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A LOOK INTO THE DISCLOSURE IMPROVEMENTS OF CSR REPORTING IN BANGLADESH

Nikhil Chandra Shil
Department of Business Administration
East West University, Bangladesh

Alok Kumar Pramanik
Department of Commerce
Bhatter College, India

Abstract

Corporate social responsibility (CSR) reporting is an embracing issue today that becomes the social perspective of accounting and reporting. Still, the international standard setters are lagging behind to bring this issue within the legal framework of accounting and reporting. As there is a huge demand from the stakeholders for such information, it becomes a common area of voluntary disclosure at the time of reporting. The paper targets to highlight the improvement of CSR reporting in Bangladesh over a period of six (6) years through the content analysis of financial statements of DSE 20 companies. Content analysis has helped us to identify a couple of common categories where most of the firms do social reporting. The analysis was based on secondary sources of information; i.e., published financial statements of DSE 20 companies for the year 2000 and 2006. Different descriptive statistics were used to organize and analyze the findings of the study. It concluded that the pattern of such reporting was far away from expectation; still, there was a positive indication that the volume and quality of reporting was increasing.

Keywords: *Corporate Social Reporting, DSE 20, Disclosures, Content Analysis, Bangladesh.*

Introduction

CSR Reporting becomes a buzzword with some extensions like social reporting, sustainability reporting etc. covering the "triple bottom line" of economic, environmental, and social performance of an organization. CSR is the obligation

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of the firm to use its resources in ways to benefit society through committed participation as a member of society, taking into accounts the society at large and improving the welfare of society at large independently of direct gains of the company (Kok, Wiele, Mckenna and Brown, 2001). It is the integration of business operations and values whereby the interests of all stakeholders, including customers, employees, investors, and the environment are reflected in the organization's policies and actions (Smith, 2002).

Over the last twenty years, CSR reporting has become an issue of interest for researchers. Social and environmental disclosure as well as philosophical discussions on social and environmental accounting dominated the financial research agenda during 1990s (Belal, 1999). An international survey conducted by Price Waterhouse Coopers in early 2002 found that nearly 70% of the global chief executives believed that addressing Corporate Social Responsibility was vital to their companies' profitability (Simms, 2002, p. 48). A number of academic observers (Belal, 2002; O'Dwyer, 2002; Owen, Swift and Hunt, 2001; Owen, Swift, Humphrey and Bowerman, 2000), however, have expressed concern that current CSR practice has failed to achieve the fundamental objective of transparency and accountability (Medawar, 1976). Furthermore, empirical research within the CSR literature has consistently shown that businesses traditionally focus on issues of interest to powerful economic stakeholders while neglecting "eco-justice" issues that are of relevance to less powerful social stakeholders (Belal, 2002; O'Dwyer, Unerman and Bradley, 2005; O'Dwyer, Unerman and Hession, 2005).

Exploration of the corporate motivations behind such reluctance provides valuable insights into the nature and completeness of CSR (Adams, 2004) and what can be expected of it within current regulatory regimes. This reluctance to report, as evidenced by an absence (Choudhury, 1988) of CSR, within developing countries is relatively under researched (but see Belal, 2001; Imam, 2000; Kuasirikun and Sherer, 2004) in comparison to the more widely studied presence of CSR within developed Western countries. Specifically, previous studies (Belal, 2001; Imam, 2000) on the basis of the financial statements for the years 1999/2000 and 2000/2001 indicated that there was a low level of CSR reporting in Bangladesh. There is an implicit aspiration from different stakeholders group that corporate houses should spend for the cause of societal well-being and they like to look into such information in companies' financial statements. Thus, the researchers are motivated to conduct a further study on CSR reporting practices to find out any recent improvement in this regard within the last 5/6 years. With keeping the fact in mind that such reporting is voluntary and there is no stringent guidelines and style to be followed, the paper examined DSE 20 companies and a detailed content analysis was done to analyze the state of CSR reporting practices. Finally, the paper confirmed the findings and conclusion of earlier studies that as the quantum and quality of CSR reporting is increasing each year. A review of relevant literatures has been presented in the next section with the identification of different drivers of CSR reporting targeting to the regulatory authorities who may work for strengthening CSR reporting practices considering the effective management of drivers. Later, the methodology of the study is presented followed by analysis and findings of the study in the next section. And finally the paper is concluded with the identification of some future areas of research.

Literature Review

In the early period of CSR Reporting development, dominance by the USA was evident. As noted by Gray, Owen and Adams (1996), in the 1970s, more is known about American CSR than any other country. The Ernst and Ernst's (1978) study which systematically monitored the development of CSR Reporting in the USA, shows that out of Fortune 500 companies, 89% made social disclosure. It was found that one (1) in every two (2) companies made disclosures related to environmental and energy categories followed by human resources and community involvement. In a later study of 50 largest corporations by Guthrie and Parker (1990), it was found that three (3) in every four (4) companies made disclosures relating to human resource. But it is found that relative emphasis on the different areas of CSR Reporting varied with the country of domicile (Preston and Chapman, 1978) and the study of Gray and Kouhy (1987) showed that legislation effect could largely influence emphasis on different issues of CSR Reporting.

In the developed and developing countries reporting corporate social responsibilities are very much emphasized, though in Bangladesh, it is generally being neglected. Few empirical studies are available on the CSR practice in Bangladesh. The study of Belal (1997) on green reporting practice in Bangladesh observed that out of 50 companies, only 3 (6%) companies made environmental disclosures. However, in a later study by Belal (1998), it revealed that all selected companies disclosed at least some social information. His study showed that the highest number of companies disclosed information which fell into employee and other categories and the lowest number of companies made ethical disclosures followed by environmental disclosures. Uddin, Mohiuddin and Ahamed (1999) in their study found that the importance of communicating (whatever social responsibility they have performed) social responsibility performance had not been recognized by the concerned management of sample companies. They also found that disclosure as well as performance of social responsibility activities had been confined to mainly employees' welfare, contribution to government, operational activities and business expansion. However, disclosure or performance in the area of community development, human resource development and environment was very low. In another study, only 13 out of 121 companies under study disclosed environment related information qualitatively in the director's report to the shareholders (Shil and Iqbal, 2005). In Bangladesh, it is seen that social responsibility performance in case of private sector is somewhat better compared to public sector enterprises (Uddin et al., 1999). However, different researchers identified a group of CSR attributes in different studies that is tabulated below for the readers to grasp the common category of CSR reporting.

Within the CSR literature, a number of studies explicitly comment upon reasons for the absence of CSR and a number of factors are identified as important in explaining such absences. The importance of cultural attitudes within a country was specifically reported as a reason for non-disclosure by Adams (2004). Gao, Heravi and Xiao (2005) considered the very low levels of CSR reporting within Hong Kong and noted that companies faced little pressure from community pressure groups; moreover, the government failed adequately to enforce existing social and environmental legislation. Kuasirikin and

Table 1: Attributes of Corporate Social Responsibility (CSR) Reporting

Studies conducted by	CSR Attributes as Identified and Used
Belal (1999)	Child labor, equal opportunities and poverty alleviation
Ismail and Koh (1999)	Environmental disclosure practices
Milne and Patten (2002)	Environmental disclosures
Edmunds (1977)	Encountering more regulation, decentralization of responsibility over individual, adopting public interest criteria into its decision process
Strand (1983)	The cultural and economic environment, material, social and psychological experience of constitutions, social demands and exceptions placed on organizations, the environmental texture of organizations
Steiner (1975)	Traditional economic production, government dictated, voluntary

Sherer (2004) appeared to contradict the importance of these social and political factors when they noted that, despite increasing social and environmental legislation, increased public awareness and worsening social and environmental conditions, levels of CSR within Thailand had not improved. They argued, 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, explained 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 a Jordanian study (Naser and Baker, 1999). 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 about 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 and Rankin, 1996; Harte and 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.

Such absent of CSR reporting can be critically presented. The reasons or drives behind social responsibility towards human and environmental responsibility whether driven by ulterior motives, enlightened self-interest, or interests beyond the enterprise, is subject to much debate and criticism. Some critics argue that corporations are fundamentally entities responsible for generating a product and/or service to gain profits to satisfy shareholders. Other critics argue that the practice cherry-picks the good activities a company is involved with and ignores the others, thus 'greenwashing' their image as a socially or environmentally responsible company. Still other critics argue that it inhibits free markets or seeks to pre-empt the role of governments in controlling the socially or environmentally damaging effects of corporations' pursuit of self-interest. These three critical schools of thought are presented below:

Disputed Business Motives: Some critics believe that CSR programmes are often undertaken in an effort to distract the public from the ethical questions posed by their core operations. Examples of companies that have been accused of this motivation include British American

Tobacco (BAT), which produces major CSR reports, and the petroleum giant BP, which is well-known for its high-profile advertising campaigns on environmental aspects of its operations.

Self-interest: Some CSR critics argue that the only reason corporations put in place social projects is for the commercial benefit they see in raising their reputation with the public or with government. They suggest a number of reasons why self-interested corporations, solely seeking to maximise profits, are unable to advance the interests of society as a whole. For example, the McDonald's Corporation has been criticized by CSR campaigners for unethical business practices and was the subject of a decision by Justice Roger Bell in the McLibel case which upheld claims regarding mistreatment of workers, misleading advertising, and unnecessary cruelty to animals. Similarly, Shell has a much-publicised CSR policy and was a pioneer in triple bottom line reporting, but was involved in 2004 in a scandal over the misreporting of its oil reserves which seriously damaged its reputation and led to charges of hypocrisy. Since this has happened, the Shell Foundation has become involved in many projects across the world, including a partnership with Marks and Spencer (UK) in three flower and fruit growing communities across Africa. These critics generally suggest that stronger government and international regulation, rather than voluntary measures, are necessary to ensure that companies behave in a socially responsible manner.

Hindrance of Free Trade: These critics are generally supporters of Milton Friedman, who argued that a corporation's principal purpose is to maximize returns to its shareholders, while obeying the laws of the countries within which it works. This approach to CSR requires that the resources applied to CSR activities must have at least as good a return as that these resources could generate if applied anywhere else. This analysis drastically narrows the possible scope of CSR activities.

Still, now a day like profit and other key performance indicators, social responsibility is an important area where every business must set objectives and produce results (Uddin et al., 1999). Companies that demonstrate social responsibility and account for their social and environmental impacts gain specific benefits, although not all of it can be quantified in amount. The major problems of social reporting are selecting the events to be reported and also the quantity as there are no clear formats for this issue. Time has come for the standard setters and regulators to consider the issue. At least, the local regulators may conduct a study to choose the right drivers that instigate companies to be socially responsible. It may come from corporate culture, regional customs, social values and different firm specific issues under voluntary regime. A discussion on CSR drivers is presented below for easy readership.

CSR Drivers: Why do the companies go for CSR reporting? This section searches for the drivers of CSR reporting. Organizations may be influenced to adopt CSR practices by several drivers. Regulatory authorities may give proper care to these drivers to ensure a good environment for CSR reporting without legal interventions. Law is not required at all if the companies can be driven for CSR reporting and we expect such environment where companies will set their own standards.

Ethical Consumerism: The rise in popularity of ethical consumerism over the last two decades can be linked to the rise of CSR. As global population increases, so does the pressure on limited natural resources required to meet rising consumer demand (Grace and Cohen, 2005). Industrialization in many developing countries is booming as a result of technology and globalization. Consumers are becoming more aware of the environmental and social implications of their day-to-day decisions and are beginning to make purchasing decisions related to their environmental and ethical concerns.

Globalization and Market Forces: As corporations pursue growth through globalization, they have encountered new challenges that impose limits to their growth and potential profits. Government regulations, tariffs, environmental restrictions and varying standards of what constitutes labour exploitation are problems that can cost organizations millions of dollars. Some companies use CSR methodologies as a strategic tactic to gain public support for their presence in global markets, helping them sustain a competitive advantage by using their social contributions to provide a subconscious level of advertising (Fry, Keim and Meiners, 1986). Global competition places particular pressure on multinational corporations to examine not only their own labour practices, but those of their entire supply chain, from a CSR perspective.

Social awarness and Education: The role among corporate stakeholders to work collectively to pressure corporations is changing. Shareholders and investors themselves, through socially responsible investing are exerting pressure on corporations to behave responsibly. Non-governmental organizations are also taking an increasing role, leveraging the power of the media and the internet to increase their scrutiny and collective activism around corporate behavior. Through education and dialogue, the development of community in holding businesses responsible for their actions is growing (Roux 2007).

Ethics Training: The rise of ethics training inside corporations is another driver credited with changing the behaviour and culture of corporations. The aim of such training is to help employees make ethical decisions when the answers are not clear. Tullberg believes that humans are built with the capacity to cheat and manipulate, a view taken from reciprocity (Trivers 1971, 1985), hence the need for learning normative values and rules in human behaviour (Tullberg 1996). The most direct benefit is reducing the likelihood of "dirty hands" (Grace and Cohen 2005), fines and damaged reputations for breaching laws or moral norms. Caterpillar and Best Buy are examples of organizations that have taken such steps (Thilmany, 2007).

Laws and Regulations: Another driver of CSR is the role of independent mediators, particularly the government, in ensuring that corporations are prevented from harming the broader social good, including people and the environment. CSR critics, such as, Robert Reich argue that governments should set the agenda for social responsibility by the way of laws and regulation that will allow a business to conduct themselves responsibly.

The issues surrounding government regulation pose several problems. Regulation in itself is unable to cover every aspect in detail of a corporation's operations. This leads to burdensome legal processes bogged down in interpretations of the law and debatable grey areas (Sacconi, 2004). General Electric is an example of a corporation that has failed to clean up the Hudson River after contaminating it with organic pollutants. The company continues to argue via the legal process on assignment of liability, while the cleanup remains stagnant. (Sullivan and Schiafo, 2005). The second issue is the financial burden that regulation can place on a nation's economy. This view shared by Bulkeley, who cites as an the Australian federal government's actions to avoid compliance with the Kyoto Protocol in 1997, on the concerns of economic loss and national interest. The Australian government took the position that signing the Kyoto Pact would have caused more significant economic losses for Australia than for any other OECD nation (Bulkeley, 2001). Critics of CSR also point out that organizations pay taxes to government to ensure that society and the environment are not adversely affected by business activities.

Crises and Their Consequences: Often, it takes a crisis to precipitate attention to CSR. One of the most active stands against environmental management is the CERES Principles that resulted after the Exxon Valdez incident in Alaska in 1989 (Grace and Cohen, 2005). Other examples include the lead poisoning paint used by toy giant Mattel, which required a recall of millions of toys globally and caused the company to initiate new risk management and quality control processes. In another example, Mageline Metals in the West Australian town of Esperance was responsible for lead contamination killing thousands of birds in the area. The company had to cease business immediately and work with independent regulatory bodies to execute a cleanup.

Critical Analysis and Findings

Research Objectives

Corporate social reporting has no stringent framework to be followed. The area is still developing by researchers, academicians, professionals and various social thinkers and activists. And thus the methodology depends on the respective researchers. In this paper, the researchers searched for social reporting practices in Bangladesh through some selected companies. Some earlier studies (Belal, 2007) concluded that social reporting practices were absent in Bangladesh. Thus, the researchers have revisited the literature to confirm whether there is any improvement in CSR reporting status of listed companies in DSE.

Population and Sample

Companies listed in DSE were considered the population for the study. It was easy to collect published financial statements of listed companies due to mandatory requirements imposed by listing laws. But companies in DSE 20 were selected as the sample of the study. DSE 20 is a list of 20 companies traded in Dhaka Stock Exchange (DSE) classified in this category due to better performance, investors' confidence, credit worthiness and long term sustainability. It is believed that the expectations of societies on these companies are more and they are supposed to fulfill such expectations.

Research Methodology

The theoretical foundation of the paper came from different scholarly articles, research papers etc and the analysis was based on the published financial statements of selected companies. Financial statements of all DSE 20 companies for the years 2000 and 2006 were collected and a detailed content analysis was conducted. Thus, the study was based on mainly secondary sources. To show the improvement of reporting, if any, in a period of 5/ 6 years gap, the financial statement of the selected companies for the year 2000 were also considered. It reported the possible improvement of voluntary disclosures in the area of CSR in a country where companies had had a history of minimal disclosure under the requirement of laws.

Critical Observation

Due to the nature of current qualitative research, a descriptive way of presentation is followed in this section. This section is arranged in line with the basic objectives of the paper. The status of CSR reporting in DSE 20 companies was evaluated here with frequency of disclosures, different attributes followed by some other critical observations of the researchers in particular.

1. **Number of Companies with CSR Reporting:** As already mentioned, we considered 20 companies from the DSE and conducted a detailed content analysis of financial statements to find out the status of the companies in terms of CSR reporting. The study revealed that 10 companies out of 20 had CSR reporting in 2006 increased from four (4) in the year 2000 (Table 2). Thus, the rate of disclosure was 50% in 2006 while it was only 20% in 2000. This percentage may not be generalized for Bangladesh as DSE 20 represents Fortune 500 for Bangladesh. The quality of CSR reporting was left outside the scope of the paper. It can be ensured that such CSR reporting is made theoretically in directors' report, mission-vision or corporate strategy sections. Standalone corporate social reporting was rare (only 1 company had) though a few numbers of companies were planning to go for such reports in the near future.

Table 2: Number of Companies with CSR Reporting

Status	Number of Companies	
	2000	2006
Have CSR Reporting	4 (20)	10 (50)
Do not have CSR Reporting	16 (80)	10 (50)
Total	20 (100)	20 (100)

2. **Reporting Attributes:** It has been argued by different researchers that the level of CSR reporting is dependent on several corporate attributes and there were studies which empirically examined the extent of social disclosure and measured the relationship between social disclosure and several corporate attributes, as provided in Table 1 of the literature review section. However, the attributes that have been identified in those studies refers to developed countries and so those may not be

suitably applied and used for developing countries. In this paper, a detailed content analysis was done on financial statements of DSE 20 companies to find out different social reporting attributes as practiced by them. The analysis revealed 11 different attributes as stated in Table 3. However, Belal (2007) had identified a total of 20 attributes of such CSR reporting. Here, the researchers kept the attributes limited by discarding some less important attributes, bringing some new attributes that came from our societal set-up and consolidating some similar attributes. These attributes were not pre-assumed rather these were the outcomes of the study.

Table 3: Attributes of Social Reporting by DSE 20 Companies (Figures in Parenthesis Indicate Number of Disclosers in Each Category)

SL	Corporate Social Reporting Attributes	Total Observations (N = 20)	
		2000	2006
1	Safety, health and environmental policy	33(3)	35 (7)
2	Human rights	-	15 (3)
3	Child labor	-	15 (3)
4	Contribution to the national sports	11(1)	20 (4)
5	Work to reduce unemployment problem	11(1)	10 (2)
6	Offering internship program	-	10 (2)
7	Scholarships	-	15 (3)
8	Contribution in talent development	-	5 (1)
9	Contribution in community development	22(2)	15 (3)
10	Contribution in development of IT	-	5 (1)
11	Women empowerment	22(2)	10 (2)

Among these 11 categories, CSR reporting is made across five (5) categories only in 2000 which is not a good picture. In both of the years, it was the highest in the category ‘safety, health and environmental policy’ probably due to the requirements of different acts, like Factories Act, 1965, Industrial Relations Ordinance, 1969, Employment of Labor (Standing Orders) Act, 1965, Payment of Wages Act, 1936 and Workmen Compensation Act, 1923. Contributions in development of talent and IT received the least priority in social reporting arena which was even absent in the year 2000. The disclosure covered only some selected areas though number of attributes might be increased. Despite the economy of Bangladesh growing at an average rate of 6% per annum (Ahmed, 2006), it remains one of the poorest countries in the world with a per capita income of only $440 a year (World Bank, 2005). However, no company is addressing the issue of poverty alleviation strategy directly though some other attributes, like reducing unemployment problem is addressing poverty issue indirectly. According to the World Bank (1990), women accounted for only 7% of the total labor force in Bangladesh in 1987. Discrimination against women in the workplace is widespread in Bangladesh, particularly in the garments companies (Newsware, 1999; Rashid, 1998). Given the limited education and skills training of many Bangladeshi women; their opportunities cannot be considered to be equal despite the constitution of Bangladesh, which “clearly articulates the equality of men and women in all aspects of public life” (Andaleeb and Wolford, 2004). Even the picture above doesn’t report any improvement in women empowerment category during these six (6) years period. Most importantly, in 2000, there was no disclosure made by these 20 companies on the sensitive issue of using child labor. Drawing on figures from the World Bank (2001), Ray (2004) notes that child labor 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 labor 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). In most of the cases, the disclosure is qualitative ranging from one paragraph to several pages.

3. **Company wise CSR Profile:** Table 4 summarizes the CSR profiles of the companies considered under the study for the years 2006 only.

Table 4: CSR Profile of DSE 20 Companies for the year 2006

SL	Companies	Disclosure Attributes											Total	%
		1	2	3	4	5	6	7	8	9	10	11		
1	ACI Limited	√	√	√									3	27
2	PRAN												0	-
3	Apex Tannery												0	-
4	BATA Shoe												0	-
5	BATBC	√							√	√	√		4	36
6	BD Lamps												0	-
7	BOC Bangladesh Limited	√				√	√	√					4	36
8	BEXIMCO Pharmaceuticals Ltd.	√			√								2	18
9	Dhaka Bank	√	√	√	√			√					5	45
10	GQ Ball Pen												0	-
11	Islami Bank Bangladesh Ltd					√				√		√	3	27
12	Meghna Cement												0	-
13	Monnu Ceramics												0	-
14	National Bank Limited				√								1	9
15	Prime Bank	√			√		√	√		√			5	45
16	SINGER Bangladesh											√	1	9
17	Southeast Bank Limited												0	-
18	Square Textile												0	-
19	Square Pharmaceuticals	√	√	√									3	27
20	Uttara Finance												0	-

Prime Bank Ltd. and Dhaka Bank report maximum line items in its financial statements that are of social in perspective. Thus, the banking industry captures a good position in fulfilling social responsibilities. Five (5) out of 20 companies represents the banking industry and four (4) out 10 reporting companies come from the banking industry. Overall ranking of the DSE 20 companies is presented below in terms of line item disclosed.

Table 5: Ranking of Companies in Terms of Line Items Disclosure

No.	Name of the Companies	Items disclosed	Percentage of disclosure	Ranking
1	Prime Bank Limited	5	45	1
2	Dhaka Bank	5	45	1
3	British American Tobacco	4	36	2
4	BOC Bangladesh Limited	4	36	2
5	ACI Limited	3	27	3
6	Islami Bank Bangladesh Ltd	3	27	3
7	Square Pharmaceuticals	3	27	3
8	BEXIMCO Pharmaceuticals	2	18	4
9	National Bank Limited	1	9	5
10	SINGER Bangladesh	1	9	5
11	PRAN	0		
12	Apex Tannery	0		
13	BATA Shoe	0		
14	Bangladesh Lamps	0		
15	GQ Ball Pen	0		
16	Monnu Ceramics	0		
17	Meghna Cement	0		
18	Southeast Bank	0		
19	Square Textile	0		
20	Uttara Finance	0		

Prime Bank Limited and Dhaka Bank Limted together were ranked first with disclosing CSR related information in five (5) attributes among 11 considered under the study. This reflects a worrying picture in itself as the rate of disclosure is less than fifty percents (5 out of 11) and both of the companies are from one leading service sector (Bank). British American Tobacco and BOC Banglsdesh held the second position by disclosing four (4) attributes (36.36%). ACI Limited, Islami Bank Bangladesh Limited and Square Pharmaceuticals were positioned third with 27% disclosure. Out of 20 companies, 50% disclosed nothing and were left outside the rank. The simple frequency analysis revealed an alarming picture as companies were not moving towards the voluntary regime of disclosure. However, there was an improvement in CSR reporting as compared with the year 2006, at least in terms of 'how many line items disclosed'.

4. **Pattern of disclosure:** The analysis of the quality of disclosure was left outside the scope of the paper. However, the contents analysis of the respective financial statements for two reference years revealed some important and interesting findings regarding the pattern of disclosure. One analysis was done in terms of the topics under which the disclosure was made. The result is shown below:

Topics	Number of Companies (Items) 2000	2006
Mission and Vission Statement	2 (1)	2 (1)
Company Highlights	1 (1)	5 (5)
Message from the Chairman	0 (0)	2 (2)
Directors Report to the Shareholders	3 (3)	10 (10)
Standalone Report addressing CSR Issues	0 (0)	1 (4)

Only one company reported one standalone item dealing with CSR reporing while others embedded such disclosure under some important topics of financial statements. Another form of analysis was done on the basis of usage of spaces in financial statements. The classifications and extent of disclosure under each classification is shown below:

Classifications on the basis of Usage of Spaces	Number of Companies 2000	2006
Disclosure in Lines under some different topics	1	1
Disclosure in Paras	3	5
Disclosure in Sections (couple of pages)	1	8
Disclosure in separate reports	0	1

Thus, disclosure in some paras was a common form of reporting across the years. However, using separate sections for reporitng CSR information has obtained significant popularity in recent years. And one company out of 20 went for standalone reporting.

Overall Findings

From the overall analysis, we must not conclude that CSR reporting is absent in Bangladesh, like Belal (2007), rather it is poor. Regulatory authorities have a lot of scope to make it mandatory for the companies to spend for the society and report the same to the society in the form of CSR reporting. Until the accounting profession incorporates the issue in the form of a global standard, the regulatory authorities should take care of it. Because, it is proved that companies always like to abide by the law and reports minimum information as required. For example, with the circular issued by Securities and Exchange Commission requiring disclosure regarding corporate governance status, all companies listed in Dhaka Stock Exchange started reporting on the issue. And in the field of CSR, there is an improvement in reporting not only in terms of window dressing. Some practical examples may be representative here. Dhaka Bank spent 2% of pre-tax profit for CSR practices. Square Pharmaceuticals Ltd. has adopted all of the ten principles of Global Compact initiated by the UN Secretary General. These principles include different CSR reporting attributes discussed under four broad categories, i.e. , human rights, labor standards, environment and ethical standards. As part of its commitment to the education sector of the country, British American Tobacco Bangladesh has been organizing a unique campus-event since 2004. The program comprises a case solving contest named Battle of Minds and knowledge sharing sessions conducted by BAT Bangladesh managers. Obviously, these are good starts and it seems to us that there is a silent competition started in Bangladesh to serve the society. However, the current CSR reporting practices are characterized by –

a. Most of the companies are guided by minimum disclosure due to the voluntary regime;
b. Absent of regulatory requirements motivated the companies for non-disclosure;
c. Reporting quality is poor and subjective;
d. Absent of reporting style and format creates further difficulties;
e. Demand of the society is less and stakeholders are not considering CSR reporting so important.

Conclusion

It is very fascinating to note that some companies in Bangladesh are making efforts to provide social and environmental information on a charitable basis in their corporate annual reports. The study shows that on average, 50% of DSE 20 companies disclosed social and environmental information in their corporate annual reports. These may be true for Bangladesh as we believe that, so far, as CSR reporting is concerned, DSE 20 represents Bangladesh. These disclosures were voluntary in nature and largely qualitative. Contrary to the developed and some developing countries, the disclosure of environmental information made by the listed companies in their corporate annual reports in Bangladesh is very disappointing.

However, it is not clear why the subsidiaries of the multinational companies in Bangladesh did not disclose social and environmental information adequately. This calls for further investigation. This study considers the annual reports for a single year (i.e. 2006). Further research can be undertaken to measure the extent of environmental disclosure to determine whether quality of disclosure has improved over time. Such a study would provide additional insights on corporate disclosure practices in Bangladesh. This study does not concentrate on any particular industry type. Further research can be undertaken based on particular industry type (e.g., the pharmaceutical industry or textile industries in Bangladesh). It should also be noted that the number of social and environmental disclosure items was limited to 11 items and the results may be different if the numbers of environmental information were increased or another set of environmental disclosure items was examined. As always, much more research is needed if we are to contribute to a more socially and environmentally responsible corporate practices in all corners of the world.

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