution in question (Harber et al., 2023; Hyatt & Berente, 2017). However, there is a scarcity of research examining attempts by companies operating in emerging economies to deal with institutional pressures from a key stakeholder group, often portrayed as less influential and/or vulnerable, to discharge ESA. The ESA is of particular interest given the lack of mandatory regulations specifying how it should be discharged, and in emerging economies where quasi-regulatory framework and enforcement are weak. Corporations have been criticised for presenting an overly rosy picture in their narrative reporting on how they have contributed to promoting community and social

welfare as part of their commitment to discharging ESA (Qian et al., 2021; Shinsato, 2005; Sikka, 2011). In addition, few studies have explored the tactics and strategies deployed by large corporations in emerging economies to discharge their ESA to the vulnerable less visible, albeit a significant, stakeholder group: the local communities. This study addresses these knowledge gaps by illustrating the pressures from the local communities and strategic responses of two MNCCs in Nigeria in fulfilling their ESA.

#### 4. Methods

Nigeria's cement industry has significantly contributed to the country's economy (Klee, 2007; Okereke & Küng, 2013). The two cement companies analysed in this study were selected because most of their operating plants are located very close to residential housing, where the local environment and communities are highly affected. To maintain anonymity, we referred to them as Company A and Company B.<sup>1</sup> Both companies have their main offices in Lagos, Nigeria's commercial centre, although their production units are scattered across the country. Fieldwork was carried out in factories located in three local communities in the west of the country and at their main offices.

Data were gathered through semi-structured interviews and document analysis. Our key interview participants included corporate staff members, community representatives, local leaders, and young people (see Appendix 1 for the distribution of our participants). Community leaders/members and youth representatives were selected based on our interactions with locals, who helped us identify active and influential leaders and community members. One of the co-authors visited the selected communities and communicated with the locals to identify suitable informants for the study. Corporate respondents were selected based on the strength of their knowledge and involvement in their company's environment-related activities. Before the interviews, letters detailing the interview schedules were sent to the selected corporate staff members, providing the option for the interviews to be conducted face-to-face or online via Skype to provide flexibility to those with travel difficulties and/or busy schedules. The interviews with community representatives were conducted face-to-face because of limited online access. We also conducted a few follow-up interviews via Skype with staff members to clarify some of the issues which were still unclear or inconclusive after earlier interviews. This was an attempt to ensure the reliability and validity of the information provided via face-to-face and Skype interviews.

Most of the interviews were conducted in English, which is the official language of Nigeria. However, a few interviews with community representatives were conducted in the local language of Yoruba. These interviews were immediately transcribed into English and shared with all co-authors to develop a common understanding of all the relevant issues raised. This also helped facilitate interactions between the co-authors throughout the interview process and address any issues that remained inconclusive. A total of 32 interviews were conducted, all of which lasted 1–2 hours and were recorded and subsequently transcribed. Appendix 1 provides further details on the interviewees, including how they were coded. The interviews sought to discover community

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<sup>1</sup>Company A is a multinational cement company established in a developed country while Company B is a multinational cement company originating in a developing country.

members' views on the impact of environmental activities on their health and livelihoods. Given that agriculture is the main source of livelihood among these local communities, we invited their opinions on the impact of the cement company's activities on their daily lives and climate change. Other issues raised included their involvement in environmental, social, and community development projects; their interactions with the cement company's officers; and the way they approached the cement company and local authorities about environment-related problems caused by corporate activities. Issues discussed in the corporate respondents' interviews were related to the impact of their activities on the environment and local communities, the management and reporting of such activities, the involvement of the local communities, the types of pressures they experienced from local communities, and the strategies they have adopted to address local concerns and discharge their ESA. Our interactions with community leaders focused on identifying the measures deployed by communities to compel the cement company and other companies in general to address their environmental, social, and health-related issues ravaging communities.

We started our document search by conducting a content analysis of newspaper articles, company webpages, annual reports, and relevant government agencies. Through this process, we reviewed the annual reports issued by the two selected companies A and B from 2007 to 2020. We also scrutinised the environmental provisions of the National Environmental Standards and Regulations Enforcement Agency (NESREA) Act, 2007 and the Security and Exchange Commission (SEC) Act 2019. The scrutiny of annual reports enabled us to identify the different types of pressures exerted by local communities on companies and the strategies adopted by the latter in response to the local communities' expectations and demands. By reviewing the provisions of the Acts, additional insights were generated about the views and intentions of the government and policymakers towards ESA. This also helped ensure the reliability and validity of our interview data.

We analysed the data using thematic discourse strategies which involved identifying and reporting patterns (themes) within the data. This thematic approach is similar to what Braun and Clarke (2006) have described as a constructionist method. This involves examining trends related to the realities, meanings, and experiences discussed by the participants. The themes identified from the transcribed interviews adequately captured relevant information related to the research objectives. In parallel, we applied interpretative content analysis to analyse our secondary data, which, according to Berg (2004), relates to the interpretative reading and identification of information underlying the physically presented data. In the various documents examined, we looked for textual references, phrases, terms, and sentences relating to environmental and social issues, accountability, local demands and expectations, pressures and involvement, and corporate strategies.

We then categorised them into the same themes generated from the interview data, based on Oliver's (1991) framework. At the outset, we identified eight key themes, which were somewhat expected considering the complexity and interconnectedness of some of the factors that could influence companies to conform to their ESA. For example, the cause(s) of cement companies' actions are closely related to forces from both a prominent constituent and the weak control imposed on them. Similarly, we witnessed acquiescence in the form of (patchy) compliance, while pacifying compromise, buffering avoidance, co-option manipulation, and attacking defiance strategies and tactics were employed by both cement companies in response to institutional pressures.

The categorisation of strategies and tactics in Oliver's (1991) framework was useful at the initial stage of our data analysis, however, the overlaps of data collected within and between factors and responses made it challenging to focus on the key issues.

Through further refinement, we reduced these to two main themes. The themes were coded manually by all co-authors, following what Patton (1990) has described as an inductive approach. The themes were further organised (loosely while focusing on the key themes emerging from the data) by Oliver's (1991) institutional factors and typology of strategic responses. We mapped the empirical themes of each of Oliver's typologies. The data representing each theme were then clustered and attempts were made to establish links between them to create narratives. We continued to move between the dataset, Oliver's (1991) typologies, and the research questions until we reached a common understanding of the developed narratives. This process also enabled us to situate the relevant quotes within the appropriate headings and provide us with an in-depth representation of respondents' views and perceptions.

## 5. Findings

Our empirical analysis, which was structured around the two main themes, revealed the pressures encountered by Company A and Company B at local and community levels, and the varied strategies these companies have deployed in response to the pressures and to discharge their ESA. These pressures depict the various voices, activities, and actions of local communities and the consequences of strengthening the ESA practices of MNCCs in Nigeria.

### 5.1. *The role played by local communities*

Institutional factors place corporations in a position where they are required to strategize their responses and show commitment to accountability for their actions (Oliver, 1991). Pressure from constituents, such as local communities, can be one such factor, although such communities are often portrayed as weak and passive stakeholders in the social and environmental accounting literature (Qian et al., 2021). During our fieldwork, we traced several local initiatives which have forced the cement companies to respond to local concerns regarding their environmental activities. The participants commented on the several activities pursued by local communities, including protest/agitation, dialogue with company management during annual general meetings, lodging complaints to legislative bodies, and signing a memorandum of understanding with the companies. Many of these activities have proven to be effective in persuading companies to consider local voices and issues more seriously. We were told that the companies' attitudes towards locals have, to some extent, altered in the last few years. For instance, a community member during our interviews mentioned:

The company tactically avoided communities' concerns in the past. However, things have changed in the last few years, particularly after the leaders and youths in the communities started putting resources together to challenge them. For instance, the youth blocked the routes of the company's motorways until the company agreed to talk with their representatives on issues that affect the communities. Community leaders also organised meetings with them to ensure that the company signed a memorandum of understanding [CL9].

Prior work shows that communities with a higher propensity for collective action tend to have greater negotiation power and are in a better position to exert pressure on companies to improve their environmental performance (Belal et al., 2015; Brown, 2013; Wijethilake et al., 2017). This was also evident during our interviews. The engagement of various human rights organisations in community affairs has strengthened local movements against the companies' activities. For instance, this has enabled members to file cases against companies in court for their actions. A community representative remarked:

We have taken the company to court and the case is ongoing. This court case is related to land compensation. Anyway, we are at the mercy of God and at the mercy of human rights organisations that will support us. We are supposed to fight for our rights the same way the people of the Niger Delta fought for theirs. They won at the international court (CL9).

This court case drew significant media attention in Nigeria. Such local community initiatives and actions against large companies are rare in the country. The power and influence of large companies have often dominated and trivialised marginal voices. The following excerpts from some of the media serve as examples:

Members of the Ewekoro Community of Ogun State have dragged multinational cement company ... before the federal high court in [Abeokuta] accusing the company of polluting and destroying their environment through the mining of limestone ... the community members are demanding N1trn in damages to compensate for the alleged pollution and destruction of the plaintiff's town, farmlands, rivers, air, and general environment, arising from limestone mining and cement manufacturing (The Punch, 2019, 2021).

It was the first time a local community muster the courage to step up to the plague against their oppressors who have been masquerading as investors (Sahara Reporters, 2019).

Community members are becoming more aware of the role that the media could play in empowering the local communities' weak, marginalised voices in exposing the adverse consequences of companies' activities on their lives and livelihoods. Mentions were made during our interviews that community members have published articles in newspapers to draw the attention of the government and companies with regard to the discharging of ESA. For instance, a group of community representatives organised press conferences in their area discussing how the cement company's environmental activities have affected them in their day-to-day existence, thereby asking for solutions for the problems faced. A community representative remarked:

There are ongoing meetings about what to do to ensure that the company is more responsible for its environmental activities in the community. We found that the media was very helpful. We have held many press conferences to persuade the company's management to do the right thing (CL7).

A variety of other measures that local communities have mobilised to facilitate negotiations with companies and reinforce the pressures to alter their ESA practices were also mentioned. For example, street protests and demonstrations against companies have continued, impeding their daily operations and profitability. A community leader solemnly commented on a protest that they organised against the company:

Our people have protested before, and it has led to the death of many. You can see many soldiers patrolling the streets. What we believe now is that one day, both the government

and the company will have a change of mind and meet our needs. Without such action (protests), the company will never care about us and our voices (CL7).

This statement perhaps highlights the extreme forms of local resistance against companies' activities with the unintended consequence of costing human lives. Local community leaders and members conceded that they are left with no other options and that their own and the future generations' health and lives would continue to be affected by these companies' activities if no actions are taken. They knew they had been ignored for far too long and that without such extreme actions, companies would not engage with community members and respond to their concerns. Commenting on the power of community protests, the king of one of the communities stated:

Before I became the king, I was the chairman of the community. I was the person who fought for the relocation of communities affected by the company's blasting operations. Two out of the ten affected communities were relocated to a new place far away from the blasting operations. However, the company failed to honour the relocation of the remaining eight affected communities. The relocation of the remaining communities was done later between 2014 and 2015 after we escalated the protest against them (CL8).

Interviewees mentioned that some communities have adopted rather different confrontational tactics, for instance, reporting companies' activities to Parliament and the House of Assembly. Companies have been charged with breaching regulations and neglecting the welfare of community members in exchange for human lives and profits. This has led to company representatives being summoned before Parliament to justify their actions. One interview participant from Company A stated the following:

Recently, one of our host communities reported us to the State House of Assembly over dust emissions in their community. We had to attend the Assembly. The issue was amicably resolved with the intervention of the government (AA2).

This strategy has appeared to be rather coercive from the perspective of companies, as they could not avoid a call by the country's supreme institutions. In some instances, companies have been advised to relocate their plants because of their failure to install the recommended preventive measures that could protect the health and well-being of community members. Therefore, companies are forced to establish a communication channel with communities affected by their actions and sign an agreement with them. For instance, a community representative recalled:

We reported the environmental activities of the cement companies operating in our communities to the State House of Assembly. One of our grievances was the relocation of communities very close to quarry blasting. Both our representatives and company representatives were invited to meet the committee that was set up. Some agreements were reached, and the companies were obliged to attend to the issues we complained about (CL2).

Companies also acknowledged the fact that increasing community awareness of their activities, has, to some extent, affected their responses to local affairs. Community members are no longer envisaged as passive and weak stakeholders and initiatives have been taken to engage with them. For instance, a senior employee of one company during our interviews stated: We believe it is very hard to be successful if we work against the local community (AB1).

Another employee added:

You see the people (local community) are very vigilant. If there are a lot of emissions, people will react negatively. We talk to people to prove that we are not harming them. It is very dangerous not to take care of the environment and people's health (CB5).

We were told that the frequency of meetings between companies and local communities has increased, thereby enabling companies to restore some level of community trust. In a few instances, companies could even postpone local community-planned activities, such as protests and demonstrations, with a prompt response for meetings and negotiations. A company employee during our interviews commented: "... they (community members) would first take their protests to our company premises ... but now can wait for talk and negotiations" (BA5). In addition, a liaising committee has been set up, including both community and company representatives, to execute collective action and resolve the issues at the community level before involving higher-level authorities at the federal and ministerial levels.

A large number of community members, however, conceded that many of the commitments made by companies, ranging from building schools to creating additional employment opportunities for the locals, have never been performed. Instead, strategies followed by them were more focused on pursuing those activities which could help them build reputation with certain groups of community members with little effort. For instance, companies supported the farmers day celebrations by offering small amounts of money to each farmer and helped facilitate elderly care programs. A community member remarked:

Every year, the company tries to organise a get-together for the people of the communities which includes the obas, chiefs, women, and youths in all the hosting communities. The company provides them with various forms of support in cash or in kind. Some other supports are yearly, some are monthly (CL9).

The difference between what companies have outlined in their annual reporting and the activities they actually carried out for local communities was therefore notable. The following excerpt from Company B's 2018 report serves as an example:

In 2018, we invested N1.413 million in social investment for the construction of roads, schools, hospitals, and several public utilities to close some of the infrastructural gaps.

As outlined in previous studies (e.g. Belal et al., 2013; Lauwo et al., 2020; Soobaroyen & Ntim, 2013), the use of accounting and sustainability statements to conceal the adverse consequences that corporate activities have caused to society is evident in our findings. However, rising awareness about corporations' activities, as well as the collective negotiations, campaigns and protests, which community members have pursued involving human rights organisations, the media, and Parliament have led to corporations searching for and devising a variety of different strategies which could mitigate local concerns and, at the same time, help them continue to maximise their profit goals.

## ***5.2. Companies' strategies in response to pressures from local communities***

Oliver's (1991) notion of co-optation constitutes an important tactic adopted by cement companies in response to local demands. Despite allegations by local communities,

companies have consistently conveyed the message that the company and community are interdependent; therefore, creating harmonious relationships between them is paramount and the way forward. We were told during our interviews that companies have not only maintained regular communication with community members but have also contributed to promoting local employment and improving health of locals by installing equipment which can protect community members from environmental harm caused by the company's operations. Claims have also been made that several environmentally friendly projects have been launched in local communities, including the Environmental and Health and Safety and Social Investment scheme and the promotion of biomass plantations in polluted areas. For instance, one company employee mentioned:

The relationship with our host communities is very cordial now as we attend to their demands promptly through facilitating communication. Employment has been created for them and their well-being prioritised (BA5).

What is striking is that community engagement has been central to the annual statements of both companies. Companies have clearly outlined the modes of engagement employed, including monthly and ad-hoc meetings, courtesy visits, and community day events. The sustainability report of one company has specifically highlighted the establishment of a community development committee involving the representatives of the company and local communities to facilitate regular meetings at the community level (Company A 2019 Annual Report). Mentions have also been made that community members are often invited to express their views when decisions about broader social and environmental issues are made. However, it is ostensible that companies have tactically pursued the strategy of promoting community engagement activities to make the social aspects of their operations visible. This resonates with the findings of Amaeshi et al. (2006), in which claims are made that Nigerian corporations are more concerned with fulfilling their philanthropic responsibilities than their environmental responsibilities. Consequently, many such activities have failed to promote harmonious relationships between companies and local communities. For example, a community leader expressed bitterness towards the company operating in his community for failing to fulfil its corporate environmental responsibilities:

If the company had been doing the right thing, I would not be telling you what I am saying. I wouldn't be saying something about economic rent, the violation of the Kyoto Protocol agreement, the bad roads, the air and dust pollution (CM6).

In addition, many community members were excluded and unaware of any community engagement activities launched by companies. A community representative shared his experience during our interviews stating:

We were neither invited nor informed about the setting up of the committee. When we confronted them, they said it was an error on their part, and they apologised for this. They also said that this was due to changes in the leadership of their company (CM4).

The management of both companies admits that environmental sustainability and community welfare are not short-term issues, and that the failure to address these issues would have a significant impact on the long-term profitability and continuity of their business. For instance, Company B's (2018) sustainability report states, "As a leading



African brand, we are partners of governments and local communities in the effort to build prosperous economies in our countries of operation”. The report has also highlighted the execution of a corporate environmental philosophy explicating the company’s vision and mission regarding environmental performance and accountability, and how these can be achieved. The pursuit of this strategy, which resonates with Oliver’s (1991) strategic response of acquiescence, has been iterated during our interviews. For instance, commenting on how the company launched several programs following the corporate philosophy “proclamations” to preserve the environment and the well-being of local people, a company respondent stated that:

... Our EHSS (Environmental Health and Safety and Social) activity is an all-encompassing programme to improve their (the local community’s) living standards and to make them more comfortable in the community (AB1).

The respondent added that:

We are employing recycling measures for our used bags of cement. We also appointed accredited vendors in those areas we cannot handle on our own, for example, in the recycling of used bags, wooden pallets, and paper, among other measures in place (AB1).

However, the extent to which such commitments and assertions publicised and reported by companies are put into practice has raised concern. For instance, during our interviews, a local respondent affirmed that in most cases, the cement company operating in their area has continued to burn or dump cement bags instead of recycling them.

In response to community grievances, companies have adopted several measures to convince local governments that they have not breached environmental regulations. For instance, mentions were made that members are introduced to company representatives, whom they could contact to express their grievances. Community members are also provided with access to report their concerns directly to the director and subsequently to headquarters. The director arranged regular visits to the communities. For instance, Company B’s sustainability reports state:

Our host communities are provided with functional platforms to express their worries and concerns about any of our business activities that they may find disrupting. We ensure that a dialogue exists with all the communities in which we operate. Our host communities have access to key decision-makers who represent the Company in their communities and who are trained and committed to addressing their grievances. If the issues cannot be resolved at the local level, they can be escalated to the Company’s headquarters for a prompt and mutually acceptable resolution.

Several claims were made during the interviews asserting that companies have introduced a number of welfare provisions and infrastructure development projects, focusing on the well-being of members. Delivering better healthcare services to community members was presented as an example, and this is evident in the following statement made by a company representative:

Apart from the fact that we [the company] built and equipped hospitals for our host communities, we also sent our medical personnel team to conduct random medical tests and examinations on the people to ensure that nobody is at risk as a result of our operations [HA4].

Similarly, an employee of Company B stated:

In conjunction with the state health ministry, we conducted a comprehensive and periodic testing exercise for the staff, their families, and the local community clinic. Health and safety are priorities of our company, so we take them very seriously when dealing with our local community [HB4].

During our interviews, several representatives highlighted how companies have contributed to improving education and infrastructure across communities. For instance, Company B has set up a provision to allocate certain funds annually to community members affected by their mining activities. Such amounts are also used to mitigate environmental damage resulting from mining work. A representative of Company B elaborated the following:

In terms of mining requirements, we make provisions in our accounts every year. This provision is designed to cover the duration of mining activities. To repair the environmental damage resulting from mining work, we work very hard to [care for] the community. A lot of money goes into community development. We provide information such as education, infrastructure, and building roads. We do everything we can to assist the community close to our company [AB1].

Social performance management which involves establishing a formal stakeholder engagement process has been particularly reflected in the companies' annual statements. The remit of social performance management extends beyond communities affected by the companies' activities, incorporating wider stakeholder groups in the region. An excerpt from one of the cement companies' reports is as follows:

We have invested billions of dollars to develop skills, create local value, and build new capacity across Africa to support industrialisation to fully implement and sustain our sustainability strategy. There is a need to engage all our stakeholders in developing our strategy, approach to, and implementation of our sustainability programme.

Concerns were also raised about the companies' true motives and the strategies that they have deployed to deal with community affairs. For instance, community members claim that through supporting social events and promoting community engagement, companies have used certain groups and influenced certain community members to speak favourably about them and their activities. Companies are, therefore, alleged to have pursued unethical practices and strategize such practices to mitigate local pressures for ESA. Incentivising certain segments and groups while marginalising others has become an important part of their strategy to undermine community harmony and social capital. A community representative during our interviews stated: "I guess everything is politics, because the company gave money to some people, so they cannot talk and have taken to their faith" (CL1).

While reviewing the annual statements of both companies, we noticed that the former chairman of the board of one company was a traditional title holder in one of the local communities. This explicitly demonstrates that companies have adopted manipulation co-option strategies and tactics, appointing influential community members on the board, and exploiting them to suppress local voices and influences. In a few instances, companies have followed a strategy of pacifying local communities using relocation and attack tactics. For instance, some community members have been relocated to different areas because of the complaints they filed against a company. We were told that the company manipulated the situation by offering false assurance that the new

location is less polluted. Locals have also been threatened that their protests may force the company to relocate the plants, resulting in the loss of employment. Such threats are clearly reflected in the following statement by a corporate respondent:

Recently, one of our host communities reported to the State House of Assembly about dust emissions in their community. We were mandated by the recommendations of the meeting to relocate these communities to other safe locations. This caused more difficulties for them in continuing their livelihood and we have clarified this to community members (AA2).

The power and influence of large multinational companies in Nigeria and other emerging economies have often been uncontested. Many of these companies have political backing and can, therefore, override the concerns raised by marginalised community members. One community member remarked:

We used to challenge the company. We told them that if they did not control it, we would block them from operating. The community attempted to stop businesses in that area. There is a Ministry of Environment in Nigeria to tackle problems caused by companies. I do not want to use the word bribe. But the companies are capable of dividing the communities and continuing their systems (CL9).

During our interviews, voices were also echoed that the scrutiny and inspections facilitated by government agencies have yielded no results and that actions have not been taken against companies for their activities. Instead, in many instances, community members have been targeted for their activities against companies taking advantage of their vulnerabilities, the following statement by a community member serving as an example:

After our complaints, government officials are sent to visit the company plant and the community. They will then make recommendations. You will see that at the end of the day, nothing will be done. The next thing you will see is that the government will send a warning message to the communities that we should not disturb the company again. Don't we know that the company is losing money if the company is not producing? (CL8).

Another community member added on stating:

When the protest is serious, the government will drag in the military men to stop us from further demonstration. Military men start harassing our people mercilessly. If you visit the gates of these companies, you will find military men everywhere. The action is to protect them from an attack they could get from the people of the communities (CL8).

Indeed, community members have realised that companies have become more responsive to ESA because of the consistent pressures exerted on them. In addition, it is increasingly felt that the discharge of ESA has become of paramount importance to ensure companies' operation and profitability in the longer term. Thus, engagement between community representatives and companies has increased through the establishment of various committees, and there is evidence of increasing social arrangements that companies have facilitated to compensate community members and strengthen their social capital. However, these are inadequate compared to the impact that companies' operations have had on the lives and livelihoods of community members. The power of the community in terms of influencing governments and other key stakeholders, weakening community-level social ties and capital, and threatening vulnerable community members are striking in our findings. Through deploying varied strategies and using

accounting and sustainability reporting, companies have continued to exercise their power and domination against local communities and maximise their profit at the expense of people's welfare and the environment.

## 6. Discussion and conclusions

Drawing on Oliver's typology of strategic responses (1991), this study has illustrated the interactions that took place between two cement companies in Nigeria and the local communities living in the surrounding area, as well as the various strategies devised by the companies for discharging their ESA. Despite increasing academic concerns (e.g. Baker et al., 2022; Qian et al., 2021), extant accounting studies have shown that large multinational companies operating in emerging economies and in sectors such as oil, gas, timber and mining have repeatedly used their environmental and social reporting for the purpose of image-building and legitimacy (Hassan, 2022; Lauwo et al., 2020; Qian et al., 2021; Uche & Khalid, 2022; Wijethilake et al., 2017). Rarely have the activities in the name of fulfilling ESA by these companies impacted positively on the well-being of local community members. Local communities have become increasingly vulnerable due to the activities of these large companies (Qian et al., 2021; Wijethilake et al., 2017). However, relatively few studies have analysed the ESA of large companies in a way that takes the role of vulnerable local communities into account (e.g. Belal et al., 2013, 2015). We have therefore addressed this knowledge gap in the present study.

Although the ascendancy of stakeholder interests in ESA has been discussed in previous studies (Gray et al., 1996; Unerman & Bennett, 2004), local community members are often perceived in these studies as passive and less influential in terms of the power they wield to make companies accountable for their actions. In this regard, our study presents a rather different scenario in which local communities have been shown to play a part in influencing ESA. Our findings demonstrate that the activities of local communities have succeeded in influencing the ESA practices of large Nigerian cement companies through both hard and soft coercion, such as by voicing their demands, holding press conferences, engaging in protests and demonstrations, and reporting to legislative bodies. Such activities, some of which have been facilitated collectively with the support of human rights agencies, have, to some extent, shaped companies' responses and strategies for dealing with stakeholders in the discharging of ESA. The fact that community members in emerging economies have become increasingly aware of the adverse consequences of companies' activities on their lives and well-being is evident from our study.

However, our findings have also raised concerns about the extent to which the local pressures exerted on companies have engendered concrete benefits for the welfare and livelihoods of community members. As outlined in Clementino and Perkins (2020) study, it is unsurprising that companies have adopted various forms of strategic resistance to avoid compromising their profit objectives. In a similar vein, the two cement companies examined in this study have also adopted several strategies in response to community concerns. Drawing on Oliver's (1991) research, both the actions and reporting practices of these two companies can be seen as acquiescence or resistance to the pressures exerted by local communities. For instance, both companies have highlighted their commitment to engaging with and supporting local communities through their corporate philosophies in their annual reports. Several social and environment-related

projects have also been launched, claiming to improve the well-being of local communities. These include the relocation of affected communities, investment in biomass and environmental health and safety and social schemes and inviting local representatives to attend meetings and initiating visits to the companies. In a few instances, employment opportunities have been created for community members and financial support has been offered to individual community members and community social events. Nonetheless, many of these initiatives have been driven by the intention to passively suppress or resist different forms of pressure exerted by local communities. In practice, companies have been involved in manipulating, persuading, and bribing locals, activities which have resulted in the further marginalisation of local voices and the undermining of community cohesion. As discussed in prior work (Clementino & Perkins, 2020; Hassan, 2022), the companies' actions in the name of serving community needs and welfare have subtly veiled their intention to prioritise the pursuit of business interests and profit motives.

The literature on social and environmental accounting in emerging economies has demonstrated how companies' annual reports continue to be dominated by justifications for, and the desire to publicise, efforts to discharge their ESA (Qian et al., 2021). These tendencies, which have been established in prior studies, are further reinforced by our study. However, it is worth mentioning that local communities rarely have access to corporate annual reports, and community members seldom possess the accounting skills required to understand and evaluate the accounting information presented therein. The transparency that companies refer to in their annual reports and the discharging of their ESA, mainly to local communities, is therefore questionable. As indicated by Belal et al. (2013), many of the initiatives that such companies have purportedly introduced, relating to the discharging of ESA, have been confined to the pages of annual reports and other policy documents, rather than being implemented at ground level.

Having said this, the key empirical contribution made by this study concerns the role of local communities in enhancing corporate ESA and community members' attempts to make their voices heard collectively, especially when there is a threat to their lives and livelihoods. Rarely have previous studies illustrated such collective community-led pressures exerted on companies with regard to the discharging of their ESA. We have delineated the changing context of ESA in emerging economies in which the local communities, often perceived as passive and weak stakeholders (see e.g. Adger, 2006; Bass et al., 2023; Brown, 2013; Hassan, 2022; Qian et al., 2021), have forced multinational companies to respond to and express their commitment to ESA. Our study has also demonstrated how corporations can strategically devise a multitude of strategic responses designed to subtly dominate local communities' voices and actions and allow them to pursue their profit motives unhampered. The power of companies to influence governments and state institutions has remained unchanged and they have continued to dominate and manipulate local voices in the process of discharging ESA. The commitments that companies claim to make have rarely been transformed into genuine actions to enhance the well-being of vulnerable community members and therefore remain ineffective and unsatisfactory at the community level.

In theoretical terms, the use of Oliver's (1991) strategic responses has enabled us to demonstrate some of the tactics and strategies that companies have adopted to show their concern at the community level while prioritising their profit goals. For instance,

having realised the importance of co-option, companies have deployed several strategies such as acquiescence, compromise, avoidance, manipulation, and defiance, either directly or in more subtle ways. Thus, community representatives have been invited to meetings; consultants appointed to deal with communities' grievances; healthcare infrastructure and services delivered to local communities; and the affected community members relocated. The defiance attacking tactic was applied to counter-protests and demonstrations by local communities, while the local context in Nigeria has enabled both avoidance concealment and defiance dismissal tactics (i.e. mechanisms of corruption) to be employed to weaken the influence of local voices. Such strategies have undoubtedly contributed to companies extending the content of their annual reports with claims about how they have discharged their ESA in ways that involve community members and other stakeholders, without substantial and noticeable impact at ground level. The strategies and tactics applied by companies have resulted in the power of local communities and their voices being overridden, thereby enabling them to pursue their profit motives in a more subtle manner. In our analysis, we have further applied Oliver's strategic response typology (1991), thereby illuminating the diverse, context-specific strategies employed by powerful companies to address the challenges faced by vulnerable communities in emerging economies.

Lastly, the paper addresses the call made by prior work (e.g. Qian et al., 2021) that examines the nexus and interactions between corporations and local communities in shaping ESA in the unique contexts of emerging economies. As demonstrated in our study, increased community awareness, engagement and collective efforts have resulted in corporations based in emerging economies taking their ESA more seriously. However, the power wielded by corporations, coupled with their access to multiple strategic responses, has resulted in the discharging of ESA remaining inadequate. This deficiency is characterised by a lack of genuine intentions and tangible actions aimed at improving the well-being and livelihoods of vulnerable local community members, as well as promoting sustainable development. This raises concerns about current mechanisms for discharging ESA to promote sustainable development and attain the targets set in the SDGs. Further studies are therefore warranted to seek alternative approaches to ESA in which the benefits to the local communities take precedence over the profit maximisation ideology of corporations in the process of discharging ESA in emerging economies.

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## Appendix 1: The List of the interviewees for the study

Details of the Interviews participants/Number of interviewees					Total
Company A Departments/Units	Accounts/ Finance	Environment	Health & Safety	Biomass Project	
Number of Participants	2	2	1	1	6
Coding for interviewees	AA1, AA2	EA3, EA6	HA4	BA5	
Company B Departments/Units	Accounts/Finance	Corporate Social Responsibility	Health & Safety	Corporate Communications	
Number of Participants	2	2	1	1	6
Coding for the interviewees	AB1, AB2	SB3, SB6	HB4	CB5	
Community Leaders	CL1-CL10				10
Community Members/Youths	CM1-CM10				10
Total					32

Note: The first letter in the coding for the companies represents the department, and the respondent interviewed. The second letter represents the company, and the third number depicts the number attached to each participant. For the community, the code CL represent the community Leader, while CM represent the community member or youth and the number depicts the participant interviewed.