

# **An exploration of the absence of corporate social reporting (CSR) in Bangladesh**

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**Abstract**

This paper aims to broaden the present CSR literature by examining the absence of CSR within the context of a developing country. This is an area which to date is relatively under researched in comparison to the more widely studied presence of CSR within developed Western countries. For this purpose, 23 semi-structured interviews were undertaken with senior corporate managers in Bangladesh. The findings suggest that the main reasons for non-disclosure include lack of legal requirements and lack of knowledge/awareness. The other reasons mentioned are lack of resources, poor performance and fear of bad publicity and inherent dangers in additional disclosures. The paper has raised some serious public policy concerns by exploring the underlying motives for absence of CSR in general and some eco-justice issues in particular (e.g. child labour, equal opportunities and poverty alleviation). These significant issues require careful consideration by the policy makers at the national, regional and international levels.

*Key words:* Absence; CSR; Eco-justice issues; Bangladesh

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## 1. Introduction

Previous research on CSR has predominantly explored the presence of CSR within various contexts. It has been contended (O'Dwyer, 2002) that by conducting an “enquiry of absence” (Choudhury, 1988, p.555) the “presence” orientation of previous CSR literature can be widened. Choudhury (1988) provides a framework for researching the absence of accounting in an organisational context. According to this framework accounting absence can be understood from two distinct perspectives. Firstly, the absence may be interpreted in a pathological sense and secondly, the absence can serve a functional role and can be seen as a virtue. In this second virtuous interpretation the absence could be seen as helping to enhance trust, constructing ambivalence and sometimes playing a symbolic role. According to the first thesis the researcher explaining the absence assumes it is an example of management failure and makes an attempt to understand the reasons for such failure. From this perspective, Choudhury offered a taxonomy of accounting absence described as follows:

**A need-based** interpretation of accounting absence relates to the situation where the researcher has, based on his or her understanding of the observed's goals, felt accounting to be necessary, but the observed deemed it was not required. Where the observed fails to draw on the extant stock of accounting knowledge because of ignorance of its existence or potential, the void is **awareness-based**. On the other hand, **possibility-based** absence refers to situations where the observed considers that, given the constraints faced, it is not feasible on economic, political or other grounds, to adopt a particular form of accounting. (p.553, emphasis added)

Whilst accepting that Choudhury developed this framework for the specific consideration of accounting systems (such as “budgetary systems”, p.550) it is believed that it can inform this research into CSR absence. In fact the justification given by Choudhury (p.549) for the importance of the study of accounting absence is equally applicable and

would prove equally compelling if the word accounting in the following quote was replaced by CSR:

Little attention has been directed towards the instances of accounting *absence*, that is, where accounting was expected but is not. Such a focus would seek to establish the conditions in which particular forms of organizational accounting *do not exist*, and, subsequently, the reasons why accounting does or does not make the transition from non-being to being. In other words, it is necessary to ask: Why is there no accounting here? What are the characteristics of this accounting-less environment? (Emphasis in original)

At present, there is little research that has been explicitly designed to explore, in detail, corporate reluctance to disclose on social, ethical and environmental matters in general and eco-justice issues in particular. Such exploration of absence could provide an opportunity to develop a fuller understanding of corporate motivations for social reporting. Further, this paper aims to broaden the present CSR literature by considering its absence within the context of a developing country. This is an area which to date is relatively under researched (but see Belal, 2001; Imam, 2000; Kuasirikun & Sherer, 2004) in comparison to the more widely studied presence of CSR within developed Western countries. Previous studies (Belal, 2001; Imam, 2000) have indicated that there is a low level of CSR in Bangladesh and the main objective of this study is to investigate why Bangladeshi companies disclose very little or nothing on social and environmental issues in general and significant eco-justice issues in particular. Belal (Forthcoming) presents a study of the social and environmental disclosures made within the annual reports (related to the year 1999/2000) of 87 Bangladeshi companies using a framework of 20 disclosure categories. A summary of the findings highlighting the extent of disclosure under different categories is shown in Table 1.

INSERT TABLE 1 HERE

The above table indicates that while high numbers of companies made disclosures under the categories of human resource development (62%) and recognition of relevant stakeholders (80%), very few companies made disclosures under the categories dealing with eco-justice issues such as child labour, equal opportunity and poverty alleviation. The almost total absence of disclosures in this regard highlights the unwilling attitude of Bangladeshi companies to address these issues that, as we discuss below, are of importance both globally and specifically to Bangladesh.

The use of child labour in the supply chain is an emotional issue that is of grave concern to the policymakers and Western consumers/buyers (see for example Ray, 2004; Kolk and Tulder, 2002; Basu and Tzannatos, 2003; López-Calva, 2001, Palley, 2002). As such there have been a number of international initiatives, primarily through the auspices of the International Labour Organization (ILO), the World Bank and UNICEF, aimed at addressing this issue. Kolk and Tulder (2002, p.292) report that ILO convention No. 138 (1973) “stipulates a minimum age of 13 years” for “light work which is not to be harmful to [children’s] or development, and which is not such as to prejudice their attendance at school”. Despite these initiatives the ILO (1998) report that globally there are an estimated 250 million child labourers between the ages of 5 and 14 and Kolk and Tulder (2002) report that in some countries 69% of the child labourers will face some kind of hazard within their working environment. Palley (2002) states that, in absolute terms, Asia has the most child labourers, although a higher proportion of African children work. Drawing on figures from the World Bank (2001), Ray (2004. p.5) notes that “child labour is a particularly serious issue in South Asia (especially Nepal and Bangladesh) and in

some countries in East Asia such as Cambodia and Thailand”. In fact the World Bank (2001) figures identify Bangladesh as having a 29% participation rate for children aged 10-14 years. Today, there remains widespread use of child labour in garments and tannery companies as evidenced by several newspaper reports, for example, a newspaper report suggests 13% of garments workers to be children (Hossain, 2001). Both economic considerations, poverty, and social customs have been suggested as reasons for high child labour rates in Bangladesh (see for example Delap, 2001; Amin et al., 2004 and Rahman et al., 1999) and these root causes must be addressed by Bangladeshi employers if the situation is to be improved. Why then is there an absence of comment on the issue of child labour within the reporting of Bangladeshi companies?

The importance of poverty as an explanation for child labour was touched upon above and it must be recognised that Bangladesh is one of the poorest countries of the world with a per capita income of only \$440 a year (World Bank, 2005). Furthermore, Khan (2000, p.879) reports that “[p]overty is so widespread that 80 percent of the rural people are poor, defined in terms of calorie intake (2,100cal) and more than half of the population is below the subsistence level (less than 1,800cal) who cannot meet the basic needs of life, resulting in lower ability to work and lower production.” The issue of poverty alleviation is one, which falls first on the national government, but Chowdhury and Bhuiya (2004, p.371) suggest that in the case of Bangladesh the government “has not always performed this role to its full potential”. As well as government efforts there has been a significant amount of aid (\$38 billion between 1980 and 2000 according to Benson and Clay, 2003, as cited in Mclean and Moore, 2005) and poverty alleviation

work by NGOs, such as BRAC (see Chowdhury and Bhuiya, 2004), which have not been able to resolve this problem. More recently calls have been made (PWBLF, 2001; Rugman, 2001) asking companies to share the responsibility of poverty alleviation in the community where they are operating as the government of the poor countries alone can not address this massive issue of poverty. We must ask here, then, why is there no reporting on poverty and its potential alleviation within the reporting by Bangladeshi companies?

As discussed, poverty levels in Bangladesh are high, but this is even more so for women who “generally receive less household resources for their food, education, health and clothing than men” (Siddique, 1998, p.1096). This situation is not helped by the “extremely patriarchal” nature of Bangladeshi society (Kabeer and Mahmud, 2004, p.94) that can restrict the opportunities to women to working as “unpaid family labour or paid work that can be carried out in the home”. According to the World Bank (1990) women accounted for only 7% of the total labour force in Bangladesh in 1987. Since the early 1980s there has been some change in that due to liberalization there is now a thriving export garment industry, where the vast majority of employees are women. Even here though the motivation for employing women has been argued to be “the ‘primitive’ exploitation of labour: the extraction of the maximum possible labour at the minimum possible costs” (Kabeer and Mahmud, 2004, p.95). It is also reported that discrimination against women in the workplace is widespread in Bangladesh in general and in the garments companies in particular (Newsware, 1999; Rashid, 1998). Given the limited education and skills training of many Bangladeshi women their opportunities cannot be

considered to be equal and this is despite the constitution of Bangladesh that “clearly articulates the equality of men and women in all aspects of public life” (Andaleeb and Wolford, 2004). Adams and Harte (2000) make a strong case of corporate reporting of equal opportunities. In their study they found corporate unwillingness to provide ‘free and frank account of’ equal opportunities in employment practices. Table 1 in this study reports similar reluctance in the Bangladeshi context. So again, we ask why given the importance of this issue, both globally and in the Bangladeshi context, is there such an absence of reporting in this area by Bangladeshi companies?

We have argued, but see also Belal (Forthcoming), that these eco-justice issues are not only important globally and for developing countries in general, but also for Bangladesh in particular. In the following sections we explore why Bangladeshi companies are reluctant to disclose social and environmental issues in general and eco-justice issues in particular. This paper proceeds with a section that reviews prior literature on the presence and absence of CSR. The third section sheds light on the research procedures adopted for the collection of data. In contrast to many of the previous studies, which imply motivations from an analysis of levels of CSR, this research documents the views of managers as gathered through an interview process. This paper, therefore, also addresses the call for such empirical work by Gray (2002). Section four presents the findings obtained via the interviews. Finally, analytical comments and concluding remarks are provided in section five.

## **2. The presence and absence of CSR**



Gray, Kouhy & Lavers (1995) suggest that there are three theoretical contexts for CSR research and these are “decision usefulness” theory, positive accounting theory (which is discounted as having little to offer), and social and political theories. The social and political theories are further classified into “stakeholder”, “legitimacy” and “political economy theories” (PET). Much of the subsequent, and rapidly growing CSR literature, has used these suggested theories as a basis to explore and in some cases explain CSR practice. Predominant within the literature is legitimacy theory (Deegan, 2002; Deegan, Rankin, & Tobin, 2002), which suggests that organisations require legitimacy to be able to continue to operate.

The results from empirical studies based upon legitimacy theory are mixed. The conclusion from a number of studies (Campbell, 2004; Deegan et al., 2002) supported legitimacy theory whilst other studies (Adams, Coutts, & Harte, 1995; Guthrie & Parker, 1989; O'Dwyer, 2002) have suggested that legitimacy theory fails to sufficiently explain levels of corporate social disclosure and non-disclosure. These authors often turn to the broader political economy of accounting theory for explanation.

Of interest to this research is the ability of the political economy of accounting theory (PET) to offer some insight into reasons for the absence of CSR as well as its presence (Adams & Harte, 1998; Adams et al., 1995; Guthrie & Parker, 1989). In each of these studies an absence of CSR, or non-disclosure, was argued to result from the influence of powerful groups in society, including management and financial stakeholders, deliberately silencing, suppressing and confusing the issues in order to ensure the status quo. Therefore the absence of CSR is a conscious decision made for reasons of self-

interest (Guthrie & Parker, 1990). Similarly, although not drawing directly on PET, Chwastiak and Young (2003) forcefully argue that the "dominant discourses" silence "injustices" in order to "allow us to ignore more easily the distasteful and objectionable aspects of the systems in which we live" (p.534-5). PET has also been used to argue that where voluntary CSR does occur it is motivated by a desire to influence possible future regulation (Adams et al., 1995; Guthrie & Parker, 1990). In these circumstances voluntary disclosures may delay or completely avoid the need for, potentially more stringent, mandatory disclosures.

The question as to whether the presence of CSR is dependent upon a number of contingent factors has been empirically tested. Adams (2002) suggested that these factors could be distinguished into "corporate characteristics", "general contextual factors" and "internal contextual factors". Of these categories the majority of research has concentrated upon corporate characteristics such as size, industry grouping, corporate age, levels of systematic risk and more emphasis on the long run. Internal contextual factors consider how the governance structure and/or the personal characteristics of senior managers may impact upon CSR. Within general contextual factors Adams (2002) suggests that the country of origin is important and specifically the "social and political context" of the country is more important than economic factors. Furthermore, a number of factors have been suggested to be relevant to a country's social and political context, such as levels of regulation and the threat of such regulation (Adams et al., 1995; Freedman & Patten, 2004; Harte & Owen, 1991), and pressure from the public, media or community pressure groups (Neu, Warsame, & Pedwell, 1998; O'Dwyer, 2002; Tilt,

1994).

The discussion above provides a great number of potentially contingent factors for the presence of CSR and thus we could contend that the absence of CSR can equally be explained by the absence of the aforementioned factors. In fact much less research has been undertaken to investigate the absence of CSR within annual reports, as the vast majority of studies has concentrated on the largest companies in socially and environmentally sensitive industries within developed countries. Of course these studies have been specifically designed to find and comment upon CSR. There are a number of exceptions to this and these studies do actually explicitly comment upon reasons for the absence of CSR. Firstly, the importance of cultural attitudes within a country was specifically reported as a reason for non-disclosure by Adams (2004). Gao et al. (2005) consider the very low levels of CSR within Hong Kong and note that these companies had faced little pressure from community pressure groups and further that the government had failed to adequately enforce social and environmental legislation. Kuasirikin and Sherer (2004) appear to contradict the importance of these social and political factors when they note that, despite increasing social and environmental legislation, increased public awareness and worsening social and environmental conditions, levels of CSR within Thailand have not improved. They continue, however, that in reality a failure to enforce legislation, a lack of effectiveness by Thai social and environmental pressure groups, and an absence of mandatory social and environmental disclosures explain the continued absence of CSR. The importance of an absence of regulatory CSR requirements is also noted by Adams, Coutts and Harte (1995) and is suggested as the

primary reason for a lack of CSR in Jordan by Naser and Baker (1999).

O'Dwyer's (2002) study provides an interesting insight as it is based on managerial perceptions of CSR and specifically considers absence. A number of specific reasons for non-disclosure were identified by the interviewees and not all of these can be seen to be a lack of a contingent factor that explains CSR presence. One cultural factor of importance within this Irish context was the level of cynicism of the relevant publics and the suspicion with which they would interpret CSR. In fact, culturally in Ireland, people did not tend to publicise "good-deeds" and so if companies started to do this then their 'real' motivations would be questioned. The interviewees expressed a belief that CSR could perversely increase, rather than repair, a legitimacy gap and actually result in greater pressure and increased scrutiny. This results from a concern that the disclosures themselves provide evidence that can be used against the organisation. O'Dwyer (2002) contends that such disclosure can confer increased legitimacy to the social and environmental claims of the pressure groups, a suggestion that is also made by Neu et al (1998).

Two further reasons for non-disclosure within the context of a developing country, as suggested by Teoh and Thong (1984), were a desire to keep the annual report brief and a degree of secrecy over the company's activities. Finally, there is a strong message from much of the empirical research that CSR is dominated by the reporting of good or positive news (see for example, Deegan & Rankin, 1996; Harte & Owen, 1991) and, therefore, there is an absence of reporting of bad news. From this we could surmise that where there is a lack of good news there will be a subsequent lack of CSR.

In conclusion, this section has provided a review of both the theoretical and empirical literature on reasons for the presence and absence of CSR. Most notably when considering the absence of CSR it appears that PET has much to offer. Gray, Owen & Adams (1996, p.48) also contend that part of the PET 'is especially useful in helping to explain the absence of CSR'. This theory specifically considers that the suppression of certain information and the silencing of certain voices actually is a powerful weapon in the armoury of influential groups within society. There are also a great number of factors that have been argued to be related to the likelihood of CSR. Most of the studies that have considered this have done so through empirical investigations of levels of disclosure within annual reports and how this is related to the presence or absence of a number of contingent factors. In contrast a smaller number of studies have addressed motivations for CSR within annual reports through seeking the views of managers and other interested parties. It is this method that has been adopted here and this is considered in more detail in the following section.

### **3. Research Method**

This paper reports on a study of managerial perceptions, which considered the current state of and future prospects for CSR in Bangladesh. This examination was carried out via in depth semi-structured interviews in 23 companies during the period of December 2001 to March 2002. A part of the interviews was devoted to develop a critical understanding of the reasons for non-disclosure on various eco-justice issues and it is these issues that are being reported in this paper.

The interviewees in this study were company secretaries, as within the Bangladeshi context they appear to be the most knowledgeable person in the company. They are also closely involved in providing corporate information to the outside world including the production and compilation of annual reports. Moreover, when companies were contacted for information and interviews in most cases company secretaries were nominated as the contact person. Previous researchers have also used company secretaries as the key informants (Jackson, Milne, & Owen, 2000).

Initially Interviewees were contacted via written letters asking for annual reports and also soliciting interviews. Most of the contacts were made through this process. Additional contacts were made during the researcher's field trip to Bangladesh. By following these procedures 23 interviews were obtained from companies across ten industrial sectors (See Table 2).

INSERT TABLE 2 HERE

Table 3 summarises the disclosure profile of the individual interviewee's companies and all 23 of these 23 companies do provide some CSR within their annual report. We can see, however, that none of these 23 companies reported anything in terms of child labour (disclosure category 5) and equal opportunities (disclosure category 7). In terms of poverty alleviation (disclosure category 10) one company, a bank, did provide some disclosure.

INSERT TABLE 3 HERE

At the time of the interviews all of these companies were listed on the Dhaka Stock Exchange except two state owned enterprises in the public sector. At 31<sup>st</sup> December, 2003 there was 248 listed companies in Bangladesh (Ahmed & Karim, 2005). Therefore, the total number of interviewees does not constitute a representative sample in the statistical sense to allow generalisations. However, they do provide interesting insights on the absence of CSR in Bangladesh on various eco-justice issues.

#### **4. Findings**

This section considers the reasons offered by the interviewees for their organisations non-disclosure.

##### *Lack of Legal Requirements*

Like many other countries CSR is not a mandatory requirement in Bangladesh. A number of interviewees expressed the view that the main reason for not disclosing these significant issues is the absence of legal requirement. The prevailing managerial attitude is: we will only comply if we are legally bound to do so. The following quotations are illustrative of this attitude.

There is no regulatory requirement for social disclosures in Bangladesh. Why should I talk more?  
(Interviewee 5)

In fact we do not report with much seriousness. The minimum disclosure we make is due to the legal compulsion so we do not make complete disclosures. We feel that compliance with minimum legal requirements constitutes enough disclosure. (Interviewee 19)

##### *Lack of Awareness/Knowledge*

Given the fact that the phenomenon of CSR is comparatively new to the companies in

developing countries many of them may not be familiar with the processes and requirements of it. Most of the interviewees (particularly those from the domestic companies) shared this concern. They contended that some of the reasons for non-disclosure might be attributed to lack of awareness and knowledge amongst corporate managers regarding CSR in general and disclosure on eco-justice issues in particular.

To be honest we do not have much idea about how to develop this sort of thing but we are moving slowly. You will see the difference between this year's report and that of ten years back. More disclosures are coming up. Eventually it will come. (Interviewee 12)

There was some lack of awareness. Our previous management adopted a policy of as little disclosure as possible but under the new management we are changing now. We would include more and more non-financial issues in future to make ourselves more transparent and accountable. Even two years back this attitude was not there. (Interviewee 14)

### *Lack of Resources*

Belal and Owen (2004) argue that it is more likely that companies in developing countries will be put under pressure to comply with the requirements of international social accounting standards/codes. They expressed concern that while such externally driven compliance strategy is unlikely to achieve the desired outcome on the ground they would essentially involve additional costs. It is feared that supply chain companies will be compelled to bear these additional costs. Several interviewees from the domestic companies appear to be concerned about this. Some of them expressed the view that CSR might be more appropriate for the larger companies having additional resources. For example, one interviewee says,

Larger companies are more likely to do it because they have got the resources. As a small company we do not have many resources to undertake additional disclosures which involve additional costs. Scarcity of resources is one of our main limitations. (Interviewee 20)

### *Poor Performance and Fear of Bad Publicity*



Two more factors for not disclosing could be related to the fact that companies were not actually undertaking enough social activities and that additional disclosure could bring adverse publicity, particularly if the disclosures are not positive. Moreover, in line with the strong opponents of CSR (Friedman, 1970) it was argued that a company's main objective should be to make profits and there is little scope for diverting resources to non-essential activities.

I don't want to disclose anything beyond statutory minimum requirements. I think that's enough. Why should I go for extra disclosures that might create bad and adverse publicity? For example, if I disclose on welfare activities even the small shareholders might ask me why are you spending our money on welfare activities. That's why we don't disclose these things through the annual report. (Interviewee 13)

For public sector companies there are two reasons for non-disclosure: Firstly, lack of awareness, skills and knowledge, and secondly, the fear of bad publicity arising out of negative disclosures. The first reason has already been discussed above. The second reason, noted by the paper manufacturer, probably refers to the criticism attracted from the media for environmental pollution created by the company. The company preferred to remain silent on this issue fearing further criticism. Another private sector textile manufacturer also refrained from disclosure fearing bad publicity:

.....on certain areas, for example, child labour and right to collective bargaining, we are not good performers. So we don't want to disclose this negative aspect because of the fear of bad publicity at home and abroad [foreign buyers]. (Interviewee 20)

### *Inherent Danger*

Few interviewees argued that there are inherent dangers in disclosing certain things like donations and contributions to other charitable work because in this case more and more people may line up demanding donations from the company for their charity/community

projects. These requests might be undesirable on the part of cost conscious companies and they may have to justify their decisions to the shareholders in terms of impact on the bottom line profit:

We are not disclosing because we do not want to invite trouble. There are inherent dangers in it. We don't want unsolicited invitations to participate in voluntary projects. In order to participate in these projects you need financial commitment. It must have a positive impact on the profit. In our country this is mostly done by the consumer oriented companies. They do a lot of sponsorship activities. (Interviewee 4)

## **5. Summary, Discussion and Conclusion**

According to the interviewees, the main reasons for non-disclosure include lack of mandatory requirements and lack of knowledge/awareness. The other reasons mentioned are lack of resources, poor performance and fear of bad publicity and inherent dangers in additional disclosures.

The absence of CSR due to lack of regulation could be explained with reference to the argument that disclosure is often made in response to the demand from state agencies in the form of formal regulation (Boden, 1999; Jackobs & Kemp, 2002) as well as from the non governmental, or social institutions in the form of informal regulation such as social pressures, sanctions and boycott (Tilt, 1994). While environmental reporting in some developed countries like Spain (Larrinaga, Llena, Moneva, Carrasco, & Correa, 2002) results from mandatory requirement, social and environmental reporting in the UK is, by contrast, a response to demand from social constituents. In Bangladesh neither formal nor informal regulation is presently requiring companies to disclose. In the absence of effective legal enforcement mechanisms it is doubtful to what extent formal regulation will be helpful in this regard. On the other hand, the newly emerging pressure groups in Bangladesh are yet to be organised in a way so as to be able to demand this type of

disclosure. In this way, absence of CSR can be explained by the absence of key state and social institutions. This finding also accords with the findings of several previous studies (Adams et al., 1995; Kuasirikun & Sherer, 2004; Naser & Baker, 1999).

The absence of CSR due to lack of knowledge/awareness and resources appear to be a plausible explanation particularly relevant from the context of developing countries. It is true that the corporate managers in developing countries need necessary training to achieve required skills and knowledge to be able to embark on CSR activities. This would require commitment of additional resources which might be lacking particularly in domestic companies as suggested by some interviewees. These factors have not been discussed in the prior literature but could provide convincing explanation for the absence of CSR in developing countries in particular.

The absence of CSR as attributed to these factors can be understood with reference to the theoretical framework for researching the absence of accounting in organisational settings (Choudhury, 1988). Lack of awareness, in terms of training, knowledge and skills, as a reason for not disclosing provides support for the *awareness-based* argument of accounting absence. In other words, corporate managers in developing countries could not draw on the stock of knowledge and experience that have been developed in the developed countries over the years mainly due to lack of resources and access. In this context the *possibility-based* argument can be used to explain lack of resources as a reason for reluctance to disclose where the companies in developing countries like Bangladesh face resource constraints – financial as well as non-financial (such as lack of

knowledge).

According to Chowdhury's (1988) framework the absence of CSR could be interpreted from a "virtuous" perspective as well. One Interviewee said that they were not good performers on the issues of child labour and the establishment of rights to collective bargaining. By not making such negative disclosures the company was able to avoid bad publicity and to make its shortcomings less visible in the eyes of factory inspectors and the media. In this sense, there could be virtue (at least from the corporate perspective) in the absence of CSR because of the fact that the company was able to avoid criticism through non-disclosure of negative aspects.

Thus, another possible reason for the absence of CSR could be attributed to the poor social, ethical and environmental performance of companies as noted by the interviewee above. It is likely that companies would not disclose this negative information voluntarily. In this case a possible explanation may be found in political economy theory (PET). One study that successfully used PET to explain corporate equal opportunities (non-) disclosure was that of Adams et al (1995). The study indicates that by refusing to disclose more, companies effectively control the disclosure agenda and information flow. They only disclose favourable news. As Adams et al. (1995) note,

Accounting reports may selectively fail to communicate information where this is not consistent with business self-interest. Thus non-disclosure is seen as an effective means of intervention and confusion. (P.103)

Alternatively, it could be that companies do not comply with the provisions of

Bangladesh Factories Act, 1965 relating to child labour and other employee related matters. By disclosing such non-compliance it might alienate its employees and attract criticism. Also it could make the work of factory inspectors easy and might mobilise public opinion to challenge their illegitimate behaviour. Thus, while disclosers provide some limited information to legitimise their relationship with the society, by not disclosing companies can perhaps be able to avoid adverse publicity. Several interviewees reported such a fear of bad publicity.

To conclude, this paper contributes to the CSR literature by exploring the absence of CSR from a developing country context. In doing so it widens the “presence” orientation of the previous CSR literature. The paper has raised some serious public policy issues by exploring the underlying motives for absence of CSR in general and some eco-justice issues in particular which are of concern to the wider public. While it appears to be that future CSR agenda in developing countries like Bangladesh would be driven by external pressures from international market, international agencies and multinational corporations (Belal & Owen, 2004) it is also important to consider the implications it has for the companies in developing countries in terms of necessary skills, knowledge and other resources which are lacking at the moment according to the findings of this study. In the absence of adequate resources and an enabling structure to monitor compliance if domestic companies are forced it would more likely to lead to passive compliance which might not achieve the fundamental objective of social accounting to promote corporate transparency and accountability (Medawar, 1976). These significant issues require careful consideration by the policy makers at the national, regional and international levels.

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Table 1

## Extent of Disclosures by Bangladeshi Companies

No.	Disclosure categories	Multinational (N=6)	Domestic (N=73)	Public Sector (N=8)	Total (N=87)
1	SA Standards	0(0)	9(12)	0(0)	9(12)
2	Mission/Vision Statements	2(33)	19(26)	0(0)	21(24)
3	Separate policy for social, ethical and environmental matters	1(17)	5(7)	0(0)	6(8)
4	Board level responsibility/committee to deal with these issues	0(0)	0(0)	0(0)	0(0)
5	Child Labour	0(0)	0(0)	0(0)	0(0)
6	Health and Safety of Employees	2(33)	1(1)	0(0)	3(3)
7	Equal opportunities towards women/broader gender issues	0(0)	0(0)	0(0)	0(0)
8	Industrial Relations	3(50)	13(18)	0(0)	16(18)
9	Human Resource Development	6(100)	39(53)	0(0)	45(62)
10	Poverty alleviation	0(0)	3(4)	0(0)	3(4)
11	Rural and agricultural development	1(17)	3(4)	0(0)	4(5)
12	Corruption	1(17)	0(0)	0(0)	1(1)
13	Other socio-economic issues	4(67)	35(48)	0(0)	39(45)
14	Observation of various national ceremonies	0(0)	0(0)	4(50)	4(5)
15	Value Added Statement	1(17)	19(26)	6(75)	26(30)
16	Contribution to National Exchequer	3(50)	15(21)	7(88)	25(29)
17	Technological factors	4(67)	23(32)	0(0)	27(31)
18	Attitude towards environmental matters	2(33)	9(12)	5(63)	16(18)
19	Recognition of relevant stakeholders	6(100)	57(78)	7(88)	70(80)
20	Welfare activities	0(0)	0(0)	8(100)	8(9)

(Figures in parenthesis indicate percentage of disclosers in each category)

[Source: Belal, Forthcoming]

Table 2 General Profile of Interviewees				
Name of sector	Number of Interviewees			
	Multinationals	Domestic	Public Sector	Total
Textile		3		3
Pharmaceuticals and chemicals	2	2	2	6
Jute		1		1
Engineering	1	2		3
Food	1	1		2
Cement		2		2
Leather	1	1		2
Fuel and power	1			1
Bank		2		2
Miscellaneous		1		1
<b>Total</b>	<b>6</b>	<b>15</b>	<b>2</b>	<b>23</b>

Nos	Sectors	Disclosure Categories																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	Engineering	√							√			√	√				√		√		
2	Food & allied			√					√		√		√					√	√		
3	Pharmaceuticals & Chemicals		√				√	√	√				√		√	√	√		√		
4	Fuel & Power						√	√	√								√		√		
5	Pharmaceuticals & Chemicals								√							√	√		√		
6	Leather							√	√				√			√		√	√		
7	Misc.		√					√	√						√			√	√		
8	Bank			√					√	√							√		√		
9	Cement	√							√						√		√	√	√		
10	Cement								√				√		√	√		√			
11	Pharmaceuticals & Chemicals	√		√					√				√		√	√	√	√	√		
12	Leather							√							√			√	√		
13	Textile		√																	√	
14	Bank								√				√				√				
15	Engineering								√				√		√	√			√		
16	Food	√	√						√		√		√							√	
17	Pharmaceuticals & Chemicals								√						√	√		√	√	√	
18	Pharmaceuticals & Chemicals														√	√			√	√	
19	Textile							√												√	
20	Textile																			√	
21	Jute												√							√	
22	Pharmaceuticals & Chemicals																			√	
23	Engineering												√		√						