A STUDY OF THE EVOLUTION OF COMMUNITY DISCLOSURES IN A DEVELOPING COUNTRY

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ABSTRACT

This paper adopts a multi-method approach to analyze the evolution of, and motivations for, community disclosures in a developing country (Mauritius). We first study the word counts of 82 listed and non-listed companies and carry out a quantitative analysis of the data. Community disclosure narratives are then examined in depth and triangulated with interview data from a sample of company directors. Whilst the analysis of the word counts might, on its own, lead us to conclude that companies disclose community disclosures primarily as a legitimation strategy, we uncover - from the combined analysis of the word counts, narratives and interview data - a different set of motivations for community involvement and disclosure, centered on one hand on (i) the pursuit of the 'business case' and on the other hand, (ii) on the existence of altruistic attitudes influenced by the country's social, economic and political context.

Keywords: community disclosures; corporate social disclosure; developing country.

1. INTRODUCTION

This interpretive study focuses on the evolution of community disclosures in the annual reports of both listed and non-listed corporate entities in a developing country (Mauritius). Community disclosures are generally viewed as a subset of social disclosures and seek to communicate the company's involvement with activities involving the support of health, arts and education (Cowen et al., 1987; Patten, 1995; Campbell et al., 2006). We seek to develop a deeper understanding of the motivations for companies to be involved in the reporting of community activities particularly in contexts where 'Westernized' and so-called 'modern' notions of accounting, accountability, corporate governance and corporate social responsibility (CSR) have been gradually introduced in recent years (e.g. Belal and Owen, 2007; Amran and Devi, 2008). These notions and ensuing practices have also become part of mainstream discourse of international funding and development institutions such as the United Nations, World Bank, Organization for Economic Co-operation and Development (OCED) and the International Monetary Fund (IMF). As a result, developing countries are expected to adopt national policies aimed at encouraging private institutions to develop greater transparency, accountability and engagement vis-à-vis social stakeholders such as the local community, grassroots associations and cultural organizations.

To date, there is an abundant literature on CSR practices together with its likely determinants and its formal accountability mechanisms - the latter being often studied under the labels of 'social and environmental accounting/reporting' (SEA/SER), social accounting, and 'corporate social disclosure' (CSD) (e.g. refer to Guthrie and Parker, 1990; Gray et al., 1995a, 1995b, 1996; Deegan and Gordon, 1996; Matthews, 1997; Wilmshurst and Frost, 2000; Gray 2002; O'Dwyer, 2002, 2003; Ratanajongkol et al., 2006; Spence, 2007; Branco and Rodrigues, 2008; Reverte, 2009). The sum of the evidence indicates a significant increase in the volume, quality and breadth of CSD but the motivations and contributory factors influencing such disclosures are still seen to be complex and multifarious (Spence, 2007) - notwithstanding the fact that one theoretical strand (centered around legitimacy theory) has been seen to dominate CSD studies (Gray et al., 1995a; Parker, 2005; Owen, 2008).

To a significant extent, the need to manage corporate reputation and stakeholder perceptions appears to have also emerged as a prevailing explanation for CSR reporting in developing countries although CSD practice appears to be less widespread than in the case of developed countries. Authors such as Rahaman et al (2004) and Belal and Owen (2007) however suggest that it is mainly the so-called economically powerful stakeholders from overseas (e.g. multinationals, foreign investors, international agencies and buyers) that are being 'targeted' rather than the local non-economic stakeholders. In this regard, CSD is thus seen to be less concerned with meeting the demands for social accountability towards, and engagement with, community actors. Nonetheless we argue that there is not yet enough research to conclude that legitimacy is the primary determinant of CSD or that similar 'drivers' of legitimacy operate in developing countries more generally. For instance, Amran and Devi (2008) argue that such theories may not be reflective of a context where CSD and/or CSR awareness remains at an infancy stage (2008, p. 387). Furthermore, based on O'Dwyer's (2002) findings, Belal and Owen (2007, p. 545) contend that specific national economic and social factors may have a predominant effect on corporate attitudes towards CSR and CSD. More significantly perhaps, there is an increasing voice in the literature questioning the theoretical ‘reach’ of legitimacy theory in CSD studies particularly in explaining how legitimation occurs and the extent (if any) of its consequences (e.g. Deegan et al., 2002; Mobus, 2005; Parker, 2005; Owen, 2008). In Owen’s (2008) view, the reliance on the legitimacy perspective does not completely (or sometimes not at all) explain managerial and corporate motivations for CSR reporting. He adds that there is *“…no attention paid as to how such disclosure may, or may not, promote transparency and accountability towards non-capital provider stakeholder groups”* (2008, p. 248). We also believe this focus on accountability and transparency needs further probing particularly in relation to CSR and CSD developments in developing countries. Finally, and drawing from the works of Carroll (1991) and Lantos (2001), there is recent evidence on CSR conceptualizations (e.g. Jamali, 2007; Jamali and Mirshak, 2007; Jamali et al., 2009) which contends that CSR in developing countries appears to be largely about philanthropic actions motivated by altruistic attitudes.

Our focus on community disclosures is motivated by recent assessments of the SEA literature which conclude that research evidence has remained predominantly focused on the ‘environmental’ domain as opposed to the ‘social’ one (Gray, 2002, p. 696; Parker, 2005, p. 852). For instance, Parker (2005, p. 852) advocates research on *“…the broader but nonetheless important range of social responsibility subject areas such as employee health and safety, community relations, corporate philanthropy, minority employment and ethical investment”*. Whilst we acknowledge that environmental concerns will increasingly be at the forefront of corporate and governmental actions worldwide (e.g. as a result of the climate change priorities and the limitations of carbon emissions), many developing countries are at the same time still grappling with issues relating to unequal wealth and income distributions, displacement of communities for business development (e.g. land grabs), lack of fairness in employment, absence of social justice and more generally a perception that profit-making entities are contributing little to societal and community development. Many of these issues have recently come to the fore in the case of Mauritius following the introduction of a new corporate governance code which expected companies to engage more fully with CSD practices and the very recent introduction of a ‘CSR levy’ on companies. The code’s requirements applied to both listed and non-listed (large) companies and in this regard we examine the disclosure patterns (over a period of 4 years) of a broader constituency of corporate entities - compared to the majority of published studies that limited themselves to listed companies.

Finally, whilst a significant number of CSR researchers adopt quantitative analyses of annual report disclosures (e.g. Gray et al., 1995a; Deegan and Gordon, 1996; Wilmshurt and Frost, 2000; Campbell et al., 2003; Campbell et al., 2006) or rely on qualitative methodologies to uncover more insights and perspectives on the practice of, and motivations for, CSR reporting (O’Dwyer, 2002, 2003; Rahaman et al., 2004; Kuasirikun, 2005; Belal and Owen, 2007; Spence, 2007; Jamali et al, 2009), there is little use of mixed methodologies. Greater and more in depth engagement with the practice of CSD is being called for - albeit from different perspectives (e.g. refer to Owen, 2008 and Parker, 2005) - and arguably this should involve a more in-depth understanding of the context in which corporate entities report their social activities and how these have evolved over time in a developing country. In this regard, and in contrast to the vast majority of published studies, we rely on the use of mixed data sources and methodologies (quantitative and qualitative analysis of annual report disclosures and supporting interviews).

The remainder of the paper is structured as follows: a brief literature review of community disclosures and their likely determinants is presented, followed by a presentation of the country's context. Subsequently, the research methods are outlined and the findings presented. The paper will conclude with an analysis of the data and the relevant implications for the study of community disclosures in developing countries.

2. LITERATURE REVIEW

Campbell et al. (2006) report that there has only been a small number of studies that examine community disclosures as one subset of social disclosures and that the 'specificity' of such disclosures lies in the fact that they are not aimed at any narrowly defined stakeholder group (2006, p. 97). The authors adopt Patten's (1995) definition in that the information *"…include disclosures related to community activities, health-related activities, donations of cash, products and employee services to education or the arts, or other community activity disclosures"* (1995, p. 280). Campbell et al. (2006) argue that the public profile of a company will be positively associated to the extent of community disclosures since it would reflect the degree of vulnerability of the company to *'general society'* stakeholder groups - in line with legitimacy theory expectations. The annual reports (1974 to 2000) of 10 UK listed companies were selected from 5 different business activities ranging from the higher public profile (e.g. retailers, brewers and petrochemicals) to the lower profile (chemicals and aggregate). The results indeed showed that higher public profile companies overall disclosed a significantly greater amount of community disclosures than the other so-called lower profile companies. However, one interesting paradox from the study is the marked difference in the extent of community disclosures between the two fairly well-known UK retailers (e.g. Marks & Spencer vs. Boots). Furthermore, there is wide disclosure variability over time for one of the brewers compared to another company in the same sector. In spite of the fact that the general thrust of the arguments by Campbell et al. (2006) hold true, we argue that there are noted paradoxical findings from the study's (rather small) sample of companies which suggests that a community involvement and disclosure behavior cannot be purely explained by the extent of public profile. We however acknowledge Campbell's et al (2006) attempts at creating a more 'blended' understanding of public profile by specifically considering the position of the company in society rather than merely associating industry to public profile. Indeed, similar conclusions on the absence of clear links between industry affiliation, public proximity and CSD have been highlighted by other authors (e.g. Amran and Devi, 2008; Branco and Rodrigues, 2008).

Insofar as research on developing countries is concerned, Ratanajongkol et al. (2006) study the progression of the overall word count amongst a sample of listed companies in Thailand which increased by 45% over a five year period (1997-2001) and this was associated to the promotion of corporate governance practices by auditing practitioners and financial regulators. By comparing 1997, 1999 and 2001 annual reports, the authors reported that community disclosures were the second most important theme (after human resources). Information on community involvement accounted for nearly 32% of the word count in 2001 compared to 36% and 30% in 1999 and 1997 respectively. Community disclosures were observed to be highest in the service and financial sectors but the authors did not clearly describe the nature of companies categorized in the service sector and nor did they provide examples of community disclosures. Ratanajongkol et al. (2006) also associate the higher level of CSD for the financial sector to attempts by companies to restore their reputation after the Asian economic downturn. They conclude that legitimacy is only one of the various theoretical perspectives that may explain the changes in CSD. However, the legitimacy argument rests only on the prominence of human resource and community disclosures and the limited relevance of industry affiliation.

Earlier evidence on the extent of community disclosures in developing countries has tended to be more descriptive and the findings are sometimes subsumed within a broader 'social disclosure' category. Nonetheless, most of the findings highlight the relative importance of this type of social disclosure. For example, Savage (1994) reports that community involvement is the second most frequent type of disclosure by South African companies. Tsang (1998) examines the evolution of CSD amongst banking, food and beverage and hotel companies in Singapore and also finds 'community involvement' disclosures to be fairly prominent. In contrast, Belal (2001) and Imam (2000) find that few of the surveyed companies in Bangladesh do report disclosures on donations, sponsorships and community involvement activities. Furthermore, Belal (2001, p. 286-287) contends that the disclosure information remains insufficiently detailed and argues that this may be attributed to the presence of a few organized social groups and a low social awareness. Iman (2000, p. 140) quotes Bedi (1992) who suggested that Asian companies have yet to accept the concept of social responsibility to society. Overall, there is still a dearth of empirical evidence on the extent and nature of community disclosures.

In addition, questions subsist on the motivations for community involvement activities and its reporting (and CSD in general) in developing countries. In this regard, two recent studies explore the likely motivations. Firstly, Rahaman et al. (2004) provides an interesting case study of a Ghanaian public sector organization which was 'compelled' into a particular pattern of social and environmental practices/disclosures as a result of institutional pressures originating mainly from World Bank-sponsored policies and accounting practices. Due to the organization's financial dependence on the World Bank and other international funding agencies, the social imperatives of the organization - towards the poorer members of the community - were subjugated by environmental priorities (e.g. sustainable development) and rational financial ones advocated by the accounting systems. This study also highlights the limits of the legitimation perspective in explaining the extent of CSD since the organization in fact faced a crisis of (local) legitimation whilst seeking to enhance its reputation internationally. However, the nature of the case (a public sector utility) limits the implications of its findings particularly in relation to privately owned profit making entities.

More recently, Belal and Owen (2007) analyze the views of senior managers from a sample of 23 companies on the emerging phenomenon of CSD in Bangladesh and its likely determinants. From the interviews, the authors find that CSD in general is driven by the need to improve corporate image and to manage the perceptions of powerful stakeholders. The pressures were perceived to come from different sources depending on the type and business of the company. For example, respondents from multinational companies referred to the influence of parent company policies and international agencies but were also mindful of the local influences particularly in maintaining good relations with government bodies. Representatives from export-led companies reported on pressures from international buyers. In contrast, Belal and Owen (2007) find little concern with meeting the wider social challenges of Bangladesh and there was comparatively less recognition and support of community and other civil society activities. The authors thus conclude that CSD is perceived as a reputation management exercise aimed at international/Western interests. Furthermore, CSD is not seen as an instrument of social accountability towards the community, civil society organizations and poorer non-economic stakeholders. Although this study brings valuable insights from organizational decision-makers, the data does not however focus on community involvement. This is possibly (and understandably) linked to a different set of priorities germane to Bangladesh (e.g. labour conditions, workers' health and safety, industrial pollution and consumer rights) as described by the authors (2007, pp. 475-479).

In addition, a crucial variable in the development of an intrinsic relationship between stakeholder-company is trust. Indeed, Swift (2001) argues that trust is important in facilitating interdependent relationships in which stakeholders are given a voice to influence corporate social behaviour for the welfare of society. In many cases however (including Mauritius), companies and governments select a form of relationship and engagement with local stakeholders (e.g. employees, consumers, public, residents in a particular area) which is sometimes seen as being scripted, legalistic and opaque thereby potentially causing distrust and a perceived lack of accountability. As a result, the type of community disclosures/statements in annual reports could be seen as the consequence of this lack of trust and accountability rather than being a reflection of good stakeholder relationships.

Finally, according to Roberts (2001), corporate governance mechanisms can also enable the development of both an ‘individualizing’ as well a ‘socialising’ form of accountability. Whilst the first form of accountability addresses oversight/control purposes consistent with agency assumptions that managers are self-interested, socializing accountability is a broader and informal form of accountability, privileging communication, dialogue, interdependence, trust and collaboration. This form of accountability is hence more appropriate in describing the potential relationships between the social ‘stakeholders’ and the company. There is also an aspiration that corporate governance adoption may help develop a more ethical and accountable behavior within the business community which would then ‘cascade’ in the social spheres of the country. In particular, there is yet little evidence that the code has had a positive effect on corporate actions, policies and disclosures in the CSR domain. Anecdotal evidence seems to suggest that listed companies in Mauritius at least provide some CSR-based information in the annual reports (well before the Code implemented) but there is no evidence of how this information is perceived by its own decision makers. There are also recent claims that there is an overlap between corporate governance and CSR in that both concepts give prominence to the notions of accountability, transparency and honesty (Jamali et al., 2008).

Informed by these different perspectives, we therefore seek to examine in more depth the nature of community disclosures and their likely determinants by focusing on Mauritius, whose context is briefly presented below.

3. MAURITIUS: SOCIAL, ECONOMIC AND POLITICAL CONTEXT

A former French and British island colony in the Indian Ocean, Mauritius has a population of approximately 1.25 million and covers 719 square miles (1,860 square kilometers). There is no recorded indigenous population and Mauritians are mainly descendants of (a) ‘Indentured’ laborers from India, primarily affiliated to religions of Hinduism or Islam (b) Chinese workers and traders (c) African slaves, made to work in the sugar estates and (d) the initial European (mainly French) settlers and land owners - the latter two being traditionally affiliated to Christian-led denominations. Religiosity, spiritual values and religious rituals play a central role in Mauritian society and are not merely seen as personal or private matters. Although the Mauritian constitution is a secular one, religious beliefs, rules and discourses have a significant bearing on the political, economic and social structures of the country (e.g. refer to Eriksen, 1994; Eisenlohr, 2004). Since independence in 1968, political power has rested with the Hindu majority (of Indian descent) whilst the bulk of economic power and private business ownership has remained in the hands of the descendants of European settlers.

This concentration of economic power and wealth amongst those seen as the successors of the British/French colonial masters is perceived as the most visible example of income and wealth inequality in Mauritius although other illustrations of inequality do exist beyond this historical dichotomy of colonial white master vs. exploited non-white labor[1]. At the same time however, the private sector has played a strong partnership role with successive governments in the development of the economy from a predominantly agricultural (sugarcane) base to a diversified one (including manufacturing, tourism, and financial services) in a period of less than two decades. As a result, Mauritius has since the 1980s perform generally well[2] in terms of economic growth, education, health and living standards although poverty and deprivation remains on the island. In particular, and relative to the other ethnic groups in Mauritius, descendants of African slaves have been the hardest hit in terms of social, cultural and economic development and this has led to a sense of disfranchisement amongst the poorer members of the society (e.g. refer to Miles, 1999; Carroll and Carroll, 2000). These issues of income and wealth inequalities remain topical as the local economy is also negatively affected by external-led factors e.g. end of favorable trade agreements, increased competition from other countries and the global economic recession.

The involvement by local companies in the community can be traced to the role historically played by sugar estates in Mauritius (e.g. Meisenhelder, 1997). Prior to the economic diversification policies, the sugar cane estates and factories were the main private employers on the island providing basic infrastructural facilities and supporting activities (e.g. school and religious events) within the so-called ‘factory area’. This later translated in a widespread practice of ad-hoc donations by all companies that could be described as ‘philanthropic CSR’ (Jamali et al., 2009). At the same time, community groups and civil society organizations have also been very active in Mauritian society since early 20th century, particularly amongst ethnic Indian communities (Lange, 2003). To date, there are about 6,000 voluntary organizations registered with the Mauritius Registrar of Associations, of which about 300 are seen to be active in community and ‘traditional’ NGO activities[3] and significant reliant on financial support from the private sector.

Recent evidence of how companies in Mauritius perceive their current CSR ‘roles’ was obtained from a local trade association report (Mauritius Employers Federation, 2007). Key findings were that 79% percent of the businesses reported being involved in internal initiatives for the benefit of their own employees (training, medical schemes and health and safety being most widespread). This was compared to 69% percent of enterprises which are engaged in external social activities for the benefit of the wider community with an overwhelming emphasis on donations and sponsorships. These results seem to indicate a level of CSR sophistication and CSR focus comparable to other developing countries (e.g. Belal, 2001; Jamali and Mirshak, 2007) but it remains to be seen whether (and if so, how) this translates in particular community disclosure patterns, particularly as a result of the recent corporate governance code and resulting reporting expectations.

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[1] As an illustration of the continued ‘potency’ of wealth inequality issues arising from colonial times, the current government has recently instituted a Truth and Justice Commission to examine events pertaining to slavery and indentured labor in Mauritius. Where relevant, it will recommend compensatory measures and examine claims to land rights.

[2] According to the World Bank (2006), the per capita income was US$ 6,431.

[3] These numbers are sourced from a joint project known as ‘Strengthening the NGO Sector in Mauritius’ run by the Government of Mauritius, the Mauritius Council of Social Service (MACOSS) and the United Nations Development Programme (UNDP). Further details available at http://www.ngo.org.mu/

The relevance of community involvement as a stakeholder and the reporting of such activities are underlined by the various quotations in the local corporate governance code. For instance, one of the stakeholders identified by the code is defined as:

> *"non-contractual parties, including civil society, local communities, nongovernmental organisations, trade unions and other special interest groups whose concerns may be issues such as customer protection, market stability and the environment"*. (2004, p. 111).

Other parts of the code re-iterate the need for engaging with the various CSR themes, including that of community involvement:

> *"A board should identify the non-financial aspects relevant to the business of a company. The environmental aspects include the effect on the environment of the product or services produced by the company. The social aspects embrace values, ethics and the reciprocal relationships with stakeholders other than just the shareowners. There is an endeavour now through the Global Reporting Initiative to develop a common language for reporting social and environmental aspects."* (2004, p. 10)

> *"Integrated sustainability reporting primarily looks at policies that focus on the social context, physical environment and community within which the company operates with the aim of achieving long term objectives and social aspirations as defined, recognised and formulated by the company."* (2004, p. 110)

> *"The company must ensure that an appropriate balance is maintained between the interests of stakeholders and the interests of the company. It is now agreed that there is a need to weigh the shareholders' expectations of maximum returns against other priorities which are the interests of those with whom the company is contractually engaged as well as the concerns of its immediate community and society at large."* (2004, p. 112)

> *"Companies should consider that although responsibilities of certain stakeholders such as its officers might be confined to the interests of the corporation, companies are responsible to society as regards their social role and functions. Accountability to the company does not preclude responsibility to society."* (2004, p. 112)

Interestingly, the last quote from the code appears to create a distinction between 'accountability' and 'responsibility' particularly from the point of view corporation's decision makers (i.e. company directors). This could be interpreted as an attempt at distinguishing the formal accountability framework of the corporation (as underpinned by company legislation and legal agreements to meet the wealth maximizing interests of shareholders/lenders) from the informal (but yet constructive) obligations (here seen as responsibilities) of the decision makers towards society. Considering that the report was drafted by representatives of company directors with the assistance of government officials and overseas consultants, it is perhaps not surprising to detect some awkwardness in the report when notions of corporate accountability towards society and the community were decided upon. It is therefore of interest to analyze how these declared statements of intent have actually impacted on community disclosures.

4. DATA AND METHODS

The determination of the selected companies for analysis was influenced by the requirements of the code of the corporate governance. In particular, Section 1.1. (2004, p. 17) defined the ‘designated’ institutions which would be expected to apply the provisions of the code inclusive of the CSD. The two main categories were (i) all companies listed on the official list of the Stock Exchange of Mauritius and (ii) large public/private companies (as defined by a minimum turnover threshold of MUR 250 Million[4]). In the case of latter category, there is no centralized directory or database of companies in Mauritius and as a starting point we used a Top 100 list of companies published annually by a trade publication (*Business Magazine*) which ranks companies by turnover levels. After excluding listed companies included in the Top 100 list (21), there was a final sample of 79 non-listed large public/private companies. Companies from the two categories of companies (listed and non-listed) were contacted to request a copy of their annual reports for the period 2004-2007. Whilst the collection rate for listed companies was almost 100%, there was a considerably lower response rate from non-listed companies mainly on the grounds of confidentiality. After further reminders, the overall response rate by non-listed companies was approximately 46%[5].

The annual reports were first analyzed for the presence (frequency) of community disclosures as defined by Patten (1995), namely community activities, health-related activities, donations of cash, products and employee services to education or the arts, or other community activity. In view of the rather un-structured nature of CSD, a word count was then carried out for community disclosures since words lend themselves to a more exclusive analysis (Gray et al, 1995a). The use of words as the unit of analysis was critically discussed by authors such as Milne and Adler (1999) but was nevertheless employed in a number of studies e.g. Deegan and Gordon (1996) and Wilmshurst and Frost (2000). According to Campbell et al. (2006), a word count is capable of expressing the importance placed on a particular category of disclosure by reporting the entity based upon a semiotic conception which suggests that volume of disclosure signifies the importance placed upon the disclosure by reporting this entity. A quantitative analysis is carried out to first identify the potential relevance of variables previously mentioned in the literature i.e. size, profitability and industry classification (e.g. Cowen et al., 1987; Hackston and Milne, 1996). In addition, the status of the company (listed or non-listed) is considered. The multiple regression model used by Cowen et al. (1987) is adapted in this study as follows:

$$\mathbf{CD_{(t)} = A_{(t)} + B_{1(t)}\,(N_{1t}) + B_{2(t)}\,(N_{2t}) + B_{3(t)}\,(M_{1t}) + B_{4(t)}\,SIZE_{(t)} + B_{5(t)}\,(ROE_t)} \qquad \textbf{[1]}$$

Where: t = period of study from 2004 to 2007; CD is the community disclosure word count per company; N_1, N_2 and N_3 are dummy variables[6] representing the qualitative industry groupings respectively Leisure, Transport, Hotels and Commerce (N_1), Industry and Sugar (N_2) and Banks, Insurance and Investments (N_3); M_1 and M_2 refer to the status of the

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[4] As at January 20010, one US dollar is approximately 30 MUR (Mauritius Rupees).

[5] Approximate percentage numbers are used because a small number of listed and non-listed companies could not provide annual reports for the full four years and/or came in operation (or listing) during the period of study. The actual number of company annual reports analyzed for each financial year is provided in the findings section but the difference in sample numbers across the various financial years is considered to be minor and do not influence the overall results.

[6] In accordance with dummy variable procedures in regressions and to address the issue of perfect multi-collinearity (e.g. refer to Cowen at al., 1987, p. 177; Wissmann et al., 2007) in the empirical model, one has to include one less dummy variable than the possible qualitative states in the data i.e. one less variable for industry and one less for the company status. Hence N_3 and M_2 are not included in the model and are classified as reference categories.

company i.e. respectively listed and non-listed; SIZE is based on the turnover of the company and Return on Equity (ROE) is the selected measure of corporate profitability for each period t based on accounting data collected from the published annual reports..

Subsequently, a content analysis procedure was carried out to analyze to determine the presence of certain words or concepts within texts or sets of texts. Researchers quantify and analyze the presence, meanings and relationships of such words and concepts, then make inferences about the messages within the texts. Krippendorff (2004) argues that content analysis looks directly at communication via texts or transcripts and focuses on the central aspect of social interaction.

Finally, we interviewed a cross-section of company directors to ascertain their perceptions on the nature and motivations for community involvement and for the resulting disclosures (and changes thereof). The use of annual report disclosures brings reliable (but only indirect) evidence on the implementation/adoption of practices in companies. Annual report disclosure studies such as Campbell et al. (2006) and Branco and Rodrigues (2008) merely display the outcomes and there would be an interest in understanding the process leading, or contributing, to the disclosure. At the same time however, and although interview-based studies such as O'Dwyer (2002; 2003), Belal and Owen (2008) and Jamali et al. (2009) undoubtedly bring new insights on CSR and CSD, such insights could not be directly linked to actual corporate disclosures. We therefore see the interview stage as one which could either support or challenge our initial reading of annual report disclosures. This is consistent with the triangulation perspective advocated as a means to improve the accuracy of one's judgment by collecting different kinds of data bearing on the same phenomenon (Jick, 1979; refer also to Brown and Brignall, 2007). From the available information in annual reports, we sampled a number of directors with different roles (i.e. executive, non-executive, chairpersons) within the company board and contacted them to seek permission for an interview which would cover various aspects of corporate governance and CSR including the particular issue of community involvement. Many were reluctant to participate due to time constraints and confidentiality concerns but eventually we were able to interview seven directors. Although this might appear to be a relatively small number, we believe we accessed a reasonably diverse set of informants in terms of position, professional background, type of company (i.e. 4 listed and 3 non-listed) and business activity.

5. FINDINGS AND ANALYSIS

Quantitative analysis

Table 1 provides an initial glance of the extent of community disclosures by listed companies and non-listed companies and the changes thereof during period under review. Generally, the information ranges from brief information about a one-off charitable donation to longer statements explaining how the company is structuring its assistance to community activities. It can be noted that there is no visible change in the number and proportion of disclosing companies, except for a slight decline in 2006 for listed companies.

Table 1: Number of companies providing community disclosures (2004-2007)

	2004 N=40		**2005 N=41**		**2006 N=41**		**2007 n=42**	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Listed companies	33	83	35	85	32	78	35	83
	N=35		**N=36**		**N=37**		**N=38**	
Non-listed companies	25	71	26	72	27	73	27	71

However, an analysis of the word count reveals some notable changes in 2007. Table 2 below depicts the observed changes in the overall word count and for each category of company.

Table 2: Word Count of Community Disclosures (2004-2007)						
	Listed		Non-Listed		**Total**	
	Total	**Mean *(SD)***	Total	Mean *(SD)*	Total	Mean (SD)
2004 (N=40 / 35**)**	1283	32.1 *(35.1)*	534	15.3 *(20.5)*	1817	24.2 (30.2)
2005 (N=41 / 36**)**	1139	27.8 *(27.3)*	522	14.5 *(17.0)*	1661	21.6 (23.9)
2006 (N=41 / 37**)**	1065	26.0 *(25.5)*	770	20.8 *(24.3)*	1835	23.5 (24.9)
2007 (N=42 / 38**)**	2236	53.2 *(46.3)*	848	22.3 *(29.2)*	3084	38.6 (41.9)

The relevant mean and standard deviations are also provided. Relative to the volumetric data in Campbell et al. (2006), the extent of community disclosure in Mauritius is significantly lower and only comparable to the UK sector with the lowest disclosure patterns (aggregates and mining, p. 108-109, 2006). In addition, it is also lower than the average word count identified by Ratanajongkol et al. (2006) although the sample size in this study of Thai companies was markedly smaller (12-14 companies). There has been a notable increase in community disclosures for listed companies only in 2007 and as such, this does not appear to have been spurred on by the CSR expectations outlined in the 2004 corporate governance code. Furthermore, the data for non-listed companies indicates a much lower level of interest for community involvement and reporting. For both categories of companies, the standard deviation also indicates that there is a significant variation in word count within the two samples. We report the correlation matrix[7] between the variables identified in Equation 1 on a yearly basis in Tables 3A to3D:

Table 3A – Correlation Coefficients (2004)						
	CD	**M_1**	**N_1**	**N_2**	**SIZE**	**ROE**
CD	1.000					
M_1	0.309**	1.000				
N_1	0.345**	-0.033	1.000			
N_2	-0.149	-0.314**	-0.559**	1.000		
SIZE	0.624**	0.028	0.382**	0.382**	1.000	
ROE	0.175	0.13	0.198	-0.235*	0.238*	1.000
*** significant at 0.01 and * significant at 0.05*						

Table 3B – Correlation Coefficients (2005)						
	CD	**M_1**	**N_1**	**N_2**	**SIZE**	**ROE**
CD	1.000					
M_1	0.386**	1.000				
N_1	0.209	-0.033	1.000			
N_2	-0.127	-0.314**	-0.559**	1.000		
SIZE	0.408**	0.057	0.435**	-0.204	1.000	
ROE	-0.093	-0.214	0.235*	-0.117	0.186	1.000

[7] Lagged correlation matrices were also run (i.e. Community disclosures for 2005 relative to 2004 factors) but there were no significant differences in observed associations.

** significant at 0.01 and * significant at 0.05

Table 3C – Correlation Coefficients (2006)						
	CD	**M_1**	**N_1**	**N_2**	**SIZE**	**ROE**
CD	1.000					
M_1	0.073	1.000				
N_1	0.191	-0.033	1.000			
N_2	0.000	-0.314**	-0.559**	1.000		
SIZE	0.410**	0.07	0.444*	-0.128	1.000	
ROE	0.061	-0.075	0.326**	-0.152	0.227	1.000
*** significant at 0.01 and * significant at 0.05*						

Table 3D – Correlation Coefficients (2007)						
	CD	**M_1**	**N_1**	**N_2**	**SIZE**	**ROE**
CD	1.000					
M_1	0.309**	1.000				
N_1	0.345**	-0.033	1.000			
N_2	-0.149	-0.314**	-0.559**	1.000		
SIZE	0.624**	0.028	0.382**	0.382**	1.000	
ROE	0.175	0.13	0.198	-0.235*	0.238*	1.000
*** significant at 0.01 and * significant at 0.05*						

The correlation matrices suggest that the extent of community disclosures were significantly and positively associated to the status of the company (listed), one specific type of industry (Leisure, Transport, Hotels, and Commerce) and to size. This is observed from the 2004 matrix but the size effect does subside in 2005 and 2006 whilst the industry effect is not apparent in these two subsequent years. However, the same 2004 size and industry effects become again significant in 2007 suggesting a renewed attention to community involvement amongst larger companies, listed entities and companies operating within the leisure, transport, hotels and commerce sectors. The company's profitability is not seen to have any influence on the extent of community disclosures and involvement. A multiple regression[8] is run for each year to ascertain the combined effects of the factors modeled in Equation 1. Table 4 summarises the relevant results and statistics:

Table 4 – Regressing Community Disclosure word counts to independent variables				
	2004	**2005**	**2006**	**2007**
Constant	-0.145	7.280	12.056	-5.471
Standardised Coefficients				
M_1	0.227*	0.235	0.126	0.391**
N_1	0.343**	0.088	0.069	0.320*
N_2	0.141	0.132	0.074	0.210
SIZE	0.374**	0.312*	0.304*	0.318**
ROE	-0.034	-0.013	0.062	0.031
R^2	36.7%	17.8%	13.4%	37.9%
F-statistic	7.763**	2.993*	2.069*	8.411**
*** significant at 0.01 and *significant at 0.05*				

[8] The Variance Inflation Factors (VIF) were examined for each regression and were found to be within acceptable limits (i.e. less than 2). As a result, multi-collinearity is not deemed to be significantly present.

The fall in explanatory power of the model during 2005 and 2006 is again noticeable with only size having a significant observed and consistent effect on community disclosures throughout the four year period. The relevance of size is therefore in agreement with some of the previous studies in developed and developing countries (e.g. Cowen et al. 1987; Patten, 1995; Amran and Devi, 2008) whilst others did not observe a size effect (e.g. Ratanajongkol et al., 2006). Size clearly reflects an increased visibility in the society but at the same time it does not entirely reflect the public profile characteristic identified in Campbell et al. (2006). In fact, the significant results for 2004 and 2007 point to the combined effect of official listing, type of business activity (consumer orientated activities) and size in generating a "composite" picture of public profile which then impacts on the extent of corporate involvement in, and disclosure on, community activities. This therefore brings empirical evidence from a developing country context to support the earlier attempts by Campbell et al. (2006) to conceptualise the notion of public profile and whose study was so far reliant on a relatively small sample of UK companies. Nonetheless, the changes in the significance of the independent variables over time do highlight the fact that the companies' reasons for being involved in community disclosures might be in addition influenced (or even over-shadowed) by contextual factors not present in the empirical model. For instance, Patten (1995) associates a decrease in social disclosures from 1977 to 1985 to a decrease in public policy actions by the Reagan administration (1995, p. 283). More recently in the case of Bangladesh, Belal and Owen (2008) contend that pressures from international buyers are driving the social reporting process but it is not known whether this would apply to the Mauritian context. In this regard, we examine in more detail the narratives (and changes thereof) of community disclosures from 2004 to 2007.

Narratives of community involvement

As mentioned earlier, there is a variety of narrative content provided by the companies in their respective annual reports. Appendix 1 and 2 provide illustrative examples of the annual report disclosures for listed and non-listed companies respectively and on an industry basis in 2004 and in 2007. At one end of the spectrum, there is a cursory mention of charitable donations with little detail as to the nature and recipients of these donations and this practice is more predominant in the earlier periods. The next tier of disclosure would typically be a detailed account of community involvement activities, the social beneficiaries and the financial support provided by the company. Finally, at the other end of the spectrum and particularly in 2006 and 2007, companies broadly have two categories of narratives namely in terms of (i) a general statement on the company's policy and commitment to the community, to a mission statement or statement of values and (ii) a more detailed text detailing the actions, activities and the sums of money allocated or spent, on particular projects or areas of intervention. The latter category also includes the recent trend of setting a separate legal entity (as a Trust or Foundation) to channel the company funds to the various community projects. From an analysis of the narratives, we make two main observations.

Firstly, there are different levels of community emphasis highlighted by the company disclosures. For one category of companies (e.g. refer to Appendix 1, Company #1, #3 and #6; Appendix 2, Company #2 and #7) community involvement is acknowledged as a normal social practice in that economic entities need to contribute to social development with no (explicit) business case agenda. A second category of companies highlights (directly or indirectly) the primacy of the business interest in setting the scene for community involvement. For example, Company #5 (Appendix 1) firstly re-asserts (both in 2004 and in 2007) the shareholder wealth maximizing objectives of the company and then seeks to justify its community activities in this light by arguing that long term (financial) benefits will flow from community involvement. Company #3 (Appendix 2) is another example although the profit imperative is not immediately apparent. For many years, this company has organized activities centered on "Celebrating Bread" and since it is a major flour milling and distribution company, the profit-making focus of this 'community' activity becomes more obvious. The case of Company #7 (Appendix 1) in 2004 is similar (bank providing loans for affordable housing) although the 2007 disclosure indicates a change in emphasis towards community activities. This is symptomatic of Spence's (2007) arguments and interview findings that the 'business case' remains at the centre of CSR disclosures in general. A final category of companies demonstrates a general lack of interest in disclosing the nature of their community activities by only providing basic information on the value of donations (e.g. Appendix 2, Company #1 and #2) or providing boiler-plate statements that have barely changed over the four year period (e.g. Appendix 1, Company #3). Such types of disclosure are more predominant amongst non-listed companies. Overall, this may be interpreted in two ways. On one hand, this may reflect a substantive lack of community involvement as already suggested by the quantitative findings and mainly driven by a low composite public profile i.e. smaller non-listed companies that operate in industry, sugar, banking, insurance or investment sectors. Alternatively this may be associated to the possible existence of a 'disconnect' between actual community involvement and the reporting of such activities. Jamali and Mirshak (2007, p. 255) contend that the philanthropic / altruistic emphasis of CSR activities in developing countries is characterized by 'silent' CSR whereby little or no information is provided. Furthermore, and even if a narrative is provided, it would appear to be merely a ritualistic practice (generally vague statements that are repeated verbatim in later years) which does not accurately reflect the reality of community involvement. From their interview evidence gathered in the Lebanese context, Jamali and Mirshak (2007) however contend that companies deliberately adopt a silent or low profile reporting to avoid the public perception that their social interventions are merely public relations campaigns.

Secondly, there is evidence of an increased sophistication in the description of community activities by companies which is also reflected in the increase of word counts in 2007. A new grammar and vocabulary of community involvement appears to be taking hold in the annual reports. Extracts such as "…*committed….at uplifting the lives of communities*", "….*the interdependent nature of companies and companies commitment*", "….*enhanced its commitment to society….*", "….*helping build strong and healthy communities*" are often mentioned in the annual reports many listed and a few non-listed companies. Unlike the case of Bangladesh (as reported in Belal and Owen, 2007), there is no evidence that social reporting guidelines (such as GRI: Global Reporting Initiative) have been adopted in Mauritius[9]. At the same time, there is increasing reference to the re-structuring of how the company will (or has recently started to) fund specific community support initiatives (e.g. refer to Appendix 1, Company #2; Appendix 2, Company #4) using a defined percentage of turnover/profits. We contend that that these disclosures convey the message that the traditional (and almost informal) *ad-hoc* nature of community support is being replaced by a more formal, structured and rational process of community involvement. This is being implemented by many listed companies and also by non-listed companies having a higher public profile (e.g. Appendix 2, Company #3, #4 and #5). This change in both the discourse, and the form, of community involvement can be interpreted from three different perspectives. From one angle, these changes reflect a change from the so-called *ad ho*c approach motivated by altruistic/ethical reasons to one defined as a modern strategic CSR approach (Jamali et al.

[9] To the best of our knowledge, the only exception of a structured GRI-based social reporting in Mauritius was by the local division of British American Tobacco (BAT) - which has since been closed.

2009, p. 186). In such a case, companies focus on community activities they consider to be of direct concern or relevance to them (e.g. education, arts or health). In other words, community activities are being structured and managed in a 'business-led' fashion to meet rational expectations e.g. more efficiency in the use of funds or in line with main organizational objectives. From another perspective however, this change in the pattern of disclosures can be mainly seen as a legitimating mechanism aim at enhancing the company's image as one that is keen to meet its responsibility towards society. In view of the issues highlighted in the country context section and the increasing local challenges arising from poverty, wealth inequalities and social injustice (particularly amongst specific ethnic backgrounds), companies are seeking to manage the expectations of the social stakeholders. According to Marsiglia and Falautano (2005), such initiatives represent a shift from a philanthropic variant of corporate capitalism to the use of 'authentic' strategies intended to regain the trust of clients and society at large. As mentioned previously, managing stakeholder expectations is the preferred interpretation in the literature and in contrast to Belal and Owen's (2007) findings that such disclosures are mainly for the benefit of international stakeholders, the legitimacy argument in the case of Mauritius would imply that recent changes in disclosures would be primarily aimed at a local audience. Lastly, a more critical stance can be adopted from the analysis of the narratives in light of Spence's (2007) analysis of CSR disclosures using discourse theory and the Gramscian notions of hegemony. Whilst Spence's (2007) research relies on interview data, we are inclined to identify certain commonalities from the disclosures in that the changing nature of community disclosures can be seen as an attempt at presenting a notion of community involvement that is 'in sync' with a 'hard nosed' business reality. For example, companies refer to "inter-dependencies" between the economic and the social and to community activities that are in the long term interest of the enterprise. Furthermore, an explicit and quantitative link (i.e. a defined percentage as shown in Appendix 1, Company #5 and Appendix 2, Company #4) is set between measures of financial performance (e.g. sales or profits) and amounts to be spent on community activities. Hence, this gradual structuring of community involvement - under the guise of efficiency and strategic CSR priorities - can be viewed as a mechanism to subvert the 'reach' of social objectives by making these more aligned to business philosophies and rationale (Spence, 2007). If one again considers the quantitative findings in this light, then we may argue that the renewed attention paid to community disclosures (in 2007) by companies with a high 'composite' public profile is not necessarily explained by an interest to respond to the expectations of the wider public. Instead, this can be viewed as a way to communicate the limited parameters, conditions and agenda upon which community involvement will be now be practiced by the disclosing company. As suggested by Spence (2007), this new language could therefore be seen as one that reinforces the hegemonic position of the 'business case' over the societal imperatives underlying community disclosures.

With regards to the multiple perspectives highlighted above and their potential validity to the context, we consider the views of a sample of company directors as a means to ascertain whether one of the perspectives could prove to be more representative of the actual decisions and actions on the ground.

Interviews with directors

We initiated guided conversations with a small sample of directors on the general themes of corporate governance, social responsibility, community activities and the disclosure of such activities. The relevant quotes are presented in light of the perspectives emerging in the previous sections.

During the discussions, one director stated rather ambivalent views on the need for disclosing community involvement.

> *"If we have decided to do something [i.e. a community activity], then there is a need to inform and disclose it. The shareholders need to know that while doing profits, the company also contributes to the social life of the country. For instance, [we] made a profit of Rs [fairly large amount] but it should be known that [the company] helps a lot in community activities. The public might not be aware of this because in newspapers, for instance, the information is not available. There is no need to make a big publicity about it. I think that companies have only to play their roles as good corporate citizens."* [Director #5, Bank]

The director first acknowledges that disclosure is necessary both from the point of view of accountability to shareholders and in the interest of making sure the public is aware of the company's contribution to societal actions. At the same time however, he is wary of the fact that the disclosure process could be seen as public relations exercise. Another director has a different explanation for the traditional absence of information on community activities and donations:

> *"We have always been involved in [such] activities without really making it known. It is matter of culture [which] can be stated like this: do good things and be generous but it is not important to let others know about it. We therefore never reported on this but the code has asked to disclose the amounts involved. We are also started to structure things to better communicate the information."* [Director #6, Hotel]

A third respondent is also more attuned to the need for disclosure but thinks the information is mainly for the benefit of shareholders. In addition, he attributes the lack of disclosure to an absence of a defined CSR policy by the company:

> *"As for [community disclosure] initiatives, a lot of effort is being made by companies to disclose the information to shareholders and the public in general. [However] I think that the policies with regards to CSR are not defined by the companies and not reported in the annual report"* [Director #3, Transport]

Furthermore, the need for a more strategic approach to community involvement and the primacy of business interests is strongly highlighted in the following interviews:

> *"I am the chairman of the newly set up CSR committee. The work is to create a real CSR strategy for the […] group with a budget and organized themes. [Next year] we will also have a detailed CSR report. Up to now, [donations] were done on a haphazard way with no organization. We used to have too many themes e.g. helping drug addicts, women, AIDs etc. It is too diverging and we want to focus things. There is a concept known as corporate social investment and it is not about giving to charity but rather is an investment for long term company benefits. ...although we cannot measure the extent of its benefits."* [Director #4, Commerce]

The relevance of business rationality is also evidenced by a respondent whose company is less involved in community activities due to lower profitability, lack of funds and a general belief that it cannot currently control the 'desired' organizational outcomes:

> *"If your company is doing well, 10% of your net profit is affordable for community support activities. [For us however] this represents a substantial amount. We have other priorities to settle e.g. can sustain a drastic price reduction in sugar and an unexpected change in the economic environment? Now even if started [community support] today, I won't be able to continue. Finally, if I am investing money in this*

way, I want it to bring a change in the society. If there is no change, then it becomes difficult." [Director #7, Sugar]

In contrast to the shareholder / business case perspective privileged by the two previous directors, the following two directors display a stronger affiliation to the societal imperatives for corporate involvement:

"Yes, I believe in CSR and social accounting…I believe such items have to be disclosed and it's a good thing that the company has a social element in its activities. We are not here just to make profits [and] we are evolving in an environment which we have to respect." [Director #1, Industry]

"To be honest, CSR should come sincerely and wholeheartedly. There is no need for protocol when it comes to [community] activities. It should be inculcated as a culture within the company. Many companies find it a must or an obligation to re-distribute part of the profit for the community and all. But if for instance Pepsi is doing more social activities than Coca-Cola, will people shift their consumption accordingly?" [Director #2, Commerce]

Director #2 provides a pragmatic challenge to the business case argument put forward in the literature and by previous interviewees. He is concerned that the new structuring of community involvement by certain companies is not reflecting deeper concerns about social responsibility. However, it has to be mentioned that this director is part of a family-controlled group of commercial companies and the culture referred to in this case is most certainly influenced by traditional religious values. Furthermore, we suggest that this 'culture' (commented as well previously by Director #6) which appears to have encouraged a reluctance to disclose community involvement may be linked to elements of religiosity.

In conclusion to this section, we report on a broadly dual 'split' in perspective by directors on their motivations for community involvement and its reporting. On one hand, there is the business case motivation which, as mentioned by Spence (2007, p. 874), ought to be an obvious point but was however less explored in the CSR literature. From the data, this motivation is either spelt out explicitly (e.g. in terms of using terms such as corporate social investment, long term corporate benefits, disclosures meant for shareholders) or implicitly through references to the need for better structuring and strategic focus. In the latter case, the code of corporate governance's requirements may have had some persuasive (but not binding) influence on how companies are reviewing their community support activities. This coincides with the quantitative evidence regarding the lack of direct links between community word counts and the new guidance in the code of corporate governance. On the other hand, there is evidence of deeper concerns towards societal development and this is motivated by philanthropic and altruistic concerns or as mentioned by Lantos (2001), "*…genuine optional caring, irrespective of whether the firm will reap financial benefits or not"* (cited from Jamali, 2007, p. 6). This has two implications in relation to the extent of community support activity and disclosure by companies. Firstly, there is an 'optional' part to this process, particularly when companies do not feel able to support social projects. Secondly, disclosure becomes irrelevant if one is primarily involved in community projects without any expectations of benefits or otherwise. Tellingly however, neither formal nor informal notions of social accountability emerge from the respondents in terms of the company being 'duty bound' to support the community. Finally, there was little mention of themes that could be associated to legitimacy. In fact, the concern is that community disclosures (and CSR disclosures more generally) could be branded as mere public relations exercises by the media and thereby could devalue the substance of the community support provided by the company. This is consistent with O'Dwyer's (2002, p. 427) view that such disclosures might not have any legitimating value and perhaps might even be counter-productive in a context where companies are not seen to be contributing sufficiently to societal development.

6. OVERALL ANALYSIS AND CONCLUSIONS

We sought to examine the extent of, and factors leading to, community disclosures in company annual reports from a developing country perspective. We first drew attention to the relatively lack of empirical research on the 'social' category (of which community disclosures are a subset) of disclosures in developing countries. Furthermore, and in part informed by the mainstream evidence from developed countries, studies of social disclosures in developing countries appeared to have favoured the legitimacy explanation (Ratanajongkol et al. 2006; Belal and Owen, 2007; Amran and Devi, 2008). At the same time however, arguments and evidence questioning the 'limits' of the legitimacy perspective are becoming more vocal in the literature (e.g. O'Dwyer, 2002; Rahaman et al., 2004; Parker, 2005; Owen, 2008). Finally, we bring to the fore some interesting insights on CSR conceptualizations in developing countries from the business ethics literature which we believe are of relevance in understanding community involvement and disclosures by companies. The above has allowed us to examine the data in more depth and from multiple perspectives leading to the following overall analysis and reflections.

Firstly, we do not find a straightforward link (i.e. pre- vs. post-implementation) between the corporate governance developments in Mauritius and the extent of community disclosures. The analysis of word counts has shown only relatively small changes in 2005/2006 and the interview data has not revealed any widespread evidence of the code's influence in enhancing community disclosures. Hence, expectations of greater 'socialising' accountability from the perspective outlined by Roberts (2001) have not been met and the CSR aspirations contained in the code have not initially led to changes in the reporting of community activities. Nonetheless, a more sustained attention has been given to community disclosures in 2007. Using correlation and regression analysis, we identify a statistically 'composite public profile' effect in that the community disclosure word counts in 2004 and 2007 are higher for companies which are listed, larger and operating in sectors deemed to be 'closer and more visible' to the general public (e.g. commerce, hotels, transport, and leisure). In this light, and in view of the absence of a profitability effect, many previous studies (e.g. Campbell et al., 2006; Ratanajongkol et al. 2006) would have argued that the observed link between public profile and community disclosures is suggestive of a legitimating behaviour.

However, what remained puzzling for us were the relatively weaker results for 2005 and 2006 (with size being the only significant variable). Indeed, if legitimacy was the dominant explanation, then we would argue that its effects should have been more consistent over several years considering the country's social, economic and political context prevailing over the years under review. Crucially, it is the analysis of the narratives (particularly the changes from 2004 vs. 2007) and the interview data which reveals that the legitimacy perspective may not be the theoretical lens of choice in examining community disclosures. Indeed, two (opposing) themes relating to the primacy of the business case and to the existence of deep altruistic attitudes among the disclosing companies emerge from the qualitative data. This is not to say that a legitimacy-seeking behavior is not all present within companies in Mauritius but rather than this appears to remain in the 'background' insofar as community involvement and disclosure is concerned. As mentioned in the context section, the local business sector's status is being challenged and companies are being ‘targeted’ in terms of their historical and present affiliations to the economic elite. However, from our reading of the data, this has not materially impinged on the extent and sophistication of the community disclosures.

Instead, we see the repeated mention of the need to report to shareholders and the changing attitudes/practices towards what we would see as ‘business-led’ re-engineering of community involvement, donations and the disclosures thereof. Whether the introduction of this more ‘calculative’ philosophy can be seen as a new form of social accountability remains to be validated. From the business ethics perspective, we believe this is still reflective of a traditional stewardship perspective / shareholder approach to the use of disclosures or at the most an indication of a strong affiliation to the instrumental stakeholder theory, whereby social actions are being done and stakeholders acknowledged but with the ultimate aim of improving shareholder wealth. Furthermore, by relying on Spence’s (2007) theoretical lens and discourse analysis methodology, we are inclined to agree that these changes in disclosures may indeed reflect a tighter control on the community support budget - ultimately towards furthering the business interest.

At the same time, we cannot but ignore a competing viewpoint drawn from our historical understanding of the country’s context, the interview data and the lack of consistency / detail and coherence of community disclosures across the sample of companies. From various corroborative sources, there is no doubt that the majority of companies have been involved in community support for many decades in the form of *ad hoc* financial and/or in-kind donations to causes, organisations, audiences and any other third party whom companies felt most ethically (i.e. being moral, doing what is just, right and fair) duty bound or altruistically (subjective human caring) bound to help. This, in our opinion, explains an across the board (listed, large public/private and statutory) preference for such types of support as evidenced by the prominence of community disclosures vis-à-vis other types of CSR disclosures. However, in view of the same ethical or altruistic motives, and a traditional culture of not publicizing charitable acts, the extent and quality of these disclosures in the annual reports have initially remained minimal for the majority of companies surveyed in this study. This is essentially the premise of Jamali and Mirshak (2007) when referring to CSR attitudes in developing countries although they do not necessarily investigate further the reasons for such altruism. Although there is no particular reference to possible roots of this altruistic attitude in our disclosure and interview data, we are nevertheless drawn to possibility of the influence of religious values. For example, one well known French expression used in Mauritius is that of *‘Charite Chretienne’* (Christian Charity). This is one seen as of three key virtues in the Christian faith and involves a desire to help without agenda. In a similar vein, the Islamic practice of Zakat compels Muslims to donate a percentage of their wealth to charitable causes and poor people. Such elements of religiosity could arguably influence how companies and their decision makers consider their social responsibility and in turn its disclosure thereof. Hence, we suggest that further research in CSR and its reporting should consider more explicitly the influence of religious values on the extent of disclosure (or not) of community disclosures and other types of CSD more generally.

In conclusion, this paper has contributed to the literature in providing in depth empirical evidence on the extent, nature and motivations of community disclosures in a developing economy using the interpretative tradition. This has uncovered rich insights on the multiple motivations for community involvement and its disclosure. This has been possible due to the use of a mixed methods approach and a reliance on triangulation to assess more closely the links between the empirical data and theoretical constructs and other conceptualizations from the literature. Whilst we acknowledge that the use of a variety of data sources (including admittedly a small pool of interviewees) does not necessarily lead to a more focused and theoretically precise view of a phenomenon, our reading of several studies in the community / social disclosures area is that they appear to give too much credence to one data source (notably annual report disclosures or interviews) in formulating one theoretical perspective i.e. legitimacy. Informed by the outcomes of this study, we would certainly encourage greater use of mixed methodologies in understanding the role and relevance of community disclosures and other forms of CSR disclosures more widely.

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Appendix 1: Examples of Community Disclosures (Listed Companies) in 2004 vs. 2007[10]	
2004	2007
1. Transport The company strives to promote activities related to education, sports and cultural events. It sponsored several events like the Indian Ocean Games. The company made a donation of Rs xx during the financial year	The company is committed to promoting projects aimed at uplifting the lives of the communities in which it serves. The commitment arises from the strong belief that success comes from recognizing the interdependent nature of companies and communities in which they operate. The company contributed to several charities in the form of free rebated tickets, community fundraising ventures and other promotional activities. A donation amount to Rs X was made by the company.
2. Investments The company made a donation of Rs. xx during the financial year	The subsidiaries of the company have as in previous years contributed to social initiatives in their respective regions. The company is assessing the opportunity of contributing a percentage of its profits to a Group Charitable Foundation. This organisation would then lead all social responsibility initiatives of the company. No donation was made in the financial year
3. Industry The company recognises the social responsibility it has towards those institutions and people in need. The company donated and sponsored Rs. xx to various charitable institutions, sports clubs and religious bodies amongst others	The company recognises the social responsibility it has those institutions and people in need. The company donated and sponsored Rs xx to various charitable institutions, sports clubs and religious bodies. The projects supported and sponsored include […] basketball team, […] Government School under the ZEP programme, Union Sportive de Beau Bassin/RHill, The Mauritius Wildlife Foundation and APEIM.

[10] The financial numbers and other distinctive information in the statements have been removed to preserve the anonymity of the company.

Appendix 1 (Continued): Examples of Community Disclosures (Listed Companies) in 2004 vs. 2007[11]	
4. Leisure and Hotel The company is actively involved in the community and social development of the region where it is situated. A general donation of Rs. 77,508 was made during the year and comprised of activities for community and social development and charity.	During the year, the company enhanced its commitment to society and the quality of its relationships with its long term social partners both nationally and regionally. At the national level, the company pursues its support of ANFEN, a country-wide organisation involved in the development of young children and teenagers in their schools and civic life. The company also provides professional psychological assistance to parents and children in some regions. It also participate in the financing of SC and HSC examination fees for children from low-income families, the company's contribution to this concerted programme amounted to Rs xx. The company worked also in favour of children and teenagers in the villages surrounding the hotels. The company also provides financial assistance to a number of schools. During the year, the company donated Rs xx.
5. Sugar The directors of the company are fully aware that, while they are ultimately responsible for the proper management of the company and are answerable to its shareholders, long term performance and success are inextricably linked to the sustainable development of the community within which the company operates. The company provides an ongoing support and guidance to small planters within the factory area. The company took part in the JEC's scheme and provided financial assistance to ZEP. Financial assistance is also provided to "Lizie Dans La Main" through education, sports, mobility and handicraft. The company also supports a number of NGOs and charitable organisations engaged in the care of orphans, disabled and in rehabilitation programmes. The company donated Rs xx Million during the year	The directors of the company recognise that, while they are ultimately answerable to shareholders, it is in the company's long-term economic interest to conduct itself as a responsible corporate citizen in order to move forward towards a better society and future growth. The company devotes around 1% of group profits to CSR. An appropriately structured fund is also being established under the stewardship of a newly appointed CSR manager who will make recommendations to a CSR committee in terms of objectives and resource allocation and report regularly to the Board. It provide financial support to the ZEP programme and also financial assistance to "Lizie Dan La Main". During the year the company donated Rs xx to xx recipients

[11] The financial numbers and other distinctive information in the statements have been removed to preserve the anonymity of the company.

Appendix 1 (Continued): Examples of Community Disclosures (Listed Companies) in 2004 vs. 2007[12]	
6. Commerce One of the priorities of the company is to support charitable associations. The company also helped in combating poverty, social exclusion, social discrimination and disease. It also helps in the promotion of culture and sports, education and childcare in the country. A donation of Rs. xx was made during the financial year	The company is committed to the betterment of communities where its employees work. Its community programmes support human services and civic initiatives by helping build strong, healthy communities to further enrich the lives of citizens. It helped in the fight against Chikungunya by creating awareness of the disease and educating children specifically in prevention measures. The company also educated children and the population at large on road safety measures. It supports NGOs and charitable organisations which cater for the needs of children and economically disadvantaged families. The company organised a Christmas party for children at [..]. The company made a donation of Rs xx to xx recipients.
7. Banks and Insurance The company offered affordable housing loans to help Mauritians improve their living conditions and sponsored social projects in deprived regions. The company made a donation of Rs. xx during the financial year	During 2007, the company maintained its Corporate Social Responsibility policy which is part of its business. Support is given to SOS Femmes and Etoile d'Espérance. Charitable donations made by the company during the year to 15 recipients amounted to Rs. xx. The Company also continued to support the T1-Diams Group (children suffering from T1 diabetes) and the ZEP Scheme (Zone d'Education Prioritaire)

[12] The financial numbers and other distinctive information in the statements have been removed to preserve the anonymity of the company.

Appendix 2: Examples of Community Disclosures (Non-Listed Companies) in 2004 vs. 2007[13]	
2004	2007
1. Transport The company made a donation of Rs. xx during the year	The company made a donation of xx. during the year
2. Investments The company is fully aware of its social responsibilities. The company has been active in blood donation campaigns throughout the island, as well as other social activities. The aim is to integrate all businesses to their immediate socio-economic environment. The company also made a donation of Rs. xx during the financial year.	During the year the company donated Rs xx of which Rs xx was for 10 recipients.
3. Industry During the year the company made a donation of Rs xx. A "fete du pain" was organized with the intention of the company to actively work towards the preservation of this important element of the Mauritian cultural heritage.	The company is committed to support community based projects and has contributed to diverse initiatives in this field. A donation of Rs xx was made during the year. Exhibitions and competitions were organized for school children on the theme "La fete du pain".
4. Leisure and Hotel The company made a donation of Rs. xx during the year.	During the year 2007, the company undertook an extensive reassessment of its CSR programme. This has brought deeper understanding of the difficulties facing those in need and enabling the company to respond better to their requirements and aspirations. There is now a CSR fund under the responsibility of a manager. The CSR fund will be engaged in education, women's empowerment, cultural integration and health protection. 1.5% of the after tax profit is donated to the fund. For the financial year, financial support was provided to PILS, renovation of primary school, engaged in sport activities. Donations amounted to Rs. xx.

[13] The financial numbers and other distinctive information in the statements have been removed to preserve the anonymity of the company.

Appendix 2 (Continued): Examples of Community Disclosures (Non-Listed Companies) in 2004 vs. 2007[14]	
5. Sugar The company made a donation of Rs. xxx during the year	The company made charitable donations amounting to Rs xx of which Rs xx was donated to the Foundation […]. The Foundation has the objective to promote education, training, health or human dignity. The company has also sponsored social, sports and educational activities within the factory areas and help in the anti-Chikungunya campaign.
6. Commerce The aim of the company is to create a vehicle with a structured and well defined mandate that will respond to the social needs of the country. From next year the company shall provide a brief on the events taking place during the period. During the year the company made a donation of Rs xx.	The company is extremely conscious of its social responsibility and thus undertakes, each year, concrete actions which have a positive impact on the Mauritian community. Charitable donations amounted to Rs xx. Rs xx was donated to the Foundation […..] and Rs xx to social projects.
7. Banks and Insurance The company recognises its vital role as a privileged partner in the development of the community and the need to provide assistance to social, cultural and environmental projects. During the year under review, the company has been involved in various sponsorship projects.	The company is fully conscious of its role as a social partner in the community. The company has established a social fund which will be involved in a number of social projects on education, women's empowerment, cultural integration and health protection. Donation amounts to Rs. xx.

[14] The financial numbers and other distinctive information in the statements have been removed to preserve the anonymity of the company.