The Emergence of Sustainability Reporting (SR) among Select Countries from sub-Saharan Africa

DISSERTATION
of the University of St.Gallen,
School of Management,
Economics, Law, Social Sciences
and International Affairs
to obtain the title of
Doctor of Philosophy in Management

submitted by

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Dissertation no. 4861

Difo-Druck GmbH, Untersiemau 2019

The University of St.Gallen, School of Management, Economics, Law, Social Sciences and International Affairs hereby consents to the printing of the present dissertation, without hereby expressing any opinion on the views herein expressed.

St.Gallen, October 23, 2018

The President:

Prof. Dr. Thomas Bieger

Preface

Reporting on non-financial information is gaining more and more interest in both practice and research. A lot of research has been done on the question of if (voluntary) sustainability reporting (SR) has an impact on decisions made by investors. Typically, this kind of research is based on samples drawn from the US or Europe, thus focused on highly developed capital markets. This is understandable because of data availability and capital market power. However, it neglects the historical foundations of mandatory non-financial information: The listing requirements of the Johannesburg Stock Exchange (JSE) in South Africa, based on the King Report on Corporate Governance for South Africa 2009 (King III), is considered to be the starting point of integrated reporting practice. The South African reporting case gives an excellent example for accounting regulation and practice that can only be understood when getting familiar with the cultural aspects of a society. It is questionable if the current research on non-financial information took this into account in a sufficient way. With her excellent PhD-study, Mumbi Wachira is closing this research gap. This study is so important and innovative because it clearly shows how fruitful a context-specific research can be. With its sub-Saharan sample, the study gives us an explanation what institutional factors influence and shape the extent of sustainability reporting. In addition, her study discusses how encouraging sustainability reporting in emerging economies is one of the ways corporate organizations can contribute towards broader social and economic goals. Essentially, this study goes far beyond just answering the question what level of sustainability reporting exists in South Africa, Mauritius and Kenya. With her study, Mumbi Wachira makes a highly valuable and insightful contribution to the theory and practice of sustainability reporting. I strongly recommend this book to professionals in corporate reporting and researchers not only within the sub-Saharan countries, but also in the European and US market and wish that it wins the broad readership it deserves.

Prof. Dr. Thomas Berndt, University of St. Gallen

December, 2018

Acknowledgements

Though a doctoral thesis is an intense academic exercise undertaken by an individual, it cannot be realised without the immense support and contribution of several others. Not only is this PhD a culmination of several discussions I have had over time, it is also a reflection of the supportive role played by family, friends and strangers. I realise I cannot sufficiently thank all the people who have been party to this research, but I am incredibly grateful to the unspoken heroes who knowingly or unknowingly helped this work come to fruition.

I would first like to thank my supervisor, Professor Dr. Thomas Berndt who guided me through this process from February 2015. From the very beginning, you encouraged me to seek alternative empirical and theoretical evidence drawn from African economies. Your feedback was invaluable to this thesis because it affirmed my conviction that research based in African settings was timely and necessary. To my second supervisor Professor Dr. Tami Dinh, I highly appreciate your constructive advice which was crucial in the structuring of the empirical section of my dissertation. In addition, your experience in accounting research helped me articulate my ideas and arguments clearly within the work. I would also like to express my deep gratitude to Professor Dr. David Wang'ombe from Strathmore University. Your extensive and detailed knowledge of the intersections between sustainability and accounting praxis were instrumental in prompting my interest in this field of study.

At this juncture, I would like to thank the Federal Commission for Scholarships for Foreign Students for granting me a Swiss Government Excellence Scholarship for three years. In addition, I acknowledge the constant support and advice from our scholarship co-ordinator Helen Obrist. I would also like to express my gratitude to Strathmore University for funding my first semester at the University of St. Gallen (HSG). I would not have been able to undertake my studies at the HSG without the support of both institutions.

I would also like to thank the graduate students who helped me in coding my data for the empirical section of my dissertation. The work would not have been completed without your efforts. In addition, I am eternally grateful to my friends and colleagues from the University of St. Gallen who patiently and painstakingly spent a lot of time

reading and correcting chapters of my dissertation. To Dr. Céline Bilolo, Carlos Martinez and Dr. Rocío Robinson, I am eternally grateful for all your help and support in editing my work. Special thanks to Molly Matama and Ruth Kinuthia for walking with me through this journey and many others. To my other friends who were like family during my time in Switzerland: Jonna Cohen, Amy Backes, Nicole Messer, Ashraf Montoya and Ksenia Golovko, your emotional support during this endeavour was immeasurable. I am also very grateful for the support of my friends and colleagues from the University of St. Gallen, Strathmore University and beyond.

I would like to thank my parents Anderson Wachira Kigotho and Lydiah Njoki Wachira, and my brother Kinyua Wachira, for their love, support and encouragement during this journey. I am so grateful for all the happiness, warmth and guidance I have always received from all of you. Finally, this entire process has been an exercise of my faith which I believe gave me the strength to see this through.

Mumbi Maria Wachira, University of St. Gallen

November, 2018

Table of Contents

Preface i

Acknowledgements ii

Abstract viii

Zusammenfassung ixx

List of Tables x

List of Figures...xii

List of Abbreviations xiii

Chapter 1 1

Introduction 1

1.1 Research Motivation: The Case for Sustainability Reporting (SR) in Africa......1

1.2 Research Problem and Objective..7

1.3 Research Questions and Research Design...10

1.4 Dissertation Structure 10

Chapter 2 13

The History and Foundations of Sustainability Reporting (SR) 13

2.1 Overview of the History and Foundations of SR 13

2.2 Sustainability and Justice 14

2.3 Distinguishing between Sustainability and Sustainable Development 18

2.3.1 Sustainability 18

2.3.2 Sustainable Development 25

2.4 Sustainability, Sustainable Development and Accounting................................28

2.5 Tracing the History of Sustainability Reporting Practice in the West 33

2.6 The African Case for Sustainability and Sustainable Development 41

2.6.1 Defining Emerging and Developing Economies 41

2.6.2 A Brief History of Post-Colonial sub-Saharan Africa.....................................42

2.6.3 The Responsibility of Corporations Operating in Africa 51

2.6.4 The History of Accounting Research in the sub-Saharan Region...................56

2.6.5 The State of Sustainability Reporting (SR) Research in sub-Saharan Africa 60

Chapter 3 75

Contextualization of the Study 75

3.1 Overview of the Choice of Contexts 75
3.2 SOUTH AFRICA: Equality Through Corporate Governance Reform 76
3.2.1 An Overview of the South African Context 76
3.2.2 Reforms in South Africa Post-Independence: RDP, GEAR and BEE 78
3.2.3 Corporate Citizenship and the Introduction of the King Reports 90
3.2.4 Johannesburg Securities Exchange Socially Responsible Investment Index 104
3.3 MAURITIUS: The Small Island Nation of the sub-Saharan Region 106
3.3.1 An Overview of the Mauritian Context 106
3.3.2 The Code of Corporate Governance for Mauritius 109
3.3.3 Stock Exchange of Mauritius Sustainability Index 114
3.4 KENYA: Towards Industry Driven Best Practices of SR 115
3.4.1 An Overview of the Kenyan Context 115
3.4.2 The Centre for Corporate Governance (CCG) Kenya 117
3.4.3 Codes of Corporate Governance in Kenya 118
3.5. International Guidelines for SR 123
3.5.1 The Global Reporting Initiative 123
3.5.2 The United Nations Global Compact 125
3.5.3 International Organization for Standardization 127
Chapter 4 130
Theoretical Framing and Hypotheses Development 130
4.1 Overview of Some Theories Applied in SR research 130
4.2 Institutional Theory 132
4.3 Africapitalism and Ubuntuism 136
4.4 SR and the Institutional Context of the Corporation 140
4.5 Empirical Review and Hypotheses Development 142
4.5.1 Country Specific Determinants 142
4.5.2 Company Specific Determinants 149
Chapter 5 156
Methodology 156
5.1 Overview of Approach to Research Methodology 156
5.2 Scientific Paradigm 157
5.3 Research Design 158

5.4 Data Collection and Analysis: Phase 1 159
5.4.1 Choosing the Framework 159
5.4.2 Categories and sub-Categories of Sustainability Disclosures 161
5.4.3 Choosing the Medium of Collection 164
5.4.4 Content Analysis 164
5.5 Data Collection and Analysis: Phase 2 173
5.5.1 Operationalization of Variables Drawn from Institutional Theory 173
5.5.2 Modelling 179
5.6 Description of Sample 182
Chapter 6 184
Presentation of Findings 184
6.1 Overview of Research Findings 184
6.2 Descriptive Statistics: Research Question 1 185
6.2.1 Aggregated SR Scores 185
6.2.2 Industry-to-Industry Comparison of SR Scores 186
6.2.3 Focus of SR disclosures 188
6.2.4 Correlations between SR Categories 194
6.2.5 Aggregated SR Scores for Matched Sub-Sample of Companies 197
6.3 Empirical Findings on the Determinants of SR 199
6.3.1 Descriptive Statistics: Research Question 2 199
6.3.2 Country Specific Determinants of SR 202
6.3.3. Company Specific Determinants of SR 209
6.4 Discussion of Empirical Findings 217
6.4.1 On the level of SR 217
6.4.2 On the Institutional Determinants of SR 221
Chapter 7 228
Implications and Recommendations 228
7.1 Implications 228
7.1.1 Theoretical Contributions 228
7.1.2 Practical Contributions 230
7.2 Research Limitations and Recommendations for Future Research 235
7.3 Thesis Based Summary 237
Bibliography 239

List of Appendices....283
Appendix A: Coverage of African Topics in 3 Major Accounting Journals 283
Appendix B: SR Content Index....284
Appendix C: Results from First Round of Coding SR Disclosures....288
Appendix D: Results from Second Round of Coding SR Disclosures....289
Appendix E: Sample of Publicly Listed Companies from South Africa, Mauritius and Kenya....290
Appendix F: SR scores from South African, Mauritian and Kenyan Listed Companies....293

Abstract

This dissertation investigates how locally developed codes of corporate governance and industry-led best practices have instigated the emergence of sustainability reporting (SR) in South Africa, Mauritius and Kenya. Though there has been past inquiry into the necessity for corporate accountability in Africa, there is a research gap in how SR practices meaningfully enable corporations operating on the continent to address deeply embedded developmental challenges. Moreover, a significant portion of SR related research has been skewed towards evidence drawn from Western economies, predominantly overlooking narratives from emerging and developing countries. The study therefore, contributes to understanding what institutional factors influence and shape the extent of SR among corporations operating in Africa. The findings demonstrate that SR disclosures hinge on issues pertaining to community engagement, specifically, corporate initiatives geared at promoting training, education, healthcare and overall socio-economic development of local communities. The main proposition is that fostering SR within emerging markets can aid in bridging the gap between broad socio-economic development goals and corporate action. The results also indicate that institutional factors pertaining to governance, economic and cultural systems have a positive and significant effect on the extent of SR observed. In addition, there is evidence suggesting the influence of mandatory reporting requirements and company specific characteristics on the extent of SR in South Africa, Mauritius and Kenya. While institutional theory is the prevailing paradigm adopted by the study, local conceptualizations of *Africapitalism* and *Ubuntuism* are also examined and quantified to explore their influence on the degree of SR. Both concepts provide an alternative lens to comprehending SR as they are emblematic of the strong community mentality present in African society. Ultimately, the findings support the argument for a context-specific approach to institutionalizing SR in Africa and calls for caution in homogenous applications of SR that overlook local cultural context.

Zusammenfassung

Die vorliegende Dissertation untersucht, in welcher Form lokal entwickelte Corporate Governance Kodizes und Best Practices aus der Industrie zur Entwicklung der Nachhaltigkeitsberichterstattung (NB) in Südafrika, Mauritius und Kenia beitrugen. In der Vergangenheit wurde zwar die Notwendigkeit der Rechenschaftspflicht afrikanischer Unternehmen aufgearbeitet. Hinsichtlich der Fragestellung, in welcher Form afrikanische Unternehmen durch Nachhaltigkeitspraktiken zur Bewältigung weitreichender Entwicklungsherausforderungen des Kontinents beitragen können, lässt sich in der Literatur dennoch eine Forschungslücke feststellen. Zudem stützen sich die Ergebnisse der Nachhaltigkeitsberichtsforschung in erster Linie auf westliche Volkswirtschaften und tragen somit dem Kontext von Schwellen- und Entwicklungsländern keine Rechnung. Diese Studie trägt maßgeblich zur Erklärung des Einflusses institutioneller Faktoren auf Ausgestaltung und Umfang der NB von afrikanischen Unternehmen bei. Die Ergebnisse zeigen, dass die bisherige NB stark auf das unternehmerische Engagement in der Gemeinschaft abzielt, im Speziellen auf Initiativen zur Förderung von Trainings, Bildung, Gesundheitswesen und grundsätzlich der sozio-ökonomischen Entwicklung des Gemeinwesens. Es wird argumentiert, dass die Förderung der NB in aufstrebenden Märkten dazu beitragen kann, die Brücke zwischen sozio-ökonomischen Entwicklungszielen und unternehmerischen Handelns zu schlagen. Die Ergebnisse zeigen einen positiven Zusammenhang von institutionellen Faktoren in Bezug auf Governance, Wirtschaft und kulturelle Systeme und dem Ausmass der NB. Außerdem lässt sich ableiten, dass regulatorisch verpflichtende Berichterstattung und unternehmensspezifische Eigenschaften das Ausmass der NB in Südafrika, Mauritius und Kenia positiv beeinflussen. Neben der institutionellen Theorie, die ein vorherrschendes Paradigma dieser Thesis darstellt, werden die Rolle lokaler Konzeptualisierungen, wie *Africapitalism* und *Ubuntuism* näher analysiert und quantifiziert. Die beiden Konzeptionen sind bezeichnend für die in afrikanischen Gesellschaften vorherrschende Gemeinschaftsmentalität und erlauben, einen alternativen Blickwinkel auf die NB einzunehmen. Zuletzt stützen die Ergebnisse das Argument für einen kontextspezifischen Ansatz zur Institutionalisierung der NB in Afrika und erfordern Behutsamkeit bei homogener Anwendung ohne Miteinbeziehung des kulturellen Kontexts.

List of Tables

Table 1: The Dimensions of Social Justice ... 15
Table 2: Do We Currently Satisfy the Conditions for Sustainability? ... 18
Table 3: Categories of Capital ... 20
Table 4: Conceptualizing Sustainability Through Inquiry ... 24
Table 5: Ecological and Socio-Political Scales ... 26
Table 6: Distinctions between Critical and Managerial Perspectives to Sustainability Reporting ... 32
Table 7: Accounting for Sustainability: A Timeline of Research ... 39
Table 8: Summary of SR Research in South Africa, Mauritius and Kenya ... 71
Table 9: Summary of Legislative Reforms after 1994 ... 83
Table 10: Levels of Black Ownership, Management and Inclusion ... 86
Table 11: Broad-based Black Economic Empowerment Scorecard ... 87
Table 12: BEE Codes of Good Practice: The Ownership Scorecard ... 88
Table 13: Suggested Sustainability Disclosures in NCCG ... 112
Table 14: Legislation and Codes ... 113
Table 15: Legislation and codes ... 122
Table 16: The 10 principles of the United Nations Global Compact ... 126
Table 17: General requirements of ISO 14001 ... 127
Table 18: Typology of Theories on SR ... 131
Table 19: Three Pillars of Institutions ... 134
Table 20: The Core Elements of Africapitalism ... 138
Table 21: Extended Performance Reporting Framework (EPRF) for SR: Sub-Categories ... 163
Table 22: Types of reliability ... 168
Table 23: Description, Operationalization and Sources of Independent Variables ... 177
Table 24: Sample of companies by industry ... 182
Table 25: SR Scores between 2013 and 2015 ... 185
Table 26: Industry Specific SR Scores between 2013-2015 ... 186
Table 27: SR Categories and sub-Categories ... 188
Table 28: Issues, Channels and Examples of Community Engagement Activities/Initiatives ... 192

Table 29: Correlation matrix of SR categories..195
Table 30: Results of Kruskal-Wallis Rank Test..196
Table 31: Matched Sample of Companies 197
Table 32: SR Scores between 2013 and 2015 (matched sample) 198
Table 33: Descriptive Statistics for Independent and Control Variables..................200
Table 34: Pairwise Correlations 201
Table 35: Country Specific Determinants of SR Based on Institutional Theorys 204
Table 36: Country Specific Determinants of GRI adoption Based on Institutional Theory 205
Table 37: Country Specific Determinants of SR Based on Institutional Theory (Matched Sample) 206
Table 38: Country Specific Determinants of SR based on Africapitalism and Ubuntuism 207
Table 39: Country Specific Determinants of GRI Adoption Based on Africapitalism and Ubuntuism 208
Table 40: Country Specific Determinants of SR based on Africapitalism and Ubuntuism (Matched Sample) 209
Table 41: Company Specific Determinants of SR 210
Table 42: Company Specific Determinants of GRI Adoption 211
Table 43: Discrete Change in Coefficients 212
Table 44: Company Specific Determinants of SR (Cross-Country Comparisons)...213
Table 45: Company Specific Determinants of SR (Matched Sample) 214
Table 46: Company Specific Determinants of SR (South African Sub-Sample) 215
Table 47: Summary of Findings from Multiple Regressions...................................216

List of Figures

Figure 1: Structure and content of the dissertation 12
Figure 2: A Summary of the Debate on the Responsibility of Corporations in Africa 55
Figure 3: African Values as Elucidated in King II 97
Figure 4: King Report on Corporate Governance in South Africa 104
Figure 5: Structure of GRI SR Standards 2016 124
Figure 6: SR and the Institutional Context of the Corporation 141
Figure 7: The Isomorphic Stages of SR 152
Figure 8: SR and the Institutional Context of the Organization 154
Figure 9: The Extended Performance Reporting Framework for SR: Main Categories 160
Figure 10: A Framework for Content Analysis 165
Figure 11: Excerpt from coding manual 167
Figure 12: First Round of Coding Sustainability Disclosure Items 171
Figure 13: Second Round of Coding Individual SR Items 172
Figure 14: Industry Specific SR scores between 2013 and 2015 (select industries) .. 187

List of Abbreviations

ACCA	Association of Chartered Certified Accountants
ANC	African National Congress
B-BBEE	Broad-based Black Economic Empowerment
BEE	Black Economic Empowerment
BRIC	Brazil, Russia, India and China
CACG	Commonwealth Association for Corporate Governance
CCG	Centre for Corporate Governance
CERES	Coalition for Environmentally Responsible Economies
cf.	Confer
CMA	Capital Markets Authority
COTU	Central Organization of Trade Unions
CSR	Corporate Social Responsibility
DBSA	Development Bank of South Africa
DRC	Democratic Republic of Congo
EIC	East India Company
EMA	Environmental Management Accounting
EMS	Environmental Management System
EPRF	Extended Performance Reporting Framework
EPZ	Export Processing Zone
ESG	Environmental, Social and Governance
FDI	Foreign Direct Investment
FTSE	Financial Times Stock Exchange
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Development
GEAR	Growth, Employment and Distribution
GRI	Global Reporting Initiative
GTZ	Gesellschaft für Technische Zusammenarbeit

IAS	International Accounting Standards
IASB	International Accounting Standards Board
Ibid	Ibidem (Latin, meaning “in the same place”)
ICPAK	Institute of Certified Public Accountants of Kenya
IFC	International Finance Corporation
IFDA	International Foundation for Development Alternatives
IFRS	International Financial Reporting Standards
IIED	International Institute for Environmental Development
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
IoDSA	Institute of Directors in South Africa
IPCC	Intergovernmental Panel on Climate Change
IR	Integrated Reporting
ISO	International Standards Organization
IT	Information Technology
IUCN	International Union for the Conservation of Nature
FDI	Foreign Direct Investment
FiRE	Financial Reporting (Award)
JSE	Johannesburg Stock Exchange
JSE-SRI	Johannesburg Stock Exchange-Socially Responsible Index
KNBS	Kenya National Bureau of Statistics
KPMG	Klynveld Peat Marwick Goerdeler
LDC	Least Developed Country
MID	Maurice ile Durable
MMSD	Minerals, Mining and Sustainable Development
MNC	Multinational Company
MTF	Margaret Thatcher Foundation
NBI	National Business Initiative
NCCG	National Committee on Corporate Governance

NGO	Non-Governmental Organization
NSE	Nairobi Securities Exchange
NZBCSD	New Zealand Business Council for Sustainable Development
OECD	Organization for Economic Cooperation and Development
OHSAS	Occupational Health and Safety Assessment Specification
PRI	Principles for Responsible Investment
PSICG	Private Sector Initiative for Corporate Governance
RDP	Reconstruction and Development Program
ROSC	Reports on the Observance of Standards and Codes
SAP	Structural Adjustment Programme
SAPRIN	Structural Adjustment Participatory Review International Network
SD	Sustainable Development
SDG	Sustainable Development Goal
SEA	Social and Environmental Accounting
SEM	Security Exchange of Mauritius
SEMSI	Security Exchange of Mauritius Sustainability Index
SIDS	Small Island Developing State
SGR	Standard Gauge Railway
SME	Small and Medium Enterprise
SOE	State-Owned Enterprise
SRI	Socially Responsible Investment
SR	Sustainability Reporting
SSE	Statistics South Africa
TBL	Triple Bottom Line
TGE	The Global Economy.com
UHMK	Union Minière du Haut Katanga
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme

UNEP	United Nations Environment Programme
UNEP FI	United Nations Environment Programme Finance Initiative
UNGC	United Nations Global Compact
VPR	Visual Participatory Research
VRA	Volta River Authority
WBSCD	World Business Council for Sustainable Development
WCED	World Commission on Environment and Development
WEF	World Economic Forum
WTTC	World Travel and Tourism Council

Chapter 1

Introduction

1.1 Research Motivation: The Case for Sustainability Reporting (SR) in Africa

"Today we are faced with a challenge that calls for a shift in our thinking, so that humanity stops threatening its life-support system. We are called to assist the Earth to heal her wounds and in the process heal our own - indeed to embrace the whole of creation in all its diversity, beauty and wonder. Recognizing that sustainable development, democracy and peace are indivisible is an idea whose time has come" - Wangari Maathai

Notions of sustainability and sustainable development that rose to prominence in the late 20th century, have brought to the fore discussions on mankind's interaction with the physical environment.[1] Both concepts connote the necessity to build and maintain just societies, preserve sources of natural capital and to strike a balance between the needs of present and future societies.[2] These are noble ideals that must be pursued at international, national, communal and household levels.[3] Companies are therefore essential in any progress towards sustainability and sustainable development because they account for a large portion of the world's economic activity. They are collective centres of power in control of several of the earth's resources, technology and innovation. As a result, their activities have direct and indirect impacts on society and

1 cf. GRAY (1994), p. 17.
2 cf. BLEWITT (2008), p. 4; DALY (1990), p. 5; ROBINSON (2004) , pp. 369-370, 382.
3 cf. GRAY (1994), p. 17.

the environment.[4] It follows that if companies are to contribute towards sustainable development and sustainability, then there is a strong case to be made for accounting and reporting systems which can foster this endeavour.[5]

One of the ways in which businesses provide an account for their interactions with nature and society is through sustainability reporting (SR). For purposes of this dissertation, the definition provided by GRAY (2006) is used, as it describes SR as a form of reporting and/or practice that gives information on an entity's ecological footprint and ways in which that footprint can be reduced to sustainable levels. SR also encapsulates how corporations report on their activities to reverse heightened "disparities in wealth and consumption."[6] This definition counters core tenets of corporate activity and by extension the capitalistic orientation of the global economy.

Milton FRIEDMAN (1970)'s renown commentary on social responsibility being a "fundamentally subversive doctrine in a free society" and on corporations bearing one sole responsibility which is ultimately to "use resources and engage in activities designed to increase [their] profits" is directly challenged by SR.[7] Though FRIEDMAN (1970)'s assertions were based on sound deductions of how firms exist and operate in a free market economy, the current state of the world indicates that this perspective is inadequate in meeting the global challenges we are facing almost 50 years later. As stated earlier, corporations do not operate in a vacuum and constitute powerful and composite elements of the wider society.

Global challenges of poverty, climate change and resource depletion among other issues on the one hand, have a material impact on corporate strategic decision making.[8] Markedly, the sustainable development goals (SDGs) have been established and set a clear path for all forms of organizations.[9] There is, therefore, a business case for companies to account for their interactions with society and nature. Indeed, an increasing number of corporations express their commitment to addressing issues to do

[4] cf. DOBERS & HALME (2009), pp. 239-241; IDEMUDIA (2011), p. 239.
[5] cf. DYLLICK & HOCKERTS (2002), p. 133.
[6] cf. GRAY (2006), p. 809. Notably in this dissertation, the word 'practice' is used often in tandem or synonymously with 'sustainability reporting' to connote the procedures taken to record transactions.
[7] cf. FRIEDMAN (1970).
[8] cf. DYLLICK & MUFF (2016), p. 160.
[9] cf. UNDP (2015), p. 27.

with sustainability and how to contribute towards sustainable development.[10] According to a survey conducted by KPMG, 93% of the world's 250 largest firms issued sustainability reports in 2015, with growing trends of similar reporting patterns in the Middle East, Africa and in Latin America.[11] Several prior research studies have thus attempted to draw causative links between the financial performance of companies and sustainability reporting.[12]

Yet, studies monitoring the state of the planet indicate growing levels of inequity, rising global temperatures and an overall failure in eradicating poverty among other global challenges.[13] There is a clear incongruity between progress at the micro-level brought about by increased SR disclosure by companies, and regression at the macro-level in form of the current deteriorating state of the global environment and society.[14] Thus, how should businesses account for their social and ecological impacts relative to the contexts they operate in? This query shifts the discussion to the contextualization of this study.

The African continent has often been discussed from two juxtaposed points of view most aptly described by *The Economist* as "The Hopeless Continent" in 2002 and then later in 2011 as "Africa Rising".[15] As stated by NDEGWA and GREEN (1994), "Africa's image abroad is increasingly that of a continent which has absorbed much aid and has nothing to show for it, a gloomy continent with so many serious internal problems that economic and social development seems a virtual impossibility."[16] This proposition argued that the region was characterized by deeply embedded development crises rooted in heightened levels of poverty, conflict, dependency and weak regulatory institutions among other problems.[17] "Africa Rising", on the other hand, described the continent as

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10 According to a survey conducted by KPMG, 93% of the world's 250 largest firms issued sustainability reports in 2017 with growing trends of similar reporting patterns in the Middle East, Africa and in Latin America. See KPMG (2017) for a comprehensive discussion of global trends in SR.

11 See KPMG (2017) for a comprehensive discussion of global trends in SR.

12 Several prior studies have attempted to draw causative links between the financial performance of companies and sustainability reporting. See for example studies by BELKAOUI & KARPIK (1989), FIGGE & HAHN (2002) and HOCKERTS (1999). The business case argument is elaborated on at length in Chapters 2.2 and 2.4.3 of this dissertation.

13 cf. DYLLICK & MUFF (2016), p. 157; IPCC (2014).

14 cf. DYLLICK & MUFF (2016), p. 60.

15 cf. THE ECONOMIST (2000/2011).

16 cf. NDEGWA & GREEN (1994), p. 119.

17 cf. ARRIGHI (2002), p. 5; HONG (2015), p. 16.

an upcoming success story viewed through the lens of elevated economic growth and the integration of several nations into the global economy.[18]

Both views are problematic as they offer largely singular and incomplete representations of the region's diversity and complexity. The first view has been critiqued for its suggestion of a uniform state of 'hopelessness' with little regard for regional and economic differences across the continent.[19] The 'rising' narrative emphasized the progress made by several African states, especially in terms of economic growth, but fell short in acknowledging that this progress has been fuelled primarily through neo-liberal policies which obscure prevailing sustainability challenges in many countries.[20] Despite the continent's increasing inclusion in financial markets, most countries lag behind in exportable commodities. More specifically, the continent's share of world trade is approximated to be at just 3%.[21] Additionally, problems of fragile economic and political institutions continue to persist, thus, the reality for most African countries exists somewhere in the middle of both narratives.[22]

Given the nature of the region's socio-political and environmental conditions, it is necessary to inquire into the role played by the private sector in contributing towards sustainability and sustainable development in Africa.[23] There are three overarching points of view deliberated on in research, surmised as the government deficit argument, the business case argument and the societal expectation argument.[24] The first argument asserts that a combination of weak regulatory structures and neoliberal policies levied on post-colonial African countries have resulted in governments being incapable in fulfilling their mandate of providing public goods for their citizens.[25] Corporations in Africa, therefore, have an obligation to voluntarily engage with SR and to link their

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18 cf. HONG (2015), p. 16.

19 Ibid., p. 16.

20 cf. EDOZIE (2017), p. vi; NDEGWA & GREEN (1994), p. 119.

21 cf. MOGHALU (2014), p. 6. Additionally, MOGHALU (2014) discusses how the combined GDP of all African countries amounted to India's GDP in 2010. Even more surprising, the total electricity produced in sub-Saharan Africa is roughly equivalent to Spain's production of the same.

22 It should be noted though, that the extent to which either perception is more accurate affects how external actors engage with the continent. Consider NDEGWA & GREEN (1994), pp. 119-121.

23 cf. AMAESHI & IDEMUDIA (2015), p. 212; IDEMUDIA (2014), p. 422.

24 cf. IDEMUDIA (2014), pp. 423-424.

25 cf. BLOWFIELD (2010), p. 516; FITZPATRICK, FONSECA, & MCALLISTER (2011), p. 378.

actions towards resolving challenges to sustainability. From a Western point of view, these actions would conventionally accrue to state governments.

The second argument proposes that engaging in SR leads to tangible and intangible benefits for both business and society. For firms, some of the benefits accruing are reduced operational costs of doing of business and improved reputation.[26] SR, therefore, gives companies some degree of competitive advantage. The society and environment also receive the benefits from corporate actions as an outcome of SR, for example, through community engagement, such as education initiatives.[27] This is an attractive proposition, but it is unclear to what extent the corporation can extend such activities to macro-level developmental issues.[28]

The final argument suggests that companies are part of the societies in which they operate and are therefore, only as valuable as their contribution to the surrounding community. Thus, corporations are expected to actively and continuously contribute towards the development of local communities.[29] Failure to meet the societal expectations of the wider community has the potential to trigger a legitimacy crisis and lead to the loss of their "social license to operate."[30] These three arguments give a foundational basis for how and why the business community must place itself at the epicentre of contributing towards sustainable development and sustainability in Africa. All arguments underscore one crucial point: corporations operating in Africa cannot function independently from the society and their surrounding environment. Naturally, the premise of SR provides an attractive avenue to accomplish this task. There are however, considerations to be made when it comes to the practicalities of how SR is conducted and implemented within African business environments.

[26] cf. DYLLICK & MUFF (2016), p. 2.

[27] This is particularly for multinational corporations in extractive industries that operate in Africa. Consider a case study conducted by GARCÍA-RODRÍGUEZ ET AL. (2013) which demonstrated how a majority French-owned multinational company (MNC) contributed towards environmental preservation in Angola.

[28] cf. EDOHO (2008), p. 210; GARCÍA-RODRÍGUEZ ET AL. (2013), p. 375

[29] cf. MZEMBE & MEATON (2014), p. 194.

[30] cf. IDEMUDIA (2009a), p. 133.

First, Africa has a total of 29 security exchanges which represent 38 capital markets in the region.[31] International Financial Reporting Standards (IFRS) have been implemented by 30 (out of 54) countries.[32] While the adoption of IFRS connotes quality and professionalization of accounting practices, the accounting profession in most African countries remains underdeveloped and inefficient.[33] There are disparities in the level of transparency and the extent of IFRS adoption across various African regions.[34] Apart from weak accounting and legal systems, other issues such as incompetence of accounting professionals,[35] and underdeveloped financial markets among other shortcomings, limit the advancement of accounting practices in Africa.[36]

The implementation of SR among listed entities in the region is even more taxing primarily because there is no internationally accepted standard of SR; the practice remains largely voluntary on a global scale. Though SR is not governed by universal accounting standards, there are bodies such as the Global Reporting Initiative (GRI) which work to provide companies and other institutions with guidance for SR.[37] Despite the efforts of the GRI and other similar bodies, less than 13% of the sustainability reports in 2013 issued by public companies on a global scale were from Africa.[38] According to KPMG (2017), approximately 52% of companies operating in the Middle East and Africa provided sustainability-related disclosures in 2015.[39] The uptake of SR is thus, very low which possibly explains the dearth of research covering SR topics in Africa.[40] Additionally, this gap of inquiry into how SR is practiced in Africa persists for the following reasons.

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31 cf. ASEA (2017).

32 cf. IFRS (2018).

33 cf. OWOLABI & IYOHA (2012), p. 79.

34 cf. CRITTENDEN II & CRITTENDEN (2014), p. 11.

35 The incompetency of accounting professionals is not only a by-product of poor training or accounting education, but because of a lack of coherence between local accounting standard setting bodies and institutions that are responsible for certifying accountants. See for example, SEDZANI (2012), pp. 77-78.

36 Ibid., pp. 12-14, 16.

37 cf. GRI (2018).

38 cf. GRI (2013a), p. 5.

39 cf. KPMG (2017), p. 11. Notably, the Middle East and Africa are lumped as one region in the report and the findings are based on the top 100 largest companies per country surveyed.

40 DARTEY-BAAH & AMPONSAH-TAWIAH (2011); KIVUITU, YAMBAYAMBA, & BOX (2005); KUEHN, STIGLBAUER, & FIFKA (2018), p. 437.

First, African companies have been excluded from international comparative studies due to their comparatively smaller size in relation to larger multi-national entities abroad. Even for studies with relatively large samples, for instance, Fortune Global 500 firms, very few companies with operations in Africa are represented in the ranking.[41] Next, as described by KOLK and LENFANT (2010), "it is difficult to do research in countries where governance and institutional structures are in flux, and where violent conflicts are prevalent."[42] Consequently, the availability of reliable and regular sources of secondary data is not guaranteed.[43] Finally, not only does the socio-political and environmental landscape in Africa make research more difficult, it also creates an expectation that SR is less developed in these countries.[44] Thus, the scholarship on SR in Africa has remained fragmented and limited in scope which leads to the research problem.

1.2 Research Problem and Objective

Though the conception of the necessity for corporate responsibility and transparency in Africa is not new, there is a paucity of research that addresses how accounting praxis can meaningfully enable African corporations to address developmental challenges.[45] Given the inefficiency of governance structures in most regions in sub-Saharan Africa, the private sector is placed as one of the main institutions that can deliver social and economic progress.[46] There is therefore, a extant gap in documenting whether and how corporations operating in Africa provide an account for their societal and environmental interactions.[47]

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41 As of 2017, 11 Fortune 500 companies have headquarters in Africa. MORHARDT (2010)'s study for example, explored the extent of sustainability disclosures provided on the websites of Fortune Global 500 companies and KOLK & LENFANT (2010) also noted that most international companies do not have major operations in Africa with the exception of mining companies.

42 cf. KOLK & LENFANT (2010), p. 242; RAHAMAN (2010), p. 421.

43 cf. RAHAMAN (2010), p. 421. Refer to Appendix A of this dissertation. Problems of data unavailability have contributed to systematic exclusion of African issues in mainstream research publications

44 cf. ROSSOUW (2000), p. 225; VISSER (2006), p. 19.

45 cf. RAHAMAN (2010), pp. 421, 426. Appendix A provides a summary of research articles published by 3 main critical accounting journals i.e. Critical Perspectives on Accounting, Accounting, Organizations and Society and Accounting, Auditing and Accountability Journal on issues related to Africa.

46 cf. KUEHN, STIGLBAUER, & FIFKA (2018), p. 439.

47 cf. BARKEMEYER, PREUSS, & LEE (2015), p. 312.

As discussed previously, the state of SR research in African countries (and other developing and emerging markets) is dismally low.[48] Yet, the history, development, standardization and research of SR stems primarily from Europe and Northern America, which casts doubt concerning the relevance of certain SR disclosures for Africa's context.[49] For instance, international guidance on SR provided by institutions such as the Global Reporting Initiative (GRI) or the United Nations Global Compact (UNGC), has been described as limited in scope, "since their content may not be sufficiently responsive to African contexts."[50] Additionally, corporations are also constantly confronted with the challenge of balancing local responsiveness with global integration. Thus, to what extent do corporations operating in Africa engage in SR? and what areas of SR do they focus on and why?

Furthermore, though prior research has and continues to document the benefits, challenges and overall effects of SR,[51] questions still linger surrounding what form SR disclosures take across countries, why the focus changes over time and what contextual factors explain these changes.[52] A significant portion of prior literature has been framed from a developed market perspective which has arguably led to an unbalanced theoretical view of SR.[53] Research on how emerging and developing economies approach SR is thus, essential because present conceptualizations, frameworks and approaches to SR may be reflective of realities in developed contexts as opposed to emerging or developing ones. There are contextual differences in cultural values, social norms and priorities which influence the incidence of SR.[54] Hence, what institutional factors influence and shape the incidence of SR in Africa?

When it comes to the choice of contexts, that is, the relevant African countries for analysis of SR, some careful considerations must be made. First, it is imperative to consider those countries that have taken deliberate steps to institutionalise SR at a

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48 cf. JAMALI & MIRSHAK (2007), p. 260; KUEHN ET AL. (2018), p. 438; RAHAMAN (2010), p. 421.

49 cf. DOBERS & HALME (2009), p. 241.

50 cf. HAMANN (20060, p. 188; MUTHURI & GILBERT (2011), p. 468.

51 cf. ARAS & CROWTHER (2009); GATTI & SEELE (2014); KOLK (2003); LESZCZYNSKA (2012); MURGU (2013); VORMEDAL & RUUD (2009).

52 cf. DOBERS & HALME (2009), pp. 238-239; JAMALI & MIRSHAK (2007), p. 260.

53 cf. BUCKLEY (2012); GATTI & SEELE (2014); HAHN & KÜHNEN (2013); LESZCZYNSKA (2012); ZIMARA & EIDAM (2015).

54 cf. BLOWFIELD & FRYNAS (2005), p. 500.

corporate level.[55] One of the central ways of institutionalizing SR is to create and enforce regulatory frameworks that foster good corporate governance, that is, "the set of processes, policies, laws and institutions affecting the way a company is directed."[56] Corporate governance contributes to the economic success and long-term sustainability of businesses.[57]

Among the most encouraging developments in corporate governance reform on the continent are the diverse initiatives to develop local codes of corporate governance.[58] While several countries have national codes of corporate governance such as Tanzania, Nigeria, Ghana and Uganda among other countries,[59] South Africa, Kenya and Mauritius employ national codes characterised by inclusive forms of corporate governance that foster diverse stakeholder engagement.[60] An inclusive form of corporate governance is one where directors are not only accountable to investors, but are also responsible to all other stakeholders in the company. The very premise of SR supports a multi-faceted form of accountability which explains why the choice of these three countries is appropriate for this study.[61] Thus, this dissertation aims to illustrate how locally developed codes of corporate governance have instigated the emergence of SR in South Africa, Mauritius and Kenya. It is upon these considerations that the following research questions are framed in section 1.3.

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55 At this juncture it should be noted that a large percentage of Africa's economy is informal and estimated at an average of 41% of total GDP. See ILO (2018) and IMF (2017). However, on a global scale SR is still largely conducted by publicly listed entities which is why the informal sector is excluded from this analysis.

56 cf. BERNDT & LEIBFRIED (2007), p. 397; ROSSOUW (2005), p. 95.

57 cf. BERNDT & LEIBFRIED (2007), pp. 397-398. As aptly stated by ARMSTRONG, SEGAL, & DAVIS (2005), p. 2, corporate governance ensures "corporations act as good corporate citizens with regard to human rights, social responsibility and environment.

58 cf. ROSSOUW (2005), p. 96.

59 For example codes of corporate governance in Uganda, Nigeria, Ghana and Tanzania can be reviewed on CMA (2003), FRC (2016), SEC (2010) and CMSA (2002) respectively.

60 cf. ROSSOUW (2005), pp. 97-99.

61 cf. WEST (2006), p. 436.

1.3 Research Questions and Research Design

The two overarching questions posed by this dissertation are as follows:

Research Question 1: What is the level of sustainability reporting among publicly listed companies in South Africa, Mauritius and Kenya?

Research Question 2: What are the factors that influence the level of sustainability reporting among publicly listed companies in South Africa, Mauritius and Kenya?

This thesis is a contribution towards understanding how SR is emerging within a sub-Saharan context. The research questions posed are addressed in two sequential phases. In a first step, content analysis procedures are applied to gauge the extent of SR observed among publicly listed companies in South Africa, Mauritius and Kenya. The second step entails establishing what factors influence the level of SR among listed firms in the three countries. Institutional theory is used as the overarching paradigm in determining what potential factors can influence the extent of SR. In addition, Afro-centric precepts of *Africapitalism* and *Ubuntuism* are introduced as alternative perspectives to contextualizing SR in sub-Saharan Africa.

1.4 Dissertation Structure

The dissertation is structured as follows: Chapter 2 provides a detailed discussion of the foundations and history of sustainability reporting (SR). Concepts of sustainability and sustainable development and their connection to SR are elucidated on in the chapter, followed by arguments that support the necessity for corporate responsibility in sub-Saharan Africa. The chapter also reviews the current state of SR research in the region and deliberates on gaps in the extant literature. Chapter 3 contextualizes the study and provides justification for choosing South Africa, Mauritius and Kenya as bases for the analysis. Developments of local codes of corporate governance across the three regions are elaborated on, in addition to the role they play in enhancing SR. In addition, international standards of SR applied within the three countries (plus in other areas in sub-Saharan Africa) are also briefly discussed.

The theoretical framework underpinning the study is then presented in Chapter 4. The chapter elaborates on why an institutional approach to understanding SR is appropriate for this study. Locally developed concepts of *Ubuntuism* and *Africapitalism* are also introduced and framed as African approaches to understanding corporate responsibility and accountability on the continent. The chapter culminates in an empirical review of country and company level determinants of SR and associated hypotheses to be tested in this thesis. Chapter 5 summarizes the research methodology applied to answer both research questions. The chapter describes the data collection and analysis procedures applied in the study. Specifically, the content analysis procedures undertaken to answer the first research question pertaining to the level of SR is described in detail. Next, the determinants of SR hypothesised in Chapter 4 are operationalized into empirical constructs for multiple regression analysis.

Chapter 6 presents and discusses the results obtained from the first and second research question consecutively. The extent of SR observed and the focus of SR disclosures in the three countries between 2013 to 2015 is extensively discussed. Cross-country and industry comparisons are made to illustrate common and unprecedented patterns of SR disclosures. The chapter concludes with a discussion of the results obtained from the empirical analysis. Chapter 7 elaborates on the theoretical and practical implications of the findings. Recommendations for future research are presented considering some of this thesis's limitations. Finally, a summary of the entire dissertation is provided at the end of the chapter. The dissertation structure is presented diagrammatically in Figure 1.

Figure 1: Structure and content of the dissertation

Chapter 1: Introduction
Research field
-Definition, rationale and the necessity for sustainability reporting (SR) in Africa
Research questions
-What is the level of SR in South Africa, Mauritius and Kenya?
-What factors influence the level of SR in South Africa, Mauritius and Kenya?

Chapter 2: The History and foundations of SR
Sustainability and Sustainable Development
-Definition of both concepts and their connection to accounting practice
History of SR
-An in-depth examination of the development of SR in North America and Europe
SR in Africa
-Contextualizing the necessity for corporate SR in sub-Saharan Africa
-The current state of SR research in South Africa, Mauritius and Kenya

Chapter 3: Contextualization of the study
Choice of contexts
-Rationale for choosing South Africa, Mauritius and Kenya as the contexts for analysis
Corporate governance reform
-Review and comparison of the development of corporate governance reform in the three countries
-Review of selected international guidance for SR

Chapter 4: Theoretical framing and hypotheses development
Theoretical foundations of the study
-Rationale for choosing institutional theory for the study
-Introduction of locally developed concepts of *Africapitalism* and *Ubuntuism*
Development of hypotheses
-Empirical review of the determinants of SR and formulation of hypotheses

Chapter 5: Methodology
Research design
-Description of Extended Performance Reporting Framework (EPRF) for codifying SR disclosures
-Phase 1: Content analysis procedures
-Phase 2: Operationalization of the determinants of SR

Chapter 6: Presentation of findings
Results from content analysis and multiple regressions
-Descriptive statistics on the level of SR in South Africa, Mauritius and Kenya
-Empirical findings on the determinants of SR in South Africa, Mauritius and Kenya

Chapter 7: Conclusions, Implications and Recommendations
Discussion of contributions
-Theoretical and practical contributions of the study are provided
-Recommendations for future research are also provided in view of some of the limitations of the study

Source: Own illustration.

Chapter 2

The History and Foundations of Sustainability Reporting (SR)

2.1 Overview of the History and Foundations of SR

Sustainability is an incredibly composite notion with multiple applications in social sciences, economics and biological fields of research among others. Due to its multidisciplinary nature, its application in accounting has often been associated with other notions of corporate responsibility, corporate citizenship, corporate governance, environmental accounting, social reporting etc. In Chapter 2.2, the foundation of the sustainability concept is discussed with emphasis on its roots in social and environmental justice. Next, the differences between sustainability and sustainable development are elaborated on in Chapters 2.3.1 and 2.3.2, followed closely by how these two concepts intersect with conventional accounting practice in section 2.4.[62] Consequently, Chapter 2.4 provides a historical discussion of how sustainability reporting developed from the middle of the 20th century until the present. Section 2.6 introduces sustainability and sustainable development in the context of Africa and the challenges to achieving sustainability faced by most sub-Saharan countries and the root causes of these challenges are discussed and then framed in the perspective of corporate actions and responsibility. Chapter 2.6 eventually culminates in a detailed analysis of the works of a select group of authors who have contributed to sustainability reporting research in Africa and more specifically within the three contexts chosen for this study.

62 The words 'chapter' and 'section' are used synonymously in this thesis.

2.2 Sustainability and Justice

In this section, the inextricable link between sustainability and the various forms of justice is discussed. Investigating the justice dimension of sustainability is essential to understanding the necessity for and significance of sustainability reporting. The term 'sustainability' is a very contested concept which is poorly reflected and understood in corporate accounting systems.[63] One of the main contentions has been the framing of 'sustainability' as a determinable corporate activity rather than a wider societal necessity that is advocated for normatively.[64] Additionally, as discussed in LIVESEY and KEARINS (2002), sustainability reporting "must be seen as part of a wider discursive struggle [in the wake of] the rise of […] social justice movements."[65] There is therefore, an urgent need to clarify its meaning and its association to justice which is also evidenced by multi-disciplinary streams of research contending that justice is a pre-requisite for any discussion based on sustainability.[66]

The literal meaning of sustainability is the capacity to sustain, continue or maintain a state of being; this can be in form of maintaining societal systems, ecology, capital or even evolutionary processes.[67] However, defining sustainability solely on the premise of continuing a current state ignores the normative dimension of the concept.[68] At the core of sustainability are principles of normative justice, which implies that the concept requires ethical and moral criteria to establish what systems, objects and processes ought to be maintained.[69] Though normative justice is an integral aspect of sustainability, there are still other forms of justice that must be considered to conceptualize sustainability.

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63 cf. GRAY, OWEN, & MAUNDERS (1988), p. 10-12.

64 See the synthesised remarks made by PETERSON (1997), p. 22.

65 cf. LIVESEY & KEARINS (2002), p. 253. Similar arguments are also made in KILLINGSWORTH & PALMER (1992), p. 385, as they assert that the progress of corporations should move beyond the achievement of financial profitability at the expense of environmental and social justice.

66 cf. CHRISTEN & SCHMIDT (2012); DERISSEN, QUAAS, & BAUMGAERTNER (2011); DOBSON (1998).

67 cf. STUMPF, BAUMGAERTNER, BECK, & SIEVERS-GLOTZBACH (2015), p. 7443.

68 Sustainability as described in the Brundtland Report is based on the premise that all have a right to a decent life. The Brundtland Report (also referred to as Our Common Future) is the outcome of the World Commission on Environment and Development-a commission convened by the United Nations that addresses the consequences of the accelerating deterioration of the human environment and natural resources. See WCED (1987).

69 cf. CHRISTEN & SCHMIDT (2012), p. 404; STUMPF ET AL. (2015), p. 7444.

Distributive justice, for example, entails the crucial task of equitably distributing goods and services to society. Political justice goes hand in hand with distributive justice because goods that cannot be distributed should be ensured, for instance, the right to participate in legal processes. Sustainability therefore, is comprised of political, normative and distributive forms of justice, summarily social justice.

If indeed sustainability is based on foundations of social justice, then it becomes even more imperative to understand to whom justice is owed and in what measure.[70] Additionally, these forms of justice are not simply applicable within generations that is, what is referred to as intra-generational justice, but also between different generations, i.e., inter-generational justice.[71] BECKER (2009) adds another element and defines justice between human beings and nature which he terms as physiocentric ethics.[72] Table 1 is an extract from DOBSON (1998) illustrating dimensions of justice in terms of both present and future generations and is structured as follows.[73] The first column covers recipients and refers to the previous discussion: social justice cuts across generations.

Table 1: The Dimensions of Social Justice

Recipients	What is the basic structure?	What is distributed?	Principle of distribution
PG HBs	Impartial-procedural-universal	Benefits and burdens	Needs
FG HBs	Impartial-procedural-universal	Environmental goods/bads	Desert
Note: PG = present generation; FG = future generation; HBs = human beings.			

Source: Adapted from DOBSON (1998), p. 63.

The second column posing the question, 'What is the basic structure?' addresses questions regarding impartiality, proceduralism, and universalism. Impartiality connotes the objectivity or neutrality of justice specifically when it comes to philosophies of what is good for human beings. The alternative view to impartiality is substantiveness which considers the appropriateness of any theory of justice in achieving the given notion of the good-which would be sustainability.[74]

70 DOBSON (1998), p. 7 attempts to draw parallels between environmental sustainability and various forms of justice. His distinction between ethical treatment and social justice is particularly insightful.

71 cf. BAUMGÄRTNER & QUAAS (2010), p. 446.

72 cf. BECKER (2009), p. 23.

73 Table 1 is an extract from DOBSON (1998), p. 63. The full table also includes dimensions of justice due for sentient beings, i.e. animals and plants in present and future generations.

74 cf. BARRY (1996), pp. 81, 84.

Procedural justice is based on how an action is deemed or judged to be just or not. The argument proposed is if a situation has arisen out of just procedures, then it is just. Alternatively, the opposite argument which is consequentialism assesses and judges an outcome based on a pre-existing external standard or baseline. Proceduralists consider the sum of just actions taken to achieve the goal, in this case sustainability whereas those who favour the consequential argument would focus on the final goal or outcome and if it is just in itself. Arguably, for consequentialists the ends justify the means. Finally, the opposite of universalism is particularism. If we consider aspects of distribution, then the distinction between the two becomes apparent. For instance, should goods and services be distributed equitably across societies or should it depend on stages of economic development? Furthermore, societies may not value certain goods and services in the same measure.[75] This tension between precepts of universalism and particularism are especially relevant when it comes to the divide between developed, emerging and developing economies, which is why these conceptualizations are of importance for this thesis. Though DOBSON (1998), provides a compelling argument for universalism, his argument reflects the ideal and not necessarily the reality. WALZER (1983) for example states:

"different social goods ought to be distributed for different reasons, in accordance with different procedures, by different agents; and that all these differences derive from different understandings of the social goods themselves-the inevitable product of historical and cultural pluralism."[76]

The fourth column of Table 1 concerns the principles of distribution and categorises them as either needs or deserts. A Marxian approach to defining needs as stated in DOBSON (1998), would be "from each according to his ability, to each according to his needs"; whereas deserts would be "the individual receives back from society […] exactly what he gives to it."[77] Specifically for future generations, it becomes a very complex endeavour to establish what exactly is due to them and how much. Though

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75 cf. DOBSON (1998), p. 271.

76 cf. WALZER (1983), p. 6. For a comprehensive review of WALZER (1983)'s seminal work consider COHEN (1986).

77 cf. DOBSON (1998).

sustainability and social justice are inseparable, the process through which organs and institutions of society are to approach sustainability become even further convoluted.

Finally, a last view on justice as a pre-requisite for sustainability can also be taken from an eco-justice, eco-efficient and eco-effectiveness perspective.[78] Eco-justice encompasses equal rights of all people (within and across generations) to natural resources as well as equity between communities and individuals, whereas, eco-efficiency is based on lowering material and energy inputs per unit of production.[79] Eco-efficiency can be calculated as economic value added by an entity in relation to its total ecological impact, and as a result, it has often been cited as the way in which corporations can contribute towards environmental preservation.[80] Eco-efficiency should not be compounded with eco-effectiveness, which focuses on the quality of inputs and processes that are adapted to be renewable and healthy from the onset.[81]

DYLLICK and HOCKERTS (2002) illustrate the main difference between eco-efficiency and eco-effectiveness by using the example of efficient cars.[82] Approximately 70% of the global population cannot afford cars to meet their individual needs for mobility. An eco-efficient solution to this problem would be for car companies to improve the overall fuel efficiency and cost of cars. The shortcoming with this view is that the number of cars purchased would be likely to increase, which would exacerbate the level of CO_2 emissions on a global scale. Alternatively, an eco-effective solution to the same problem would probably shift attention away from fuel efficiency to renewable technology, take for example, solar powered fuelled cells. Hence, elements of eco-justice, eco-efficiency and eco-effectiveness jointly form a premise for sustainability.

Following the Rio+5 Summit, which was organized five years after the Earth Summit, GRAY and BEBBINGTON (2000) illustrated the outcomes of the conference concerning the current and potential future of the conditions of eco-justice, eco-efficiency and eco-effectiveness as shown in Table 2.

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78 cf. GRAY & BEBBINGTON (2000), p. 2. Notably, the definition of eco-justice is akin to the propositions of physiocentric ethics. Interested readers should consider the works of BECKER (2009) and BAUMGÄRTNER & QUAAS (2010), for further discussions on the intersection between natural resource preservation and precepts of justice.

79 cf. GRAY & BEBBINGTON (2000), p. 2.

80 FIGGE & HAHN (2002), p. 10 for instance, provide a detailed and comprehensive explanation on how to calculate a company's eco-efficiency.

81 cf. MCDONOUGH & BRAUNGART (2002), pp. 70, 84.

82 cf. DYLLICK & HOCKERTS (2002), p. 137.

Table 2: Do We Currently Satisfy the Conditions for Sustainability?

Conditions	Satisfy the needs of the current generation?	Satisfy the needs of future generations?
Eco-Justice	**NO**-income inequality is growing, many millions live in and die from poverty	**NO**-present trends will make matters worse, very little evidence suggests otherwise
Eco-Efficiency	**NO**-but possibly positive signs if one is optimistic	**POSSIBLY**-if one is optimistic
Eco-Effectiveness	**NO**-all evidence suggests that global impact of production and consumption is worsening	**NO**-no evidence to suggest a change of direction

Source: GRAY & BEBBINGTON (2000), p. 3.

Hence, the discourse on how to address the levels of justice characterising sustainability, has been discussed in-depth at a macro level, centred on the economy and the wider society. As discussed in Chapter 1.1 of this thesis, there is a disconnect between research studies at a macro-level that monitor the state of the planet,[83] and studies of how corporations and other micro-level institutions address sustainability.[84] It is therefore essential, that an argument is made that categorically illustrates sustainability's inextricable link to justice, in order to justify its operationalisation in the corporate sphere.

2.3 Distinguishing between Sustainability and Sustainable Development

2.3.1 Sustainability

In this chapter, I attempt to meaningfully distinguish between sustainability and sustainable development in Chapter 2.3.1 and 2.3.2 Both terms tend to be used synonymously in the academic literature and within the realm of corporate reporting.[85] Thus, the underlying question is, are both terms fundamentally different? Governmental and private sector organizations, for example, prevalently use the term sustainable development to connote the need to address social and environmental issues. However, a similar approach is pursued by, academics and sources from non-governmental organizations (NGOs) when using the term 'sustainability'.[86] ROBINSON (2004) suggests that the difference in both expressions is based on the reluctance academic environmentalists and NGOs have in embracing economic growth since development

83 cf. DYLLICK & MUFF (2016), p. 157; IPCC (2014); UNEP (2012).
84 cf. CARAVELLA (2013); HAHN & KUEHNEN (2013); JALALUDIN, SULAIMAN, & AHMAD (2011); JENSEN & BERG (2012); SHABANA, BUCHHOLZ, & CARROLL (2017).
85 cf. ARAS & CROWTHER (2009), p. 281.
86 cf. ROBINSON (2004), p. 370.

is often perceived as consonant with economic growth, which in recent years has been subject to academic enquiry.[87] MARTÍNEZ-ALIER, PASCUAL, VIVIEN and ZACCAI (2010) for instance, argue:

"We still live in a world of unchecked consumerism, excessive materials use and fossil fuel addiction […] there are renewed calls to depart from the promethean economic growth paradigm and to embrace a vision of sustainable de-growth, understood as an equitable and democratic transition to a smaller economy with less production and consumption."[88] Hence, the following section starts with the multifaceted concept of sustainability.

As previously conferred in Section 2.2, sustainability is built on foundations of justice. However, describing the term and its various facets of application is a complicated endeavour. DALY (2007) rightly describes the term as "one of those troublesome abstract nouns like justice, truth, and beauty."[89] To enable a better understanding of the concept, it is perhaps more useful to describe sustainability as an adjective and/or a transitive verb rather than a noun. For instance, questions such as "What is to be sustained?"[90] or "What are the qualities or attributes of sustainability?" are viable questions that can be used to frame the sustainability concept. In answer to the first question (regarding the "what"), it can be deduced that the economy is what needs to be sustained. The next logical step, is to establish what does the sustaining which in this case would be the earth; more precisely, the biosphere.[91] The "what" question has led to scholarly debate surrounding that which should be sustained. Two broad schools of thought, weak and strong sustainability, have emerged that will be discussed in detail within this chapter.

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87 cf. SNEDDON, HOWARTH, & NORGAARD (2006), p. 254. The authors discuss the inherent contradictions between the "renewed call for economic growth in developing countries and enhanced levels of ecological conservation". Other studies that highlight the difficulties of reconciling economic growth with tenets of sustainability consider REDCLIFT (2005) or ARAS & CROWTHER (2009).

88 cf. MARTÍNEZ-ALIER, PASCUAL, VIVIEN, & ZACCAI (2010), p. 1741.

89 cf. DALY, (2007), p. 36.

90 cf. CHRISTEN & SCHMIDT (2012), p. 400.

91 cf. DALY (2007), p. 36.

Sustainability, therefore, places attention on human beings living within the constraints or carrying capacity of the natural environment.[92] Following the arguments for sustainability as a pre-requisite for intergenerational justice (see Chapter 2.2), NORTON (1995) proposed viewing the carrying capacity of natural ecosystems as a component of a *'structured bequest package'* to be bestowed on future generations.[93] This idea of a 'structured bequest package' is described in the sense of opportunities being available or carried across generations; it can also be thought of 'capital' accruing to human beings.[94] Capital can be divided into three categories as shown in Table 3.[95]

Table 3: Categories of Capital

Capital category	**Elements**
Critical natural capital	Refers to those elements of our planet that are necessary to support life. The overall quality of the ecosystem e.g. the ozone layer, a specific number of trees, etc., must be maintained at a certain level with leeway for the earth's system to adapt to changing conditions.
Other natural capital	This category is also referred to as substitutable or renewable capital. The term(s) refer(s) to components of the earth's biosphere that are renewable or replaceable e.g. certain species of animals or plants.
Artificial capital[96]	Those elements that are occupy space on earth but are no longer part of the planet's ecosystem and processes e.g. buildings, cars, equipment etc.

Source: Adapted from GRAY, BEBBINGTON, & WALTERS (1993), p. 290.

Perceptibly, there is a lack of consensus surrounding what opportunities future generations should be entitled to and thus, how present actions should be assessed in relation to what is just between generations. This uncertainty has led to proponents of and against two opposing paradigms, namely, weak and strong sustainability. Supporters of weak sustainability argue that an action is sustainable if it provides constant or increasing utility to future generations.[97] Furthermore, this form of sustainability is based on the premise that natural capital or resources can be substituted for man-made ones.[98] Environmental preservation under the lens of weak sustainability

92 cf. ROBINSON (2004), p. 370.

93 cf. NORTON (1995), pp. 359-363.

94 cf. GRAY, BEBBINGTON, & WALTERS (1993); HOWARTH (1997), p. 570.

95 cf. These categories of capital are discussed in PEARCE & ATKINSON (1993), p. 103 and in more detail in PEARCE & TURNER (1990).

96 This category is traditionally referred to as man-made capital. However, following the suggestion by GRAY, BEBBINGTON, & WALTERS (1993), p.290, 'artificial' is gender neutral and hence preferred for this dissertation.

97 cf. HOWARTH (1997), p. 571. Weak sustainability is also referred to as 'Solow-Hartwick sustainability' as it is derived from the works of SOLOW (1974/1993a/1993b) and HARTWICK (1977/1978).

98 cf. SOLOW (1974), p. 39.

is, thus, expendable. Unsurprisingly, as stated by HEDIGER (2004) the premise of weak sustainability is "[a] neoclassical theory of economic growth and capital accumulation and its extension to include non-renewable resources."[99] In relation to the question of "what should be sustained", this form of sustainability states that it is utility that should be sustained.

As DALY (2007) insightfully states, "the future should be at least as well off as the present in terms of its utility or happiness as experienced by itself."[100] Since weak sustainability assumes a high degree of substitutability between both forms of capital, it denigrates the foundation of sustainability itself, i.e., intergenerational justice. Strong sustainability, on the contrary, maintains that certain stocks of natural capital are in commensurable and non-substitutable.[101] Thus, the fundamental difference between weak and strong sustainability is that strong sustainability does not regard natural capital as substitutable.[102] However, NEUMAYER (2010) demonstrated two separate streams of interpretation in the literature concerning strong sustainability. The first interpretation proposes preserving natural resources in value terms. For instance, non-renewable sources of energy such as coal can be used to generate energy. Consequently, receipts from such activities should be directed towards investing in cleaner forms of energy to keep the cumulative stock of natural capital constant.[103] The critique of this first interpretation is that it allows for substitutability within various forms of natural capital.[104]

Other researchers hold an alternative view and suggest the categorical preservation of certain types of natural capital (i.e. critical natural capital). The impossibility of keeping nature intact is acknowledged and accepted, hence, the need to classify certain forms of

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99 cf. HEDIGER (2004), p. 3.

100 cf. DALY (2007), p. 37. Utility in the case of weak sustainability is "average per capita utility of members of a generation.

101 cf. ROBINSON (2004), p. 375.

102 cf. NEUMAYER (2010), p. 24.

103 cf. BARBIER, PEARCE, & MARKANDYA (1990). Notably, KLEPPER & STAHLER (1998), p. 489 suggest strong sustainability implies a caveat on the use of non-renewable natural resources. However as shown by NEUMAYER (2010), pp. 23-26, their views present a contentious explanation of strong sustainability.

104 cf. NEUMAYER (2010), p. 24. Weak sustainability allows for substitutability between various forms of capital, whereas strong sustainability allows for substitution within various categories of natural capital. Another problem arises with allowing substitutability within various categories of natural capital. See Ibid., p. 25, "it would be strange to assume that more man-made capital cannot substitute for a bigger hole in the ozone layer, but an increased number of whales can."

natural capital as critical and non-substitutable.[105] DALY (1991) exemplifies this interpretation by suggesting for example, that the environment be used as a site for waste disposal to the extent that its natural absorptive capacity does not deteriorate over time. In terms of what is to be sustained, strong sustainability proposes the preservation of physical throughput. More precisely, as described by DALY (2007), "the entropic physical flow from nature's sources through the economy and back to nature's sinks, is to be non-declining."[106] Strong sustainability's argument for a critical mass of natural capital is also implicative of its orientation towards an 'ecological value principle' which calls for the preservation of essential ecological processes and rejects monetary valuations of natural ecosystems.[107]

Proponents of strong sustainability, often termed as ecological economists,[108] recognize that natural and man-made capital are not substitutes, as suggested by weak sustainability, but rather complements. In an illustrative example, DALY (2007) challenges past events in human history, where much of the world's natural resources (natural capital) have been converted into man-made capital.[109] If indeed man-made capital was a good substitute for natural resources, why is the magnitude of conversion so unevenly balanced? Clearly, both opposing views are illustrative of the diverse opinions and perspectives of what a sustainable world should look like, and how this goal can be achieved.

Though weak sustainability presents a realistic and somewhat ordered path towards achieving a sustainable planet, that is through the maintenance of welfare and utility derived from both natural and man-made capital, it is my opinion that strong sustainability presents a stronger and perhaps more ideal route towards achieving sustainable development, which is discussed in the upcoming section. Granted, one of the main critiques of strong sustainability is the lack of clarity surrounding what classes of natural capital should be sustained.[110] However, I find weak sustainability's

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105 cf. DALY (1991).

106 cf. DALY (2007), p. 37.

107 cf. NORTON & TOMAN (1997), p. 554.

108 cf. DALY (2007), p. 15.

109 In his argument, DALY (2007), pp. 16-18 uses annual stocks of fish in the sea to point out the frailty of weak sustainability. "[…] annual fish catch is now limited by […] fish populations in the sea and no longer by man-made capital of fishing boats. Weak sustainability would suggest that the lack of fish can be dealt with by building more fishing boats, or fish farms. Strong sustainability recognizes that more fishing boats are useless if there are too few fish in the ocean."

110 cf. HEDIGER (2004), p. 4.

assumption of the capacity to bequeath utility to future generations disturbing. The experiential nature of utility renders its transference across generations contentious. Strong sustainability seems to be more closely oriented towards precepts of justice discussed in Section 2.2.

Instead of focusing on utilities, strong sustainability suggests ensuring life opportunities remain undiminished over time and as such, natural capital should be passed on as it was inherited.[111] PAGE (1992) discusses this most aptly as follows:

"Suppose you occupy a friend's house for a month, while the friend is away on vacation. In the course of your stay you make phone calls, eat staples, and drink beer from the refrigerator. At the end of your stay you restock the refrigerator, replenish the staples, mow the lawn, and generally put the house back into the condition in which you found it […] You are not primarily concerned with maximizing the sum of your and your friend's utility, nor are you concerned with an efficient allocation between you and your friend. You are interested in putting things, *particular* things, back to where you found them […] What is required is to leave intact physically what is not yours to run down."[112]

Other questions that need to be addressed by the sustainability discourse are further elucidated in GRAY, BEBBINGTON, and WALTERS (1993) and are shown in Table 4. Interestingly, though the authors pose the "what is to be sustained" and "what are the qualities of sustainability" questions, they propose alternative ways of addressing them.

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111 cf. HOWARTH (1997), p. 73.
112 cf. PAGE (1992), p. 446; emphasis in original.

Table 4: Conceptualizing Sustainability Through Inquiry

Questions	Considerations
Sustainable for what?	This question challenges the anthropocentric view of preserving mankind. The authors deliberate that the 'what' question should encompass whether all species living on earth should be sustained. Do other non-human species have ethical rights and if so, shouldn't humanity be held accountable for the desecration of the planet, e.g., climate change?
Sustainable for whom?	This is an even harder and morally challenging question. Which people do we want to sustain? The status quo indicates that humanity is not sustaining itself given global challenges of poverty, environmental calamities, etc. DOBSON (1998) states the question can be approached by applying 'prioritarian' or 'equality' principles.[113]
Sustainable in what way?	The authors state that the current approach to this issue has been the equating of sustainability to heightened economic growth and increased consumption. The underlying argument is that economic prosperity is a pre-requisite for societal and environmental well-being.
Sustainable for how long?	This is a more existential question as the consideration here acknowledges the certainty that the planet will not sustain or support life indefinitely. Decisions on sustainability must be made in the context of an estimated time-frame.
Sustainable at what level of resolution?	Though sustainability is of global concern, international agreements are far from adequate.[114] Sustainability concerns need to be resolved through diverse and adapted actions at regional, national, communal and individual levels.

Source: Adapted from GRAY, BEBBINGTON, & WALTERS (1993), pp. 282-285.

The following section offers a comprehensive discussion based on the development and conceptualization of sustainable development. The link between sustainable development and sustainability is also elaborated on further.

[113] DOBSON (1998) bases his arguments on RAWLS (1973)'s ideas of giving priorities to the least advantaged communities or groups of people first i.e. 'prioritarian principle'. The alternative is to judge individuals in relation to others before judgements on equality (or inequality for that matter) can be considered, i.e. the 'equality' principle. The problem with the latter argument is that it doesn't take into consideration the differing levels of well-being ingrained in the human experience. Essentially, fair treatment may mandate unequal treatment. Readers who are interested in a more detailed discussion of both concepts should consider DOBSON (1998), pp. 77-83 and RAWLS (1973), pp. 60-83.

[114] A good example of the inadequacy of international agreements in addressing sustainability challenges is discussed in GRAY & BEBBINGTON (1998). Their discussion of the shortcomings of the Rio Declaration on Environment and Development (which was a set of principles intended to guide countries on how to achieve sustainable development) shows the difficulties of implementing international agreements.

2.3.2 Sustainable Development

The origin of the notion of sustainable development did not begin with the publication of the *Brundtland Report* (also referred to as *Our Common Future*), but debatably, with the study titled *Limits to Growth* published by the Club of Rome in 1972.[115] The Club of Rome Report was published amidst growing concerns that economic growth and heightened levels of consumerism prevalent in developed countries were negatively impacting on the earth's ecological capacity.[116] The findings from the report confirmed that the status quo of escalating production and consumption would lead to economic and ecological calamities.[117] The authors consequently proposed a self-induced limitation to growth that would require "new forms of thinking that will lead to a fundamental revision of human behaviour and, by implication, of the entire fabric of present-day society."[118] Soon after, in 1980, the General Assembly of the International Union for the Conservation of Nature (IUCN), published the *World Conservation Strategy* which placed development at the epicentre of fulfilling human needs and improving quality of life. The report stated that development could only be sustainable by taking ecological and social factors into consideration.[119] These publications laid the foundation for the Brundtland Report of 1987.[120]

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115 The Club of Rome is a global think-tank dealing with a diversity of issues pertaining to global economic systems and environmental challenges among other topics. See CLUB OF ROME (2018).

116 cf. BLEWITT (2008), pp. 6-7. Notably, this time-period inspired the creation of several environmental interest groups such as Greenpeace and Friends of the Earth. Ibid., p. 7 also emphasizes the rise of environmentally conscious writers following the example of Rachel Carson. Works such as Theodore Roszak's *Greening of America*, and E.F. Schumacher's book, *Small is Beautiful* were published between 1970 and 1973.

117 cf. MEADOWS, MEADOWS, RANDERS, & BEHRENS III (1972).

118 Ibid., p. 190.

119 cf. IUCN (1980), p. 2.

120 There are other publications that also contributed towards a spatial definition of development that would address global challenges of poverty, social inequality and environmental degradation among other issues. Take for example the Brandt Commission's publication-North South: A Programme for Survival, or the work of the International Foundation for Development Alternatives (IFDA) which published *Building Blocks for Alternative Development Strategies,* see IFDA (1980), p. 10 which stated "The development *problematique* can thus be defined in an objective way: the society, its economy and polity, ought to be organized in such a manner as to maximize,[…], the opportunities for self-fulfilment". Another common thread among all the publications was the critique of the constant push for economic growth.

The publication of *Our Common Future*[121] was a landmark study produced by the World Commission on Environment and Development (WCED) that marked a turning point in thinking about development, the environment and governance.[122] The report encouraged economic development that would assure the security and survival of earth.[123] Unlike the aforementioned publications, the *Brundtland Report* gave a concrete definition of sustainable development (SD) as: "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs".[124] Thus, sustainable development is a spatial concept which consists of protecting the earth's natural resources, promoting the well-being of our societies while ensuring a certain level of economic growth. Table 5 illustrates this:

Table 5: Ecological and Socio-Political Scales

Ecological scale	**Socio-political scale**
Biosphere	World
Biome-type	Supranational regions
Biome	State
Landscape	Region
Ecosystem	Locality 1: city, town
Community	Locality 2: village, community, neighbourhood
Population	Household
Organism	

Source: Adapted from BLEWITT (2008), p. 16.

There are two primary ideas that underpin the report's conceptualization of sustainable development. First, when it came to 'needs', precedence was to be given to addressing the needs of the world's poorest societies and/or groups of people. This also implicitly illustrated the divisions between the global north and south: industrialized economies expressed concern over ecological impacts and negative externalities, whereas southern countries required matters pertaining to health, income, food security, armed conflict and poor governance among other issues to be dealt with.[125] Secondly, the report discussed the limits imposed by levels of technology, societal structures and ecological carrying capacity at the time in achieving the overarching goals of SD.[126] *Our Common*

121 The publication is also synonymously referred to as the Brundtland Report.
122 cf. SNEDDON, HOWARTH, & NORGAARD (2006), p. 253.
123 cf. WCED (1987), p. 23.
124 Ibid., p. 43.
125 cf. BLEWITT (2008), p. 9.
126 cf. WCED (1987), pp. 43-44.

Future thus, brought attention not only to mankind's relationship to his or her relationship with nature, but also to the insidious societal inequalities prevalent in our societies.[127] Another significant development after the publication was the political debate it ignited among varied groups comprising of multinational firms, philosophers, economists, politicians and indigenous groups of people among other parties.

Though the definition is still applied widely, the report is critiqued for encouraging developing economies to strive for economic growth while at the same time emphasizing the importance for the conservation of natural resources.[128] The contention lies at the report's attempt to connect environmental well-being and development on a global scale. First, there is the question of who is to blame for the current state of environmental degradation. Are the environmental challenges experienced today a product of the industrial activities undertaken by developed countries in the past, or are they problems arising from over-population and poverty in the global south? Not only is this question fundamentally problematic to answer, but it also further widens the chasm between industrialized and developing economies.[129]

ARAS and CROWTHER (2009) have also attempted to differentiate between both concepts. In their view, sustainability does not occur in tandem with sustainable development but activity. Consequently, sustainable activity refers to activity in which decisions made in the present day do not hinder future choices,[130] that is, ensuring future generations are treated justly and given access to equal and fair opportunities in their time.[131] They however argue that their definition of sustainability as 'activity' negates the importance attached to sustainable development.[132] This presumption is also made because the authors contend that sustainable development presumes growth is infinite which is a fair point; the predominant discourse in market economics is predicated on growth.[133] Their definition however, leaves out the physiocentric and intragenerational considerations necessary for any debate on sustainability, plus they

127 cf. LANGHELLE (1999), p. 139.
128 cf. SNEDDON, HOWARTH, & NORGAARD (2006), p. 254.
129 cf. LÉLÉ (1991), p. 140.
130 cf. ARAS & CROWTHER (2009) p. 281.
131 cf. BAUMGÄRTNER & QUAAS (2010).
132 cf. ARAS & CROWTHER (2009), pp. 281-282.
133 Ibid.

make an implicit and incomplete assumption that the discourse on sustainable development is always framed around economic growth.

Consequently, the semantics of the term itself, present further complications. The meaning of development is a highly contestable notion,[134] which has often been conflated with economic growth measured by Gross Domestic Product (GDP).[135] Sustainability and sustainable development are interlinked concepts, but the main difference between them is that sustainable development presents the sum of activities (or processes of change) undertaken to achieve the overarching goal that is sustainability. Sustainability is the vision, the horizon we collectively head for, by adhering to tenets of sustainable development. For purposes of this dissertation I follow the suggestion by LÉLÉ (1991) and describe development as a process of change. Sustainable development would therefore be a process of change oriented towards meeting both traditional (economic) and social[136] progress within the constraints of the environment's carrying capacity. Sustainability and sustainable development are therefore, not synonymous terms.

2.4 Sustainability, Sustainable Development and Accounting

As discussed in sections 2.3.1 and 2.3.2, sustainability and sustainable development are intertwined and at risk of being misinterpreted within the corporate sphere. Now, a critical conundrum is how businesses are to approach these concepts holistically without an over emphasis on economic performance.[137] To operationalize the broad vision of sustainability (which encompasses both inter and intra-generational justice), corporate actions and decisions must be carefully considered. This is where accounting practice comes in though with some careful consideration. One concern is the managerial nature of traditional accounting methods.

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134 For a discussion of the conceptual meaning of development, readers should consider ARNDT (1981) and BARTELMUS (1986).

135 cf. ELLIOTT (2005), p. 263.

136 'Social' here follows the definition by BARBIER (1987), p. 104 to mean "the ability to maintain desired social values, traditions, institutions, cultures, or other social characteristics."

137 cf. DYLLICK & MUFF (2016), pp. 156-157.

GRAY and BEBBINGTON (2000) illustrate this point clearly by stating:

"it is something of a truism to say that 'conventional accounting'[138] is *managerialist*."[139]

The underlying question is, can accounting be used as an appropriate medium harnessed by organizations to achieve sustainability? First, it is important that we acknowledge that accounting is limited in its capacity to challenge the profit motive or the largely capitalistic orientation of business practice.[140] Traditional accounting implicitly pursues and encourages the realization of profits often at the expense of social and environmental welfare.[141] Recalling the prior arguments regarding the critique of unrestrained economic development, accounting is a measure of such growth and as a consequence, is vital to capitalism.

Next, the double entry system which is the foundation upon which accounting practice is built on, assumes that everything (including environmental and social constructs) can be binarily divided or as COOPER (1992) states, "reducible to some kind of binary opposite."[142] The simple recognition of environmental and social issues within financial reports cannot guarantee sustainability or contribute towards sustainable development.

It is therefore necessary to discuss the possibilities of intersections between accounting practice, society and the environment. From the prior discussions, the conceptions of sustainability and sustainable development can no longer be considered as concepts distinct from firm activity. Thus, questions arise as to how and to what extent corporations should contribute towards wider goals of sustainable development and in so doing achieve sustainability as discussed in Chapter 2.3.2. The current literature shows that there is an ongoing debate between researchers from two broad schools of thought. For purposes of this dissertation, they are referred to as managerial and critical theorists.[143] Critical theorists aim to challenge the status quo and argue that traditional

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138 In this case, conventional is taken to mean accounting "as it is typically practised, taught and researched." See GRAY & BEBBINGTON (2000), p. 3.

139 cf. GRAY & BEBBINGTON (2000), p. 3; emphasis in original.

140 cf. GRAY (2005), p. 16.

141 cf. GRAY (2006), p. 798 argue that accounting as we practice it today is incapable of capturing anything that is "wonderful, aspirational or desirable in the human condition-happiness, fun, sunshine, love relaxation, poetry, laughter."

142 cf. COOPER (1992), p. 125.

143 This distinction between managerial and critical approached towards addressing sustainability within the realm of organizational activity have been discussed in depth by authors such as BURRITT & SCHALTEGGER (2010), DEEGAN (2002), LAMBERTON (2005), and OWEN (2008) .

accounting practices and methods are ill equipped to solve social and environmental problems as firm objectives are oriented toward profit maximization and not necessarily social welfare or ecological protection.[144] Managerial theorists, on the other hand, contend that accounting practices can be tailored to measure environmental and social impacts that are material to organizations, while at the same time benefiting society and nature.[145]

For proponents of the critical view, the fact that an entity pursues its own objectives such as growth or profitability is not in fact the problem. The area of contention stems from the possibility that businesses would choose to pursue their own profit motives at the expense of the environment and/or the society. Experience has shown that in many instances, corporations choose fast profits over the pursuance of eco-effective processes and products. Take for example, Exxon Corporation's false perpetuation of climate change denial[146] or Volkswagen's intentional misrepresentation of the level of nitrous oxide (NO_2) released by it cars.[147] These examples suggest that businesses can be solely driven by economic gains.

Viewing the environment or society through the lens of the corporate world, therefore, cannot possibly provide a sustainable solution for harboring environmental and/or social risks, specifically because doing so is not their core purpose.[148] Further, accounting methods were not originally designed to capture and measure ecological information. For example, can accounting measure the economic value added to a firm in relation to aggregate activities undertaken to lower environmental impact; in essence a firm's eco-efficiency? THORNTON (2013) for instance uses a simple example to illustrate that accounting cannot be used to measure social or environmental impacts

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144 cf. THORNTON (2013), p. 439.

145 cf. GRAY & BEBBINGTON (2000), p. 561.

146 An investigation by Inside Climate News in September 2015 revealed that the corporation's own research had warned that global climate change was a direct effect from the release of carbon dioxide into the atmosphere resulting from the burning of fossil fuels. Instead of considering how the levels of carbon being emitted could be lowered, the firm spent considerable sums of money denying man-made climate change. See BANERJEE, SONG, & HASEMYER (2015) for the full story.

147 Volkswagen had installed software that would misrepresent the levels of nitrous oxide released by their vehicles. Their prior accounts for carbon emissions have also since been cited as incorrect. See PADDISON (2015) for the full record.

148 There are some practical examples of corporations that have taken an active stride to integrate sustainability concerns into their business operations. A joint report by CERES and SUSTAINALYTICS provided examples of such companies. See CERES & SUSTAINALYTICS (2014), p. 15.

reliably. He concludes that accounting depends on prices to arrive at bookable journal entries. Notably though, his central assumption is that accounting is limited to what is captured in financial reports, in other words conventional financial reporting.[149] Critical accounting research has also received its own share of critique. As elucidated by DEEGAN and SOLTYS (2007):

"If critical accounting researchers perceive their work as embodying careful and practical judgement in questioning current practice, then they run the risk of incorrectly assuming contrarian streams of research are and have been conducted carelessly and with a lack of judgment."[150]

Managerial theorists on the other hand, lie on the other side of the debate. The main problem they grapple with is how businesses can effectively contribute to addressing their fair share of environmental and social problems while receiving benefits from doing so. Some of the advantages associated with environmental and social pro-activeness in the extant literature are in the form of reduced operational costs, increased brand reputation, enhanced competitiveness and heightened levels of creativity and innovation among others.[151] Research that leans towards a managerial view tends to be predominantly positivist and attempts to draw associations between financial and environmental performance.[152] This view has also been heavily contested because too much emphasis on a business case could possibly lead to tunnel vision where firms would only be interested in environmental issues that affect their financial well-being.[153]

Though the two broad schools of thought have been discussed in avid detail, BEBBINGTON and GRAY (2001) suggest four categories instead, which either of the two orientations can fall into.[154] Their categorization is appropriate since it recognizes the diversity of perspectives within both critical and managerial categorizations. These categories are summarized in Table 6 below:

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149 THORNTON (2013)'s assertions have been criticized predominantly because the extent of environmental accountability is limited to pollutants. See for example CHO & PATTEN (2013) and GRAY (2013).

150 cf. DEEGAN & SOLTYS (2007), p. 75.

151 See for example BURRITT & SCHALTEGGER (2002), p. 39 and CHANG & DEEGAN (2010), p.6 for a more systematic representation of the business case for sustainability disclosures.

152 cf. KLASSEN & MCLAUGHLIN (1996); MAKORI & JAGONGO (2013)

153 cf. GRAY & BEBBINGTON (2000a), p. 562

154 cf. BEBBINGTON and GRAY (2001), pp. 561-563.

Table 6: Distinctions between Critical and Managerial Perspectives to Sustainability Reporting

School of thought	Category	Elaboration
Criticalist	Strongly critical	In this category, supporters propose that accounting is an insidious practice with no contribution whatsoever to the common good or wellbeing of nature. See for example, MAUNDERS and BURRITT (1991) and COOPER (1992).
	Moderately critical	The overarching argument put forward is that accounting can contribute towards sustainable development, however an extensive amount of effort and innovation is needed to reform traditional modes of reporting. For example, GRAY and BEBBINGTON (2000) as well as OWEN ET AL. (1997) are cautiously optimistic about the capacity accounting practice has in reducing carbon emissions for instance.[155]
Managerialist	Strongly managerial	Proponents of this category state that nature can be categorised into different groups of contingent liabilities. For example, provisions should be made on company accounts to safeguard against the risk of potential clean-up costs. For example guidance documents such as CANADIAN INSTITUTE OF CHARTERED ACCOUNTANTS (1993) or UN (2001).
	Moderately managerial	This group of researchers are of the view that environmental management and environmental accounting's capacity to achieve the twin aims of corporate profitability and environmental conservation. Their work is primarily geared towards providing justification for why businesses should use environmental methods of accounting.[156] For instance, BURRITT and SCHALTEGGER (2001) and BENNETT and JAMES (1998) argue that environmental sustainability can be monetized and integrated into corporate accounting systems.

Source: Adapted from BEBBINGTON and GRAY (2001), pp. 561-563.

155 cf. GRAY & BEBBINGTON (2000b), p. 41. Though the article is critical about some of the claims made by prior literature on environmental accounting practices, they state that environmental accounting and reporting could reduce ecological externalities, though as they emphasize, this does not amount to delivering sustainability. Additionally, they acknowledge the complications of such an undertaking.

156 Environmental accounting has two main foci: environmental financial accounting (EFA) which involves the disclosure of environmental concerns in public financial reports whereas environmental management accounting (EMA) that provides management with environmental information to aid in the efficient use of company assets, budgeting, formulation of business strategy, etc.

The bigger picture which should be geared at providing permanent solutions to environmental and social exigencies is at risk of being blurred. Markedly, social and environmental considerations are only two aspects in the wider conceptions of sustainable development, as discussed in previous sections of this chapter. Other questions arising is if corporate sustainability reporting is a case of reacting to external pressures or an aim towards discharging accountability and securing organizational progress.

Corporate reporting is the means of communicating a business's value creation. So far, it has been discussed that financial performance is related to environmental and social performance. Organizations have addressed this relation with so-called Corporate Social Responsibility (CSR) or sustainability reports and/or the issuance of sustainability disclosures. The emergence of sustainability reporting in Western countries will be discussed in Chapter 2.5 and further questions will be addressed, such as whether corporate sustainability reporting is a case of reacting to external pressures or an aim towards discharging accountability and securing organizational progress? Is mandatory regulation the key to ensuring companies report on social and environmental issues or should entities be free to decide how to approach sustainability? If sustainability reporting is one of the principal ways businesses can contribute to the global aim of sustainable development, can voluntary disclosure alone suffice?

2.5 Tracing the History of Sustainability Reporting Practice in the West

In this section, the development of sustainability reporting practices particularly in Europe and Northern America, is discussed. Though this dissertation is primarily an African study, an overview of the contributions made by Western researchers is paramount to discussing sustainability and its intersection with accounting practice. Various forms of reporting such as social reporting, environmental reporting and integrated reporting among others are elaborated. The section concludes with a summary of seminal research that has been conducted from the early 50s until the present day.

The origin of using conventional accounting to capture environmental, social and governance disclosures and the subsequent development of sustainability reporting can be traced back to the 1950s.[157] Howard Bowen's seminal work: *Social Responsibilities of the Businessman*[158] was among the earlier works of literature questioning the responsibility of and the relationship between business and society. One of the questions he posed was, "what are the social responsibilities which businessmen may be expected to assume?"[159] He proposed that corporations had an obligation to pursue actions and make decisions that were reflective of the collective will of society.[160] However, ideas on sustainability and the complex interdependencies between society and the environment are much older.[161]

Take for example medieval England in 1306 when Edward I prohibited the burning of coal during parliamentary sessions or Benjamin Franklin's petition to halt waste disposal in the Delaware River in 1739.[162] Over centuries, notions of sustainability have been reflected in public life, yet the reporting of environmental and social matters is largely linked to the advent of the modern corporation. Substantial academic research covering social and environmental accounting (SEA) can be traced back to the early 1970s.[163] As with any new area of research, most of the work was largely descriptive, lacking sufficient theoretical foundations and mostly stemming from scholars based in European countries. From practice, organizations were focusing on disclosure related to issues of labour.[164] This form of employee reporting, was a significant step towards a more comprehensive form of reporting. Markedly as observed by LEWIS, PARKER, and SUTCLIFFE (1984), employee reporting was also inclusive of reporting tailored to meeting the information needs of personnel.[165]

157 cf. CARROLL (1999), p. 269.

158 Gender specific terms may be used in the thesis specifically when directly citing older texts. However, such terms should be understood as referring to all genders.

159 cf. BOWEN (1953), p. 5.

160 cf. CARROLL (1999), p. 270.

161 cf. BUHR (2007), p. 59.

162 cf. NEUZIL & KOVARIK (1996).

163 cf. OWEN (2008), p. 242.

164 Employee reporting as termed by BUHR (2007) was not a product of the 1970s, but could be traced back to the early 1900s. HOGNER (1982) for example observed employee disclosures from 1901 to 1980 made by US Steel.

165 cf. LEWIS, PARKER, & SUTCLIFFE (1984) which is illustrative of the information needs of employees and the practice of reporting to employees between 1919-1979.

SEA research in the 1980s and 1990s paid more attention to issues of methodology and theory. Content analysis was largely used to monitor social and environmental disclosures provided by corporations.[166] Theoretical bases for analysis of corporate reports were drawn from stakeholder, legitimacy and political economy theories. [167] The focus on corporate responsibility to the society however, declined in the late 80s and was replaced by environmental reporting in the 90s. Arguably social reporting which encompassed provision of socially related disclosures such as community issues and employee relations received comparably less attention. While heightened environmental consciousness as propagated by the Brundtland Report led to increased environmental reporting, BUHR (2007) asserted:

"There is no constant increase in interest on these topics but rather a waxing and waning depending on various societal factors. Conservative politics and tough economic times are linked with a diminishing interest in social and environmental issues […] whereas UN initiatives and disasters are associated with an increasing interest"[168]

It should be noted here that most of SEA research and reporting practices were still oriented predominantly towards economic efficiency.[169] Though most of the research was largely managerialist, a significant amount of research emerged founded on Marxist, feminist and deep ecologist foundations. For instance, GRAY (1992) discussed the implications of placing the environment at the centre of accounting practice by adopting what he terms as a 'deep green' position.[170] TINKER, LEHMAN, and NEIMARK (1991)'S seminal work "Falling Down the Hole in the Middle of the Road" was another one of the earlier studies that questioned the status quo of SEA research at the time. They questioned if there was indeed a middle ground as proposed by GRAY, OWEN, and MAUNDERS (1988) that suggested accepting the status quo of social and environmental reporting practice.[171] Arguably, a constantly evolving social order renders finding a

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166 cf. OWEN (2008), p. 243.

167 cf. DIERKES & ANTAL (1985); GUTHRIE & PARKER (1989).

168 Environmental reporting is not an entirely novel concept from the 80s but was already practiced to some degree due to its ties to social reporting. See DEEGAN (2002) for example or OWEN (2008).

169 cf. OWEN (2008) p. 243.

170 A deep green position is an anthropocentric view that places man or human beings at the centre of all existence. This is different from a deep ecologist perspective that views human beings as equal with all other species. For further elaboration see GRAY (1992), pp. 450-455.

171 The "Middle Ground" of Corporate Social Reporting suggested by GRAY, OWEN, & MAUNDERS (1988) proposes finding agreement between three main groups of actors. Namely, those who use CSR to enhance corporate reputation, those who surmise that accounting has an obligation to the

middle ground on accountability and its role in society an arduous if not impossible task.[172] Such articles prompted scholarly attention on the critical aspects surrounding social and environmental reporting, particularly the capacity accounting had in addressing deeply embedded societal inequalities and environmental degradation.

The mid 1990s saw the introduction of Triple Bottom Line (TBL) reporting. Its emergence was an impetus of scholarly and practical attempts at measuring sustainability. TBL combined economic, ecological and social measures that affected and were affected by firm activity.[173] John Elkington is credited with the development of TBL and initially proposed it as a framework which businesses could use to address sustainability concerns.[174] There is a truism that TBL addresses sustainability to some degree, however, Elkington himself pointed out that the TBL was not synonymous with sustainability.[175]

The early 2000s saw the advent of sustainability reporting. The contention in extant literature is whether accounting for sustainability has stagnated at TBL reporting.[176] Arguably, tenets of sustainability such as justice or equity are not addressed by TBL reporting.[177] The TBL also fails to acknowledge that the 'profit' dimension will always dominate all other dimensions in a largely capitalistic system.[178]

In tandem with the introduction to TBL, multiple studies on enlightened forms of capitalism such as PROTHERO and FITCHETT (2000) argued that the needs of sustainability were best served by commodifying the environment and the society to some degree.[179] On the other hand, authors like COOPER (1992) rejected the idea of

society and those who presume social and environmental reporting is an extension of conventional financial reporting that is largely investor focused.

172 cf. TINKER, LEHMAN, & NEIMARK (1991).

173 The dimensions of Triple Bottom Line reporting are also referred to as the 3Ps: people, planet and profits.

174 cf. ELKINGTON (1998), p. 39.

175 cf. ELKINGTON (2004), pp. 14-16.

176 cf. BUHR (2007); GRAY (2010); OWEN (2008). GRAY (2010), p. 57 for instance states, "sustainability is both an ecological and societal concept which will only rarely, if at all, coincide with corporate [...] boundaries.

177 cf. UNERMAN, BEBBINGTON, & O'DWYER (2007), p. 61.

178 GRAY (2010) expressed his concern for what he terms as the un-sustainability of capitalism stems from its antipathetical stance towards social justice. Furthermore, he stated that financial capitalism has been the root cause of environmental destruction. Readers who are interested in exploring the intersections between ecological destruction and the nature of capitalism should consider KOVEL (2007) or ZIMMERMAN (1994).

179 cf. PROTHERO & FITCHETT (2000), p. 46.

'green capitalism' and instead proposed what she termed as a feminine perspective to accounting for the society and the environment.[180] The underlying question of whether capitalism is or can be intrinsically aligned to sustainability thus remains debatable. Furthermore, prior researchers have also outlined the inherent difficulties of using traditional accounting methods as a frame for defining how organizations understand and operationalize sustainability or how they contribute towards sustainable development.[181] ELKINGTON (1998), however, stated that application of the TBL was useful as it explores how individual needs are sustainable in a wider political, social, financial and environmental setting. He further argued that the debate can no longer hinge on whether a capitalistic system is appropriate as there is no other suitable alternative.[182]

Though corporate sustainability reporting primarily became popular in the early millennial years, organizations have used a multiplicity of terms to describe the practice, in some cases synonymously referring to sustainability reports as TBL reports. MILNE and GRAY (2007), for instance, state that corporate social responsibility reporting and sustainable development reporting are nomenclatures for sustainability reporting.[183] Sustainability reporting, however, differentiates itself by considering economic, social and environmental impacts resulting from corporate actions holistically, assessing performance in these areas and making improvements aligned with the broad objectives of sustainable development.[184] BURRITT and SCHALTEGGER (2010) proposed that sustainability reporting could be viewed as an external process which included "stakeholder dialogues […] publicly-discussed issues, reports and communicate[d] the corporate contribution to these issues."[185] Though sustainability reporting is not a mandatory accounting requirement in most countries, there are several international frameworks offering guidance. The Global Reporting Initiative (GRI) Sustainability

180 cf. COOPER (1992), pp. 18-20, 26-27.
181 cf. DEEGAN (2013); FLOWER (2015).
182 ELKINGTON (1998b)'s book "Cannibals with forks" describes businesses as 'cannibals' and their consideration of sustainability issues through the lens of TBL as akin to them using 'forks'. He discusses the greening of capitalism, provides arguments for when businesses should be considered sustainable and suggests ways of monitoring progress for instance, through sustainable auditing. For a further discussion of Elkington's work, consider JEURISSEN (2000).
183 cf. MILNE & GRAY (2007), p. 185.
184 cf. NZBCSD (2002), p. 8.
185 cf. BURRITT & SCHALTEGGER (2010), p. 832.

Reporting Standards for instance, are widely applied on a global scale.[186] Other frameworks and modes of guidance include, the United Nations Global Compact (UNGC), World Business Council for Sustainable Development (WBCSD) and the United Nations Environmental Program (UNEP) Finance Initiative.[187] Notably, sustainability reporting can be manifested by mandate, solicitation or on a voluntary basis.[188] Solicitation occurs when certain stakeholder groups request for specific SR disclosures. Nevertheless, providing an account for sustainability, the objectives of such reporting practices and whose interests are served by this form of reporting is an incredibly complicated and extensive issue which has led to the inception of integrated reporting.[189]

Integrated reporting is a new form of reporting that distinguishes itself from sustainability reporting as it primarily serves the needs of providers of capital.[190] Integrated reporting as described by the International Integrated Reporting Council (IIRC), extends sustainability reporting by "bringing together material information about an organization's strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates".[191] The major difference in the approach integrated reporting takes is that sustainability issues are not viewed as separate entities from the daily operations of the firm, but are embedded at all levels of business activity.[192] In summary, Table 7 is a compendium of the scholarly attention given to sustainability reporting practices from early conceptions to the present status quo of extant research.[193]

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186 cf. KPMG (2017), p. 4. 93% of the world's largest corporations issued sustainability reports in 2017 and 60% used GRI's standards as a basis for preparing their reports.

187 The UNGC is a voluntary initiative aimed at encouraging businesses to adopt sustainable and socially responsible business practices through the adoption of ten principles steeped within the areas of human rights, environment, anti-corruption etc. UNEP-FI is a partnership between UNEP and financial institutions aimed at addressing ESG issues pertinent to the financial sector. The WBCSD is a CEO led forum that enables the sharing of best practices on how corporations can align their businesses towards sustainable development.

188 cf. VAN DER LAAN (2009), p. 25.

189 cf. MILNE & GRAY (2007).

190 cf. IIRC (2013), p. 2.

191 The IIRC is an international organization that provides guidance on how firms can prepare and issue integrated reports.

192 cf. IIRC (2013) p. 24; SOLOMON & MAROUN (2012), p. 7.

193 Notably, the table is not exhaustive of all research conducted at each point in time, but rather points towards seminal works and other research that is representative of the work that was being carried over different time periods predominantly within European and North American contexts. Notably, a considerable amount of social and environmental accounting research has been conducted for and

Table 7: Accounting for Sustainability: A Timeline of Research

Time	Research focus
1950s	Social responsibility: Howard Bowen's work was among the first to illustrate the connection between corporate actions and the quality of life in society. He suggested a shift in how businesses viewed profits and called for an alternative measure of successful enterprise based on justice, freedom, personal development and community improvement.[194] BOWEN (1953) articulated the meaning of corporate social responsibility as "it refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society."[195]
1960s	Environmental consciousness: Rachel Carson's book *Silent Spring*, is considered by many to have had considerable impact on environmental movements predominantly in the United States.[196] Stewart Udall's *Quiet Crisis* was a stark warning of the dangers posed by pollution and the imminent threats faced by North America's natural resources.[197]
1970s	Social reporting: Specifically, employee reporting began to garner more scholarly attention. LEWIS, PARKER, and SUTCLIFFE (1984) observed the status of employee reporting from 1919 to 1979 and their work illustrates a marked increase in this form of reporting between 1973 and 1979. Notably ERNST and ERNST (1971) began publishing an annual report of social responsibility disclosures made by Fortune 500 firms. Research by BOWMAN and HAIRE (1975) and ABBOTT and MONSEN (1979) were among the earlier studies attempting to illustrate the economic consequences of social reporting. Environmental reporting and accounting: Following heightened environmental awareness of the 1960s, environmental reporting, that is disclosure of environmental impacts pertinent to corporate organizations started to become more common. ESTES (1972) attempted to systematically capture the costs of negative environmental externalities such as pollution and DIERKES and PRESTON (1977) was possibly the first study to identify utilities for environmental costs. Notably, a large amount of research in this area was largely descriptive and subjective.
1980s	Environmental reporting: The Brundtland Report, 'Our Common Future' influenced and encouraged research relating to accounting for the environment and the society. As aforementioned, a substantial amount of research at the time was largely descriptive. However, methodology improved with authors attempting to explain the direction, type and motivations for environmental disclosures. BELKAOUI and KARPIK (1989), ULLMANN (1985) and GUTHRIE and MATTHEWS (1985) are key contributors of using variations of content analysis for environmental and social disclosure research. This decade is also credited with marked development of radical/critical streams of research that illustrate the limits of accounting practice in addressing social problems and environmental externalities.[198] Interestingly, journals in favour of such research such as Critical Perspectives on Accounting were founded at the end of this decade.

within the Australian context. Interested readers could consider BURRITT & WELCH (1997); DEEGAN & GORDON (1996); GUTHRIE & MATTHEWS (1985); QIAN, BURRITT, & MONROE (2011). Most of the research conducted tends to focus on environmental accounting practices among Australian corporations, higher education institutions and local government bodies.

194 cf. BOWEN (1953), p. 137.

195 Ibid., p. 6.

196 cf. CARSON (1962). The book focused on the negative effects of certain pesticides that were still in use post World War II and their negative effects on public health and on the environment.

197 cf. UDALL (1963). Interestingly, former presidents of the U.S, John F. Kennedy and Barack Obama, described the book as emblematic of the fight towards conservation of the nation's environmental resources.

198 cf. GRAY, OWEN, & MAUNDERS, (1987); PARKER (1986).

Time	Research focus
1990s	Environmental accounting and auditing: The early 90s saw the proliferation of environmental accounting research with focus on extent of ecological disclosures made and a few articles on environmental auditing.[199] Notably, social accounting research declined with the exception of studies conducted by Gray (1992) and Gray, kouhy, and lavers (1995). Triple Bottom Line (TBL) reporting: As aforementioned, John Elkington is credited with the development of the TBL. The mid to late 90s were characterised by a shift from considering environmental and social disclosures as separate facets into a more holistic form of social and environmental accounting.[200]
2000s to present	Sustainability reporting: In 2002, the Global Reporting Initiative released globally applicable 'Sustainable Reporting Guidelines' which were for voluntary use for organizations that wanted to disclose environmental, social and ecological dimensions of their activities.[201] The introduction of these guidelines encouraged various streams of research.[202] Kolk (2003), observed trends in sustainability reporting practices made by Fortune 500 companies. Notably, much of the conceptual development for sustainability accounting can be attributed to Robert Gray's various research works stemming from the early 90s until the late 2000s.[203] As discussed by Lamberton (2005), Gray (1992)'s discussion of sustainable cost, natural capital inventory accounting and input-output analysis laid the foundation for sustainability reporting practice and research. Integrated reporting: Integrated reporting can be considered as a 'refinement' of sustainability reporting. Research on integrated reporting is still at its infancy, however prior researchers have illustrated the potential benefits integrated reporting has such as better internal allocation, improved stakeholder engagement and low reputational risk.[204] The critical streams of research are still prevalent with some studies illustrating the weaknesses of the integrated reporting framework particularly it's inadequate approach to sustainability and its sole focus on creating value for investors.[205] In practice, the origin of integrated reporting can be traced to South Africa where it is mandatory for all listed companies. Further comparisons between South Africa's legislation of integrated reporting and IIRC's international standard are discussed in Chapter 3.2.3.6 of this dissertation.

Source: Own illustration.

At this juncture, the development of SR has been discussed from a predominantly Western perspective. Consequently, Chapter 2.6 begins by providing a working

199 cf. Adams & Roberts (1995); Gibson & Guthrie (1995); Harte & Owen (1991).
200 cf. Gray, kouhy, & lavers, (1995); Milne & Adler (1999)
201 cf. Lamberton (2005), p. 11.
202 cf. Manetti & Toccafondi (2012) explored the role stakeholders played in providing sustainability reporting assurance. The evidence they gathered was based on firms that had adopted GRI reporting guidelines. This study is similar to Farneti & Guthrie (2009) who examined the application of GRI guidelines among Australian public sector organizations.
203 cf. Gray (1992); Gray (1994); Gray (1995).
204 cf. Eccles & Saltzman (2011), p. 59.
205 cf. Thomson (2015), p. 21 who stated "Integrated reporting appears to be a well-intentioned initiative that reflects a pragmatic desire to do something […] However, this potential is limited as it is too deeply rooted in the business case for sustainability rather than the sustainability case for business." Flower (2015), p. 15 makes a similar argument and stated that the <IR> Framework would have minimal impact on the current nature of financial reporting.

definition of emerging economies since the three contexts analysed in this study are classified as ‘emerging’ for purposes of this dissertation. Next, a brief historical overview of Africa’s post-colonial history is described in section 2.6.2 as this period predominantly characterises both public and private sector reforms that have shaped accounting regulations aimed at enhancing transparency and accountability in the region.[206] Additionally, ideas of pan-Africanism spurned on by African leadership in this same period provided a basis for other concepts of *Ubuntuism* and *Africapitalism* which are elaborated on in Chapter 3 and 4 of this thesis. The final sections provide a discussion of the status quo of accounting and SR research in sub-Saharan Africa.

2.6 The African Case for Sustainability and Sustainable Development

2.6.1 Defining Emerging and Developing Economies

Though sustainable development and sustainability are global precepts, their understanding and application are contextual.[207] When it comes to developing and/or emerging economies, approaches towards addressing and contributing towards sustainability and sustainable development respectively will differ. As all countries in Africa can be categorised as developing and/or emerging, it is essential that the term ‘emerging economy’ is aptly described.

One of the earlier definitions described such regions as middle-to-higher income economies with security exchanges that granted foreigners opportunities for investment.[208] According to WORLD BANK (2011), emerging economies are “economies with relatively high levels of economic potential and international engagement”.[209] The term has also become preferable to describing countries as ‘Third World’ or ‘developing’ nations as both words connote a lack of prestige and imply a failure to attract foreign investments.[210] A distinction can therefore, be drawn between

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206 cf. NYAMORI ET AL. (2017). The authors provide an insightful discussion and exploration of what they term as the three phases of public and private sector reform in Africa.

207 cf. VAJPEYI & OBEROI (2015), p. 20.

208 Ibid., p. 21.

209 cf. WORLD BANK (2011), p. xvii. Out of the 62 countries they classified as emerging economies, 6 were African nations.

210 cf. LAI (2006), p. 628. The author notes that a re-classification of countries that were formerly Second or Third World countries into emerging economies is indicative of “particular agendas, knowledge structures, and strategic visualisation of global space produced amongst particular groups of actors or participants.” HANSEN & WETHAL (2015), p. 11 also note that it is not clear whether classifying countries as emerging is determined by potential or success.

developing and emerging countries. Though the criteria for defining 'emergence' are rather unclear, it seems to describe countries with constant GDP growth, heightened levels of economic integration, attractive opportunities for foreign investment and sound development reforms. Notably, emergence further advances capitalistic orientations of economies rather than providing an alternative view to progress or development. The word 'developing', on the other hand, describes nations as evolving from a disadvantaged state of affairs, whereas 'emergence' seems to symbolise progression into "prominence into the global economy."[211] The countries under investigation in this dissertation are classified as emerging for the following reasons.

Firstly, South Africa's economic output, not only in relation to other African countries, but also relatively to the rest of the world, as evidenced by the country's inclusion in the BRIC countries in 2010, and being the 28th largest global economy based on GDP in 2011 solidifies its status as emerging.[212] Mauritius is also categorised as emerging because of its development from a low-income, agriculturally driven economy to a middle income economy that has a robust tourism, industrial and financial sector. Moreover, in 2018, the World Bank ranked Mauritius as the most competitive economy in sub-Saharan Africa.[213] Finally, Kenya remains one of Africa's fastest growing economies with robust economic policies in favour of infrastructural development and financial inclusion.[214] The country was also classified as an emerging economy by the IMF in 2008.[215]

2.6.2 A Brief History of Post-Colonial sub-Saharan Africa

2.6.2.1 An Overview of sub-Saharan Africa's Post-Colonial History

The discussion of sustainability, sustainable development and accounting within the African context must be framed from diverse perspectives. First, it is imperative that the continent's post-colonial history is described, as several sustainability and developmental challenges can be explained by the continent's complex past. This is a

[211] cf. HANSEN & WETHAL (2015), p. 11.
[212] Ibid., pp. 15, 205.
[213] cf. WORLD BANK (2018), p. 4.
[214] cf. WORLD BANK (2015).
[215] cf. DAILY NATION (2008); IMF (2015).

fundamental discussion because as stated by RAHAMAN (2010), "despite the archaeological significance of Africa, not very much is known about the cultural and social context of the continent beyond the extreme poverty images often documented in media circles."[216] The post-colonial legacy of newly independent African states was fraught by severe economic, environmental and social challenges coupled by poor governance in most countries. As a result, local and international policies and regulations introduced into Africa following the independence of most states, had a direct effect on the legislation of accounting practices, their institutionalization, and the way in which corporations in Africa presently operate.

Context is irrefutably tied to history and as such, a proper account of how SR manifests in African markets requires reflection on how historical developments have framed the interaction between business and society against the backdrop of politics, government and other factors.[217] As this dissertation is an attempt to explore and understand how institutions are placed to implicitly and explicitly foster sustainability reporting practices, contextualization is essential. Additionally, post-colonialism was also characterised by a shift in Africa's world view, particularly in pan-African values espoused by political leadership in the same period.[218] While the foci was on political freedom, insufficient attention was given to how these values could be translated in the sphere of business activity.[219] This section highlights some of the ideals brought to the fore by the political elite during post-independence in Chapter 3 and 4 of this dissertation discuss how some of these ideals are being translated into business practices in South Africa, Kenya and Mauritius.

Next, the discussion surrounding Africa's current state of development, the role and responsibility of both local and multinational businesses and the overarching goals of sustainability must be elaborated on further. This dissertation does not claim to offer a comprehensive and exhaustive overview of African post-colonial history, however, an analysis of past events following colonialism is essential to comprehending how concepts such as sustainability and sustainable development are embedded within the African experience.

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216 cf. RAHAMAN (2010), p. 421.
217 cf. HALME, ROOME, & DOBERS (2009), p. 2.
218 cf. MOGHALU (2014), p. 17.
219 Ibid., pp. 17-19

2.6.2.2 The Early Years I: Hindrances to Development

The African continent has often been described as a region riddled by high levels of poverty and impoverishment characterised by some of the worst social and environmental conditions.[220] It is imperative to provide an outline of Africa's developmental problems as they collectively hinder the region's path to sustainability. The main cause for the continent's enduring underdevelopment has been linked to poor policies, inadequate reforms and an overall failure of governance structures.[221] Some of the questions scholars of African history grapple with is who is to blame and how Africa's story ties in with and/or deviates from the experiences of other Southern regions.

On the one hand, some studies place primary responsibility on the role played by the African ruling class; mostly small elitist groups who gained power shortly after colonialism.[222] The Berg Report for instance, issued by the World Bank in 1981 stated that the reason for stunted growth of African nations was due to poorly incentivized agricultural production, overvalued national currencies, unwarranted state interventions and neglect of communal agricultural practices.[223] Notably, BATES (2014) also shared similar views to the propositions made by the Berg report and asserted that governmental officials in newly independent African countries, used their positions of power to enrich themselves, their families and in many cases individuals from their own ethnic communities.[224] Other authors laid more emphasis on factors that fell outside the region's control. Severe environmental conditions, specifically, the proclivity of droughts and scarcity of navigable rivers in several regions, rural isolation, the AIDS pandemic (among other diseases such as Malaria, Typhoid, Cholera, etc.) and abject poverty contributed largely to the continent's developmental problem.[225] As famously stated in SACHS (2005): "Africa's governance is poor, because Africa is poor".[226]

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220 cf. MCKAY & THORBECKE (2015).
221 cf. ARRIGHI (2002), p. 6.
222 cf. ARRIGHI (2002), pp. 6-8.
223 cf. WORLD BANK (1982).
224 There are approximately 3000 distinct communities/tribes in the African continent with an estimated 2000 distinct languages.
225 cf. SACHS (2005), pp. 188-209. He gives a detailed description of what has come to be termed as the poverty trap. In his view, in cases of extreme poverty, economic progress is highly improbable given that the 'poor' do not have the capacity to lift themselves out of their present condition.
226 Ibid., p. 188.

Similarly, Rene Dumont, the French agronomist, argued that Africa's continuing underdevelopment was not only caused by unfavourable natural conditions but by the failure of political authorities in both the colonial and post-colonial periods to adopt more appropriate policies regarding technology, peasant agriculture, industrialization, education, civil service development, foreign aid, and regional integration.[227]

Additionally, the plethora of campaigns against poverty such as the Live Aid benefit concert held in 1985 chiefly organized by Bob Geldof and Midge Ure in response to the Ethiopian famine, and various songs that promoted foreign aid raised awareness of Africa's plight.[228] Though such efforts were noble and well-intended, this preoccupation with poverty and foreign aid, did not bring about a deeper understanding of the region's complex economic, social and political realities.[229] While some researchers expressed optimism on the continent's outlook, others remained highly sceptical.

MEREDITH (2011), for example, stated, "given greater Western efforts, the sum of Africa's misfortunes-its wars, its despotism, its corruption, its droughts, its everyday violence-presents a crisis of such magnitude that it goes beyond the reach of foreseeable solutions. At the core of the crisis, is the failure of African leaders to provide effective government."[230] Thus, this diversity of views is illustrative of the complexity associated with describing the continent's current state of development.

2.6.2.3 The Early Years II: Industrialization, Food Security, Urbanization and Brain Drain

Most countries within the Sub-Saharan area achieved independence in the late 50s and early 60s. The subsequent years resulted in low levels of growth and stagnation for several countries, ultimately leading to economic decline from the late 70s to the early 90s. There are a variety of reasons for this though one of the main causes is most fittingly described by AKYEAMPONG, BATES, NUNN and ROBINSON (2014) as follows:

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227 cf. DUMONT (1966).

228 Most of the songs provided a platform for musicians to promote relief aid in Africa. For instance, Band Aid's "Feed the world" and Live Aid's "We are the world" are popular examples. Notably, both songs were produced in response to the Ethiopian famine of 1984.

229 cf. HOPKINS (2009).

230 cf. MEREDITH (2011).

"much has been made, correctly, of the fact that there was no internal unity within Africa-indeed "Africa" itself did not exist, except as a European geographical and cultural concept"[231]

Several countries remained divided along ethnic lines following independent rule, thus achieving national unity was and remains to the present-day problematic.[232] From an economic point of view, there were other challenges to consider. First in 1970, very few countries in sub-Saharan Africa had sufficient inhabitants necessary for the growth of large domestic markets. Apart from Nigeria, Kenya, Sudan, Tanzania and Ethiopia, most countries had populations of less than ten million inhabitants. Next, an "African industrial revolution' was rendered nearly impossible as most countries at the time did not have substantial deposits of coal or sufficient labour. Approximately 60 to 90% of energy production stemmed from petroleum products which were subject to price fluctuations particularly between 1971 to 1981.[233] Heightened oil prices towards the end of 1979 led to a depression in world trade which had an adverse effect on African exports and consequently reduced demand for agricultural and mineral produce. Furthermore, many African countries were having difficulties growing sufficient foodstuffs to feed their own people, forcing many governments to use earnings from foreign trade to purchase such necessities from the global market.

The steady decline in food production during this same period is also because of sustained droughts and famines mostly in the North-Eastern region of SSA. The Ethiopian famine that lasted between 1983 to 1985 for example, has been described as the worst famine to hit the country in a century. [234] Additionally, global food prices declined sporadically in the mid-60s and late 80s. Low prices for cocoa in the mid-60s and decline in the prices for coffee in the 80s for example, affected Ghana and Rwanda respectively. As most African economies relied on agricultural exports, the revenue needed to build and sustain social and industrial infrastructure was inadequate, leaving many countries dependent on foreign aid.

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231 cf. AKYEAMPONG, BATES, NUNN and ROBINSON (2014), p. 409.

232 EASTERLY & LEVINE (1997) present data showing that there is much greater ethnic diversity within African countries in comparison to other developing countries.

233 International prices for crude oil rose sharply in this period making it an immensely expensive resource which in turn fuelled inflation among African countries. See for example, OLIVER & FAGE (1990), p. 241.

234 cf. TAREKE (2009).

Accelerated urbanization shortly after independence was also common, as cities presented better opportunities for work, easier access to public goods, especially healthcare and educative facilities. However, this rapid immigration into towns led to overcrowding which consequently contributed to the growing problem of food insecurity. By the late 1970s, the numbers of people residing in urban areas had doubled and towards the end of the 80s, approximately 20% of African people were living in towns, consequently leading to the emergence of slum areas in several cities. [235]

In addition to urbanization, the emigration of Africans to developed or Western countries in the 1980s and 1990s in search of better employment conditions, higher salaries, stable political conditions, and better opportunities for training and/or education among other reasons, further fractured Africa's development agenda.[236] Though the massive 'brain drain' has led to an increase in remittances from abroad,[237] the loss of skilled professionals to foreign countries presents another challenge for African governments.[238]

2.6.2.4 The Early Years III: The Problem with Foreign Aid

I would be remiss to conclude this discussion without any mention of foreign aid and its implications for the African continent. MOGHALU (2014) argues that foreign aid is perhaps the key instrument that has led to Africa's lack of development.[239] It is also imperative to note that the objectives of foreign aid shifted through time. For instance, the advent of the 1960s was characterised by aid funding towards large scale industrial

235 Slums were originally described as squalid inner-city tenements of industrializing cities in Europe and North America. For purposes of this study however, the definition put forward by UN-Habitat is used. Slums are defined as areas that suffer from one or more of the following conditions: non-durable structures (e.g., shacks), inadequate living areas (i.e. overcrowding), deficient access to adequate water facilities, or deficient access to adequate sanitation facilities (UN-HABITAT, 2008).

236 cf. KABA (2011), p. 190. Notably, this mass immigration of Africans to other countries is termed as 'brain drain'. Readers can also refer to a World Bank study titled "International Migration, Remittances & the Brain Drain" for a more detailed discussion on the implications of brain drain for developing countries.

237 The World Bank estimates that approximately 2.6% of Africa's GDP in 2010 was attributed to remittances from abroad. See MOHAPATRA & RATHA (2011), p. 1.

238 cf. MAATHAI (2010), pp. 278-279.

239 cf. MOGHALU (2014), p. 25.

projects[240] whereas in the 70s, the objectives of aid were oriented towards poverty alleviation.[241]

Though the agenda of foreign aid shifted to poverty alleviation in the 70s and 80s, there was mounting consensus that current economic systems were functioning inefficiently due to excessive governmental involvement.[242] Thus, the structural adjustment programs (SAPs) launched by the International Monetary Fund (IMF) and the World Bank in 1980, were initiated with the aim of "encouraging greater trade liberalization and reducing price and structural rigidities by such means as removing subsidies."

SAPs were introduced in response to increased government spending among several African governments. There was cause for concern as it was clear most governments would be unable to service the debt they had incurred primarily from Western commercial banks.[243] SAPs were based on foundations of neo-liberalism[244] which required that governments cut public spending, the reduction or removal of barriers to trade, imposition of market based pricing, increased interest rates, the elimination of government subsidies and price controls and the liberalization of money markets.[245] These policies contributed to the decline in local manufacturing industries, as importation became much more lucrative.[246] It is widely accepted that the SAPs failed in their mandate of reducing foreign debt incurred by African states and instead ushered in a period of stagnated economic growth[247] and an even heavier debt burden.[248] The phrase "the lost decade" has been used to describe this period of staggered development

240 cf. MOYO (2009), pp. 14-15. An estimated amount of US$950 million in aid flows had been donated to African countries. Kenya, Zambia and Malawi which were all independent nations by the end of 1964, collectively received US$315 million by the end of that year.

241 Given the rapid increases in oil and food prices, declining food production predominantly in Western and Central African countries, (OLIVER & FAGE, 1990, p. 243), the focus of aid shifted to mitigating poverty.

242 cf. MOYO (2009), p. 20.

243 cf. ISMI (2004), p. 8.

244 Neo-liberalism places superiority on individualized market based competition over other forms of economic organization. HARVEY (2005), p. 2 describes neoliberalism as "a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade."

245 cf. NYIKAL (2005), p. 8; ISMI (2004), p. 8.

246 cf. MOGHALU (2014), p. 263.

247 cf. WEISBROT, NAIMAN, & KIM (2000), p. 9. The region's GDP declined by 15% between 1980 and 2000.

248 cf. ISMI (2004), p. 12. It is estimated that the continent's external debt under SAPs increased by approximately 500% between 1980 and 2004.

in Africa because of SAPs. However, there is still debate around whether the failure of the programs was due to the policies themselves or whether it was primarily a result of poor implementation.[249] In any case, both institutions have since recognized the shortcomings of SAP policies and have introduced new initiatives within these territories. [250] By the 90s and 00s, donor fatigue led to declining aid flows into the continent. Notably the 2000s were characterised with what MOYO (2009) describes as 'glamour aid'.[251] New sources of aid came streaming in from public figures and/or icons e.g. musicians, philanthropists, etc.[252] In summary, though foreign aid was and still is predominantly given with the best of intentions, it has not lived up to expectations and appears to prolong the vicious cycle of poverty and as a consequence cannot singly resolve Africa's sustainability challenges.[253]

2.6.2.5 The Early Years IV: The Emergent Political Class

The political context several countries found themselves in post-independence was far from ideal. African leaders who at the time comprised of a small group of elite and educated cluster of society, inherited almost absolute power previously held by former colonial governments.[254] The conundrum was how to balance their privileged status and satisfy the expectations of a largely ethnically diverse and illiterate mass of people. Some African leaders became reluctant to relinquish their positions leading to single party rule and misappropriation of public funds among other forms of corruption in many African countries. Subsequently, most of the insurgencies, military staged coups and ethnical clashes following independence, can be explained by an overall dissatisfaction and lack of faith in post independent African governments. OLIVER and FAGE (1990) note that by the end of 1985, there had already been more than fifty

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249 cf. MOGHALU (2014), p. 264.

250 The World Bank in collaboration with the Structural Adjustment Participatory Review International Network (SAPRIN) which is a global network that evaluates the effects of reform programs enforced by the World Bank and IMF, published a study SAPRIN (2002), p. 185 that stated "the economic policies that comprise the core of structural adjustment programs have failed to engender the healthy economies promised by their architects […] Poverty and inequality are now far more intense and pervasive than they were 20 years ago".

251 cf. MOYO (2009), pp. 26-28.

252 Ibid., p. 27.

253 Ibid., pp. 28, 47. Rwandese president, Paul Kagame in an interview PERRY (2007) was quoted as saying, "While more than US$300 billion in aid has apparently been disbursed to our continent since 1970, there is little to show for it in terms of economic growth and human development".

254 cf. OLIVER & FAGE (1990), p. 245.

occasions where African governments had been forced to relinquish their power to the military. Additionally, some of the policies enforced by post-colonial governments seemed in many ways to be an antithesis of what governments are ideally supposed to accomplish for the society.

It should be noted though, that there were African leaders who advocated for fair and just systems of government following independence. Kwame Nkrumah of Ghana for example, strongly believed a united Africa was not only a solution to social and economic hardships but also an alternative to neo-colonialism.[255] Patrice Lumumba, first Prime Minister of the independent Democratic Republic of the Congo (DRC), advocated against divisions along ethnic or regional lines of his country, against imported ideology, and supported the return to African values.[256] Former Tanzanian president, Julius Nyerere also advocated for African democracy, pan-Africanism, self-reliance, and socialism in his philosophy of 'Ujamaa'.[257] Nelson Mandela, similarly argued that "inclusivity, accountability and freedom of speech" were the foundations necessary for democracy. Thus, it is against this back drop of poorly structured economic reforms, unplanned and accelerated urban growth, environmental calamities, over-dependency on foreign aid, and political change among other contextual idiosyncrasies, that corporations operating in Africa found themselves in post-independence. These factors continue to shape the way organizations are expected to operate within different African settings and consequentially brings out a debate concerning their involvement and responsibility in creating sustainable economies in Africa.[258]

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255 cf. WORGER, CLARK, & ALPERS (2010), p. 157.

256 cf. WALLERSTEIN & CORDELL (2018).

257 The literal meaning of 'Ujamaa' means 'extended family'. In more concrete terms the word is "rooted in traditional African values [and emphasizes on] family hood and communalism of traditional African societies". See for example IBHAWOH & DIBUA (2003), p. 62.

258 cf. KOLK & LENFANT (2010), p. 241.

2.6.3 The Responsibility of Corporations Operating in Africa

The notion of corporate responsibility in Africa did not begin with independence but was also present during the colonial period. For instance, NOYOO (2010)'s study illustrates that the Anglo American Corporation in Zambia provided employees with living quarters and hygiene in 1929 though with racial partiality.[259] A similar study conducted by HOENKE (2012) also illustrated the responsibility of mining corporations in the Democratic Republic of Congo (DRC) at the onset of the 1920s.[260] It is imperative to note that while there is evidence of early proclivities of companies addressing issues relevant to sustainability, literature on the intersections between business, the environment and society are only just emerging within Africa.[261] Thus, though communal engagement by corporations is not new in the region, there is definitely a shift in the manner in which companies, specifically multinational entities, choose to engage with their external stakeholders.

HOENKE (2012) for instance reflects on how the colonial period was characterized by coercive and disciplinary paternalism employed by governments and corporations to control and subjugate the labour force.[262] In the post-colonial era, however, countries now grapple with what role both local and multinational companies can play within the communities they operate and the contribution they make towards holistic development. Multi-national corporations particularly, are reminiscent of former colonial corporations that propagated colonial domination and exploitation in Africa such as the Royal Nigeria Company in Nigeria, the Rhodes Company in Zimbabwe and the Imperial East African Company in Kenya.[263]

In this regard, there appear to be two opposing streams of thought regarding multinational corporations (MNCs). One stream of literature points towards the transformative role corporations can play in contributing towards Africa's development.

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259 cf. NOYOO (2010).

260 cf. HOENKE (2012), p. 62. One of the earliest mining companies-the Union Minière du Haut Katanga (UHMK) was deeply involved in the lives of its labour force. The corporation provided housing, healthcare and education for its workforce. For further description of the company's activities during this period, consider reading DIBWE DIA MWEMBU (2001).

261 cf. IDEMUDIA (2014).

262 cf. HOENKE (2012), p. 58. LEGG (2007), p. 26 also discusses the role the East India Company (EIC) played in seizing control of the Indian sub-continent in the 18th century.

263 For a history of the role colonial corporations played in African during the colonial period consider, HOCHSCHILD (1998); UNESCO (1985); WORGER, CLARK, & ALPERS (2010).

Though there is consensus that most African countries are not characterised by business environments that foster organizational responsibility, certain corporate actions such as the application of Environmental Management Systems (EMS)[264] or philanthropic activities can arguably contribute towards overall development.[265] On the other hand other authors have described MNC activity within Africa as neo-colonialist. South Africa's mining sector for instance, has been on the receiving end of critique for 'green washing' corporate reports despite irresponsible mining activities that degrade surrounding environments and negatively affect local communities.[266]

That Africa lies on the lower end of the developmental spectrum is no longer a cause for debate. The underlying and divisive question is if businesses (whether local or international) operating in Africa have a role in solving the region's developmental challenges.[267] Again, extant literature branches into proponents for and opponents against the use of corporate resources in facilitating the region's development. The arguments put forward are comparable with the critical and managerial arguments discussed in second part of this chapter.

The case for corporate responsibility can be summarised into three main arguments.[268] First, weak governance structures in several African economies, have meant that several responsibilities that would normally accrue to governments, have been relinquished to other institutional actors e.g. non-governmental organizations, international institutions like the World Bank or the IMF and corporations among other bodies. As discussed in Chapters 2.6.2.2 and 2.6.2.5, the late 80s which have been described as the lost decades of development, the "private sector was seen as a liberator of underdeveloped economies."[269] Though government failure is in many instances detrimental to business activity, companies have also used this situation to their advantage in the recent past by exploiting cheap labour, plundering natural resources and displacing local communities

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264 cf. GARCÍA-RODRÍGUEZ ET AL. (2013), pp. 381-382. Their study suggests that Algerian oil corporations have the potential of improving the country's social and ecological state through the use of environmental management systems.

265 cf. VISSER (2006), p. 19.

266 cf. CRONJE & REYNEKE (2015), pp. 109, 129-33. The Marikana incident of 2012 for example, led to the death of 17 mining workers due to protesting against unfavourable working conditions.

267 cf. IDEMUDIA (2014), p. 423.

268 cf. IDEMUDIA (2014), pp. 422-425.

269 cf. BLOWFIELD (2010), p. 516.

from their homelands among other actions.[270] Corporations are thus, powerful actors who have the capacity and arguably the moral duty to be agents of development from within by pursuing corporate activities that foster communal and ecological responsibility.[271] However, the sole reliance on corporate will in resolving deeply embedded developmental challenges is contentious as the implication is that voluntary corporate actions can replace comprehensive regulatory responsibilities traditionally provided by governmental institutions.[272]

The next argument for corporate responsibility is embedded within the argument for a business case. The connotation of a win-win situation for both businesses and the societies within which they operate seems plausible. For instance, Mauritian organizations have been found to be actively contributing towards alleviating poverty through a mixture of philanthropic contributions and voluntary activities,[273] which in turn have a positive impact on company reputation. The third argument for corporate responsibility lays emphasis on the changing nature of the society and the consequent expectations placed on businesses. MZEMBE and MEATON (2014)'s study of Malawian mining companies also showed that local communities expected businesses within their locale to address road infrastructure, provide access to healthcare, education and to assist in alleviating poverty.[274] This proposition ties in with the broader question of if and to what extent businesses operating within African territories should be held to account for the region's overall development.

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270 Natural minerals, especially the case of diamond mining in Sierra Leone is a text book example of where a multinational corporation (DeBeers Group of Companies) indirectly supported a dictatorial regime that ultimately descended into a civil war financed by illicit diamond trading (characterised by forced child labour) for more than 10 years. Consider the work by POWLICK (2005), who provides a detailed account of diamond mining activities in Sierra Leone before, during and after the advent of the civil war.

271 cf. BLOWFIELD (2010), pp. 126, 130-134, 142-145.

272 cf. FITZPATRICK ET AL. (2011), p. 376.

273 cf. RAGODOO (2009). There are also several examples elucidated by IDEMUDIA (2014), p. 424. For example, he discusses the work of WIIG & KOLSTAD (2010) who demonstrated the link between the social responsibility of oil firms in Angola and the likelihood such companies would be awarded with contracts. Likewise, BELAL, COOPER, & ROBERTS (2013), p. 85 argue that corporate transparency in least developed countries (LDCs) provides a mechanism through which civil society can track how natural resources in their domain are being utilised.

274 cf. MZEMBE & MEATON (2014), p. 194.

There is however a great deal of cynicism surrounding corporate responsibility in Africa which can also similarly be discussed from three perspectives. First, poor governance structures characterising most African environments creates the incentive for firms to pursue profits above all else.[275] The underlying assumption here is that businesses are purely self-interested and driven by profits. Next, the business case argument has also been brought under scrutiny primarily because the alignment between corporate objectives and developmental goals is contentious.[276] Finally, as stated by IDEMUDIA (2014), "the idea that CSR can contribute to development in Africa tends to be ahistorical informed by a depoliticized understanding of development, and has thus allowed business to appropriate the meaning of development by making business rationality the predominant basis for development thinking and practice in the region".[277] Though corporations could actively shape the development agenda for Africa, sole reliance on businesses as tools for development is unsettling.

Alternatively, the disagreement surrounding the responsibility of companies in these regions and their contribution towards a more holistic development i.e. sustainable development can also be discussed at a conceptual, practical and at a discourse level. The conceptual argument is linked to extant theory. First, the argument that businesses in Africa can and should contribute towards sustainable development are based on institutional and stakeholder theories.[278] The question arising is if African realities can be reflected in predominantly Western concepts. There is the need for theory that takes indigenous actors into account, particularly, how factors such as culture, race, ethnicity, colonial history and politics inform the way accounting is practiced in diverse regions and among various communities.[279]

From a practice point of view, corporate projects such as investments in health, infrastructure, education, etc. allow for the reduction of poverty and aid in resolving development challenges. However, the sustained impact such initiatives have on communities is often questionable as many are poorly executed. For example, several

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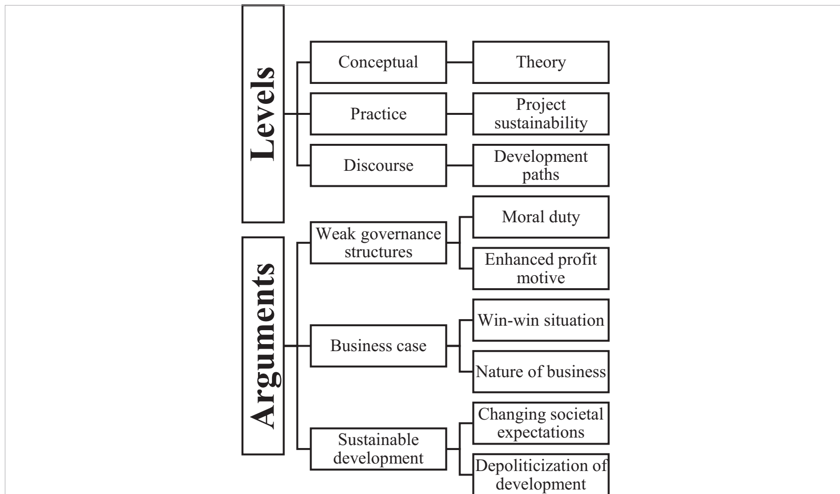
275 cf. IDEMUDIA (2014), p. 424.
276 cf. SMITH (2003), pp. 21-23.
277 cf. IDEMUDIA (2014), p. 424.
278 cf. KOLK & LENFANT (2013); MZEMBE & MEATON (2014).
279 cf. HOPPER, LASSOU, & SOOBARAYEN, (2017), p. 140.

boreholes constructed for rural communities in Ghana, Burkina Faso, Mali have fallen to disrepair mostly because of lack of maintenance.[280]

Finally, from a discourse level, the debate itself i.e. whether businesses can meaningfully contribute towards SD, hinders productive debate regarding alternative ways sustainability can be achieved. Community involvement by South African mining corporations, for instance, has led to overdependence on corporations by local communities instead of empowerment.[281] On the other hand, business involvement in wider issues of development that lie traditionally outside their mandate may be characteristic of contemporary development.[282] The arguments are summarised in Figure 2.

Figure 2: A Summary of the Debate on the Responsibility of Corporations in Africa



Source: Adapted from IDEMUDIA (2014).

280 cf. SKINNER (2009), p. 1.

281 cf. RAJAK (2006).

282 cf. IDEMUDIA (2014), p. 429.

2.6.4 The History of Accounting Research in the sub-Saharan Region

There is a paucity of information regarding the history and development of accounting practice in Africa.[283] Early works attempted to draw parallels between forms of accountancy that would aid in economic development and addressing poverty on the continent.[284] Other studies questioned the capitalistic orientation of accounting practice in a traditional African setting. Agency theory in particular, as described by ASECHEMIE (1997), "is not helpful in understanding the labour process in [Nigerian] societies which may not adopt capitalism as a model to which they wish to aspire."[285]

Similarly ANNISETTE (2006), elaborated on the accounting and accountability systems of the Yoruba community of Nigeria. Her work is emblematic of the necessity to explore traditional settings and how Western accounting practices may not be easily transferable to certain contexts. This is also particularly interesting when considering the speedy uptake of Western accounting standards, specifically the International Accounting Standards Board (IASB)'s International Accounting Standards (IAS) from select countries in the region.[286] In general, several developing and emerging economies are subscribers to international accounting standards partially because of the impositions and lending requirements made by the Bretton Woods institutions, i.e. the World Bank and the International Monetary Fund (IMF).[287]

283 cf. RAHAMAN (2010).

284 cf. ENTHOVEN (1973).

285 cf. ASECHEMIE (1997), p. 373. This study is particularly insightful as it discusses labour practices of indigenous Nigerian communities, namely the Igbo, Yoruba and Okrika groups. The author demonstrates the opportunity for embedding African views in accounting practice. For instance, he suggests that payments for labour should be considered as an appropriation and not a factor of cost when calculating business profit.

286 cf. STAINBANK (2014), p. 88. A total of 17 countries were recorded as being compliant with International Financial Reporting Standards. Notably, the study stated that economic growth, market capitalization and cultural ties to the UK were significant factors explaining the likelihood that African countries would adopt IFRS.

287 cf. ANNISETTE (2004), p. 306. A fundamental debate is raised concerning the unbalanced relationship between lending institutions and developing countries. Nations that adopt standards approved by the World Bank for instance, are given good ratings which directly influence the amount of donations and foreign investment that comes into the country. The alignment, however, between such standards and the context within which they are applied remains contentious.

Other studies have also discussed the role of accounting within the period of colonialism. The case of British West Africa[288] is particularly intriguing because, though accounting and taxation mechanisms were central tenets of the relationship between Africans and colonialists, the strong resistance to colonial rule made it very difficult to impose taxes in West Africa.[289] The role taxation played in fuelling anti-colonial sentiment among the people of West Africa and the movement for political freedom is also unique and raises other questions. For example, what role did accounting mechanisms play following the independence of West African countries?[290]

In East Africa similar themes surrounding the link between the process of decolonization and integration of African people into the accountancy profession are also represented in extant literature. A landmark study by SIAN (2007) explored how Kenya's post-colonial government successfully reversed previously instituted exclusion policies (based on race) from the accounting profession shortly after independence in 1963.[291] In the early 20th century leading up to independence, the accounting profession was controlled by British accountants, though there is evidence of the inclusion of Indian participants following World War II. However, the integration of African accountants is only observed after independence and can mostly be attributed to "aggressive affirmative action" policies that abolished former discriminatory practices against African indigenous communities.[292] Similar research drawing links between racial discrimination and inclusion into the accounting profession have also been researched in the South African context. Unlike the case of Kenya, political change in South Africa following the end of apartheid did not result in a smooth transitional process for African inclusion into the chartered accounting industry.[293] To be specific, by the year 2000, approximately 1% of professional accountants in South Africa comprised of black South Africans.[294] Such findings indicate that even in the advent of political change and evolved world views on matters of cultural, racial or ethnic

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288 British West Africa connotes the former British colonies in West Africa. The countries comprise of Ghana, Nigeria, Sierra Leone and the Republic of Gambia. For more information see ENCYCLOPAEDIA BRITANNICA (2018).

289 cf. BUSH & MALTBY (2004), p. 32.

290 cf. RAHAMAN (2010), p. 422.

291 cf. SIAN (2007), pp. 1-3, 38-39.

292 Ibid., p. 1.

293 cf. HAMMOND, CLAYTON, & ARNOLD (2009)

294 Ibid., p. 705. Notably, the study states that the numbers of black South African accountants in South Africa went from 1 in 1976 to 220 in 2000.

discrimination, the amassed economic resources of white South Africans placed and still continues to place them at an advantageous position within the accounting profession.

Though themes on the development of the accounting profession during and after colonialism are of great significance, other researchers focus on ways in which systemic corruption and fraud in several African countries restricts the profession's capacity to be objective and transparent.[295] The Nigerian setting for example (as is the case with many African countries) is characterised by prevalent corruption and financial misappropriation in both public and private spheres of the economy.[296] Fraudulent business practices leading to several corporate scandals in the country have raised a 'crisis of confidence'[297] in regard to the role accountants and auditors play in safeguarding public interest. Though accounting (especially auditing) has a significant part to play in the fight against corrupt business practices, the wider picture is that in such an environment, the independence of accountants and auditors is likely to be compromised.[298]

Other research themes have covered the role accounting plays in political governance in Africa. For instance, the accounting profession's proliferation of privatisation and subsequent economic growth in post-apartheid South Africa, has raised further debate concerning the profession's role in serving only rich minorities as opposed to majority of the population.[299] Alternatively, other studies such as RAHAMAN, EVERETT, and NEU (2007) discussed accounting's formative role in shaping government policy in the case of water privatisation in Ghana.[300] Their findings showed how accounting methods and terminologies were used to understand and frame the discussion around water privatisation in Ghana from both local and international actors and how, "these same accounting procedures and vocabularies were *poly vocal* resources, in that they could

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295 cf. OKIKE (2004).

296 cf. The origins of corruption in Nigeria stem mostly from rapid and major changes in the country's socio-political and environmental structure. Various forms of governmental rule (particularly military dictatorships), the shift from an agricultural economy to one based on oil extraction, civil wars and ethnic tensions has contributed to the nation's corruption problem. Consider for example OKIKE (1994) or KIMBRO (2002) for further analysis of the country's history and current state of development.

297 cf. OKIKE (2004), p. 705.

298 cf. KIMBRO (2002), p. 325.

299 cf. CATCHPOWLE & COOPER (1999), p. 735.

300 cf. RAHAMAN, EVERETT, & NEU (2007).

be re-arranged and re-configured to challenge government constructions".[301] While privatization in the developed world has been viewed as economically efficient, there is no such consensus in developing or emerging economies; the study examined the role accounting plays in the ongoing debate of privatization in Africa.[302] A similar study documented the influence the Bretton Woods institutions had on the actions of a major electricity provider in Ghana which ultimately resulted in a crisis of legitimacy for the utility provider.[303]

Though the studies highlighted are insightful in documenting how accounting as a practice and a profession is framed within an African setting, more research is needed to answer questions pertaining to how accounting works for and against different African regimes, e.g., within democratic, long-serving and/or dictatorial forms of governments.[304] Further, how corruption and environmental degradation are intertwined. These issues have not received sufficient scholarly attention, particularly from a critical accounting perspective, for example, the case of the Karura Forest in Kenya.[305] The implementation of health care reforms across several African economies also require further investigation. Research focusing on the justifications for health care reforms and the forces behind such efforts, especially the financial practices that are encouraged by key players in the health care sector is also necessary.[306]

301 cf. RAHAMAN, EVERETT, & NEU (2007).

302 Ibid.

303 cf. RAHAMAN, LAWRENCE, & ROPER (2004), p. 51. The authors found that the Volta River Delta-a public sector institution in Ghana, was placed under constant pressure by the World Bank to include social and environmental information within its annual reports. While such efforts are commendable, the organization's financial management practices were also constrained by the World Bank which meant poor rural communities were unable to access electrical services due to high charges.

304 cf. RAHAMAN (2010), p. 423.

305 cf. Nobel laureate-Wangari Maathai is credited with protesting against the privatization of public forest land, i.e., the Karura Forest. The political regime at the time was wont to allocating public land to political supporters. For further elaboration consider MAATHAI (2010).

306 The heath care sector in many African countries is inefficient and characterised by overcrowded public hospitals, insufficient capacity, outdated medical equipment and low remuneration of health care workers. See RAHAMAN (2010), p. 425.

2.6.5 The State of Sustainability Reporting (SR) Research in sub-Saharan Africa

2.6.5.1 Common Topics of SR research in Africa

The current state sustainability reporting research in Africa is discussed in this section. Though various works are cited, certain authors who have done a considerable amount of research on the link between accounting practice, ecology and the society within an African setting are expounded on in detail in Chapter 2.6.5.2. The section also highlights core authors who have done a substantial amount of research and reflection into related topics of corporate social responsibility, corporate citizenship and governance.

To begin with, there is a dominance of documenting philanthropic process when it comes to research on how corporations engage within an African setting.[307] VISSER (2006) proposed that in regard to CARROLL (1991)'s pyramid of corporate social responsibility, Africa deviates from the traditional model and places the philanthropy of organizations before legal and ethical responsibilities.[308] For instance, a study of the drivers of social responsibility among publicly listed Kenyan entities found that communal engagement was necessary in defining the appropriate behaviour of companies in Kenya.[309] Philanthropic action in this case is inextricably tied to organizational legitimacy which demonstrates the importance of the community as a stakeholder group and is reflective of "African values of community spirit and social responsibility".[310] Similar findings have also been shown in studies of South African, Zambian, Nigerian and Ugandan firms.[311] However, given the formative role played by Western countries in defining and conceptualizing corporate responsibility, in some cases it is unclear whether corporate philanthropy among businesses in Africa is indigenously driven or whether it is an imitation of seemingly 'best practices' from Western institutions.[312]

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307 cf. MUTHURI & GILBERT (2011), p. 478. Corporate philanthropy can be defined as a voluntary or charitable contribution that is given to assist with social or environmental problems typically facing surrounding communities that organizations operate in. It is a single aspect of the broader notion of corporate responsibility. See for example the explanation provided in IDEMUDIA (2014), p. 425.

308 cf. VISSER (2006), p. 19.

309 cf. MUTHURI & GILBERT (2011).

310 cf. MUTHURI & GILBERT (2011), p. 478.

311 cf. KATAMBA ET AL. (2012); KIVUITU, YAMBAYAMBA, & BOX (2005); VISSER (2006)

312 cf. AMAESHI, ADI, & OGBECHIE (2006), p. 84.

Research by the Gesellschaft für Technische Zusammenarbeit (GTZ) (engl. Organization for Technical Collaboration) covering the sustainability reporting practices of six Sub-Sahara territories, for instance, also concluded that over-reliance on philanthropic disclosures deterred local institutional efforts to meaningfully define and integrate sustainability reporting among African companies. They concluded:

"it can be stated that the key to addressing [corporate sustainability reporting's] hindering and promoting factors in sub-Saharan Africa lies in a systemic and context-sensitive approach that relies on the potential of people, organisations and communities to design and implement their own solutions within global frameworks."[313]

Another complication arising is the difficulties organizations operating in Africa encounter when attempting to be good corporate citizens. Low managerial commitment and support for CSR initiatives, insufficient financial resources, absence of clear sustainability policies and low levels of commitment and support from staff for sustainability projects (among other barriers), have rendered the task of shifting the focus of corporate sustainability away from the sole focus of philanthropy problematic.[314]

Though philanthropy tends to be the main focal point of research in this area of study, other works have interrogated the development of environmental reporting within an African setting. WANG'OMBE (2013a), for instance explored how different stakeholder groups influenced the quality of corporate environmental reporting among Kenyan companies.[315] The author has also carried out evaluations of the extent and quality of mandatory and voluntary environmental reporting among firms listed on the Nairobi Securities Exchange (NSE)[316] and proposed a multi-theoretical approach to conceptualizing corporate environmental reporting.[317]

Other studies depart from a public reporting emphasis, and instead consider how accounting tools and methods support internal managerial decision making on environmental issues, that is, the uptake of environmental management accounting

313 cf. GTZ (2009), p. 69.
314 cf. NYUUR, OFORI, & DEBRAH (2014), pp. 105, 110.
315 cf. WANG'OMBE (2013a).
316 cf. WANG'OMBE (2013c).
317 cf. WANG'OMBE (2013b).

(EMA) practices in Africa across diverse industrial sectors.[318] This type of research is timely and insightful as it addresses the scarcity of studies in environmental accounting practices and methods in the region and more importantly, illustrates the tensions developing economies face concerning ecological preservation vis-à-vis economic progress. WANG'OMBE, ASSAD, and MCFIE (2013) accordingly state:

“Developing countries must seek ways to attain economic development but avoid environmental destruction that results from pursuit of an unbalanced growth.”[319]

Other researchers broach the topic differently and instead focus on business ethics as the driving force of responsible business practices, good corporate governance and archetypal sustainability reporting practices. ROSSOUW (2000) for example argued that the discourse on business ethics in Africa differs significantly from other settings and can be understood at three varying levels, namely the macro, meso and micro-levels. At the macro-level, Africa’s colonial and neo-colonial history exemplifies the need for macro-economic policies that can cure imbalances and injustices within African societies. He also argued that the fact that the state in many cases is a predominant economic player, brings a different connotation to how business ethics works on the continent.[320] On one hand, the major role African governments’ play in the economy raises a fundamental debate regarding whether this should continue to be the case. In Uganda for example, poor corporate governance structures have been directly linked to political cronyism and an overall lack of effort by governmental authorities, are barriers to corporate accountability and transparency.[321] Alternatively, the inclusion of public institutions within the realm of business ethics is undoubtedly useful, especially in Africa.

The meso-level considers the moral responsibility of corporations towards the reconstruction of societies in Africa.[322] Such sentiments are akin to the argument that proposes that businesses in the region should act as agents of development.[323] Once again, the question arising is if ethical values extant in African societies are at odds with capitalistic business values, and if there is a possibility for a win-win situation for both

318 cf. DOORASAMY (2015); WACHIRA (2014).
319 cf. WANG'OMBE, ASSAD, & MCFIE (2013), p. 247.
320 cf. ROSSOUW (2000), p. 226.
321 cf. WANYAMA, BURTON, & HELLIAR (2006), p. 65.
322 Ibid., p.226
323 cf. BLOWFIELD (2005); IDEMUDIA (2011).

business and society. The final level which is the micro-level, considers the individual actions and measures taken by firms to overcome social and environmental challenges such as economic exclusion, sexism, racism, etc. For example, the deliberation on what kind of environmental and social disclosures to include within corporate reports and how to account for such items would fall into this category. Interestingly, there is a growing stream of literature that observes the role small and medium enterprises (SMEs) play in addressing sustainability challenges in Africa.[324]

Other researchers focus on contextual differences between countries and/or regions, particularly how cultural differences among countries shape and influence corporate sustainability disclosures.[325] Apart from similarities in disclosures made, the literature also illustrates a similarity in the underlying theories used by prior researchers. Institutional theory for instance is particularly common and is used as the premise to explain what sustainability disclosures are provided and why they are accounted for.[326] IOANNOU and SERAFEIM (2017) for instance examined the effect of mandatory sustainability disclosure regulations on sustainability disclosures made by listed companies in four countries-including South Africa. Their work illustrated variances in regulatory requirements for SR and discussed the extent to which regulatory requirements on financial reporting are adopted and reflected across different regions.[327]

2.6.5.2 Visser, Villiers, Muthuri, Ofori and Idemudia's Contributions to SR research in sub-Saharan Africa

This section introduces the work of five authors who have done a considerable amount of research pertaining to the intersection between accounting practice, ecology, and society in an African context: Visser, Villiers, Muthuri, Ofori and Idemudia. It should be noted that most of the current literature is oriented towards what corporate responsibility entails in an African context, specifically corporate actions that are geared towards communal engagement. However, linkages can be drawn to sustainability

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324 cf. NKIKO (2009).

325 cf. KIVUITU, YAMBAYAMBA, & FOX (2005), p. 4.

326 cf. DAWKINS & NGUNJIRI (2008); MUTHURI & GILBERT (2011); DE VILLIERS & VAN STADEN (2006).

327 cf. IOANNOU & SERAFEIM (2017).

reporting research as several social disclosure items discussed in prior studies are a prerequisite for sustainability reporting.

Wayne Visser: Corporate citizenship

When it comes to research on the specifics of SR, most studies are based in South Africa. This is because the country has the largest and most sophisticated economy in sub-Sharan Africa, and its financial market is considerably advanced in comparison to other African territories.[328] VISSER (2006a) for example, has completed a considerable amount of research particularly focused on corporate citizenship in various countries in sub-Saharan Africa, including South Africa.[329] As is the case with most researchers who study the sub-Saharan context in the field of corporate responsibility, the author discussed the somewhat contradictory nature of business in the region. He cites for example, corporate collusion in political unrest, environmental degradation, exploitation of resources (particularly labour) on the one hand, and the advantages brought about by business enterprises, particularly creation of jobs, fostering of labour skills, development of infrastructure and social development initiatives among other benefits in several sub-Saharan countries.[330] Despite the extant contradictions of the role corporations play in sub-Saharan Africa, he argues that private enterprises are well placed to make much needed social, economic and environmental changes on the continent. However, some of the complex questions arising following that assertion are for instance, at what point should indigenous traditional practices per say be prioritized over international policies? Is it possible for corporations to remain impartial to local politics? In the case of multinational companies, are they morally justified to impose their ideas of ethics on African societies who already have their own set of unique values?[331]

VISSER (2006b)'s proposition about the inadequacy of CARROLL (1991) pyramid in placing philanthropic duties as least important for organizations demonstrates how Western models of corporate behaviour may not work in Africa.[332] He uses a particularly illustrative example regarding corporate reporting on HIV/AIDs treatment

328 cf. ANDREASSON (2011), p. 654.
329 cf. VISSER (2006a).
330 cf. VISSER, MIDDLETON, & MCINTOSH (2005), p. 12.
331 Ibid., pp.12-13.
332 cf. CARROLL (1991), p.42; VISSER (2006b), pp. 6-7.

and/or prevention. If a firm contributes towards HIV/AIDs treatment, should such activity be recorded as an economic responsibility as it contributes to the overall well-being of the present and future labour force? Or, is it ethical because individuals suffering from HIV/AIDs are entitled to basic human rights? Or, is it an issue of public health in which case such an activity would be recorded as a philanthropic activity.[333]

VISSER (2005) argues that though the notion of corporate citizenship, that is, the degree to which corporations meet financial, regulatory and moral responsibilities as required by their stakeholders, has manifested itself in a unique way in South Africa.[334] The emergence of corporate citizenship in South Africa can accordingly be attributed to "legislation, globalisation, stakeholder pressure and codification [of reporting practices]". He demonstrates a shift from the issues companies choose to report on during and after South African independence. Where matters pertaining to ethical investment were the focus of reporting during the apartheid regime (pre-1994) the morality of the actions of individual South African managers following the failure of apartheid and accountability for the environment were more prevalent post-1994.[335]

Charl de Villiers: Corporate legitimacy through environmental reporting

Charl de Villiers has conducted several studies exploring the degree to which South African corporations integrate environmental information within annual reports, the value relevance of such information, the challenges firms face in accounting for sustainability disclosure items and the potential for integrated reporting practices in South Africa.[336] The case of environmentally sensitive companies in South Africa, specifically the environmental disclosures provided by mining firms have also been researched in detail.

DE VILLIERS and BARNARD (2000)'s analysis of South African mining companies between 1994 to 1999, showed a significant increase in the amount of environmental information disclosed in annual reports, in comparison to other listed entities on the

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333 cf. VISSER, MCINTOSH, & MIDDLETON (2005), p. 13.

334 The definition of corporate citizenship used by VISSER (2005) is derived from MAIGNAN & FERRELL (2000)'s, p. 284 definition.

335 cf. VISSER (2005), p. 28. Notably, negotiations to end apartheid in South Africa were held between 1990 and 1993. See SAHO (2016).

336 cf. DE VILLIERS (1999); DE KLERK & DE VILLIERS (2012); DE VILLIERS (2003); DE VILLIERS & ALEXANDER (2014); DE VILLIERS & MARQUES (2016).

JSE.[337] A later study revealed a marked reduction of environmental disclosures made by the same group of mining corporations after 1999.[338] This finding is interesting because their results departed from trends observed in developed regions: where firms in environmentally sensitive industries are expected to provide comprehensive information regarding their environmental impacts.[339] Due to a shift in societal expectations in South Africa, environmental issues received less public attention and consequently mining companies reduced the level and specificity of their environmental disclosures with the aim of garnering legitimacy.[340] When investigating the social and environmental disclosures of firms listed on the JSE in a follow up article, the results indicated that the mining industry had reached maturity and as such there were no significant differences observed in the level and detail of environmental disclosures provided by mining corporations.[341]

DE VILLIERS, RINALDI, and UNERMAN (2014) also discuss the emergence and development of integrated reporting policy, principally South Africa's pioneering role in mandating the practice.[342] Their work also discusses the key differences between the South African integrated reporting framework and the international guide for IR.[343]

Judy Muthuri: On corporate responsibility through communal engagement

One of MUTHURI (2007)'s landmark studies was a case study of the social responsibility initiatives engineered by the Magadi Soda Company in Kenya (a soda ash extracting corporation). Her findings illustrate that corporations can play a developmental role in "[…] facilitating institutional infrastructure and the creation of a strong network that seeks to develop solutions and create opportunities for sustainable community development."[344] Her work is illustrative of how corporations can legitimately

337 cf. DE VILLIERS & BARNARD (2000).

338 cf. DE VILLIERS & VAN STADEN (2006), p. 779.

339 cf. BECK, CAMPBELL, & SHRIVES (2010); JOSE & LEE (2013); KHALID & DIXON (2012).

340 cf. DE VILLIERS & VAN STADEN (2006), pp. 779. Both authors conclude that reduced environmental disclosures can be used as a legitimising strategy within a context where such disclosures may not be valued highly.

341 cf. DE VILLIERS, LOW, & SAMKIN (2014), pp. 56-57. Readers could also consider DE VILLIERS & ALEXANDER (2014) which is a comparative study of the differences between the social and environmental disclosures made by South African and Australian mining firms.

342 cf. DE VILLIERS, RINALDI, & UNERMAN (2014), p. 1050.

343 Ibid., p. 1050. The differences between the South African and international framework for IR are discussed in avid detail in Chapter 3.2.3.6 of this dissertation.

344 cf. MUTHURI (2007), p. 82.

participate in community building and garner societal acceptance.[345] In a follow up study, the concept of corporate community involvement as a path to sustainable development is expanded on further with the conclusion that participation by local communities in developmental projects initiated by corporations is essential.[346]

Another investigation into the sustainability disclosures presented of Kenyan firms shows that philanthropic activities were considered as more important disclosure items when using CARROLL (1999)'s pyramid as the prevailing paradigm, which also confirms VISSER (2006)'s prior proposition.[347] Specifically, corporate disclosures that cover community development, education and training, poverty reduction and health care were found to be predominant disclosures within annual or sustainability reports of Kenyan companies. Their findings also show that corporate responsibility among Kenyan corporations is a function of normative and cultural forces extant in Kenyan society.[348] In summary, the author's work tends to focus on the intersection between corporate activity and community engagement and development.

In a recent study, MCCARTHY and MUTHURI (2018) discussed how visual participatory research (VPR) methods can foster productive engagement from "fringe stakeholders".[349] Though the work is indirectly linked to corporate responsibility, the study proposes an insightful approach to how organizations can encourage meaningful participation of all stakeholders in community projects or other CSR activities initiated by firm activity.[350]

Daniel Ofori: Towards a business case for corporate responsibility

OFORI (2007)'s towards corporate responsibility is moderately managerial based on BEBBINGTON and GRAY (2001)'s typology of critical and managerial researchers.[351] One of his earlier studies reviewed and documented the extent and content of socially

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345 Magadi Soda company collaborated with other non-governmental organizations to formulate an integrated community development project for the local community in that area. The issue of corporate legitimacy and independence is addressed as the firm was not the main actor driving the project plan. See MUTHURI (2007), pp. 78, 79.

346 cf. MUTHURI, CHAPPLE, & MOON (2009), p. 442.

347 cf. MUTHURI & GILBERT (2011), p. 478.

348 Ibid., p. 479.

349 cf. MCCARTHY & MUTHURI (2018). Fringe stakeholders refer to groups with less voice, power, and urgency. The term can also refer to particularly poor and uneducated groups. See Ibid., p. 133.

350 Ibid., p. 158.

351 cf. BEBBINGTON & GRAY (2001), p. 562.

responsible actions undertaken by organizations in Ghana.[352] He discussed the rift between how local and internationally connected Ghanaian companies[353] engage in socially responsible initiatives or activities. While local companies are aware of CSR in general, they were observed to be less strategic in their approaches, for example, prioritizing donations over initiatives associated with environmental protection or safety. Internationally connected Ghanaian firms on the other hand, had a better grasp of the different dimensions and levels of corporate responsibility and how they could be used strategically for competitive advantage.

The author has also examined the link between financial performance and CSR activities among a sample of Ghanaian banks.[354] He duly notes that the present African literature on issues on corporate responsibility and sustainability are centred on philanthropy and communal development.[355] However, the findings reveal that Ghanaian banks perceive CSR actions as integral to firm strategy, especially when it comes to enhancing firm reputation and securing organizational legitimacy.[356] Furthermore, his research is also indicative of a positive correlation between the extent of CSR initiatives that firms engage in and the corresponding level of financial performance.

Interestingly, Ofori expands the business case for corporate responsibility argument by considering the association between organizational performance and social capital.[357] He argued that social capital, i.e., "the networked ties of goodwill, mutual support, shared language, shared norms, social trust, and a sense of mutual obligation that people can derive value from"[358] are positively related to higher firm productivity and overall high organizational performance. By assessing the frame and function of social capital within Ghanaian businesses and its effect on firm performance, the study concluded that building and sustaining social capital, as determined by reciprocity, trust and

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352 cf. OFORI (2007).

353 Internationally connected Ghanaian firms are defined as firms that are Ghanaian subsidiaries of multinational firms or Ghanaian companies whose parent organizations are located outside Ghana. See OFORI (2007), p. 73.

354 cf. OFORI, NYUUR, & S-DARKO (2014).

355 Ibid., p. 3.

356 cf. OFORI, NYUUR, & S-DARKO (2014), p. 8.

357 cf. OFORI & SACKEY (2010).

358 cf. WULF (2005), p. 1. Readers who are interested in the concept of social capital should consider COHEN & PRUSAK (2001); NAHAPIET & GHOSHAL (1998).

institutional ties, is useful and profitable for organizations.[359] This finding affirms that communal or societal acceptance of organizations is vital to the success of firms operating within an African setting.[360]

Uwafiokun Idemudia: Linking development to corporate responsibility

IDEMUDIA (2014) contends for an expansion of what he describes as a narrow debate on whether organizational responsibility is beneficial for development in Africa.[361] Instead he proposes a more nuanced approach to analysing the relationship between development and corporate responsibility, with specific attention paid to the contradictory nature of how business and development occur in most African contexts. He suggested that rich empirical studies be carried out on how local people interact with companies, how socio-cultural factors frame societal expectations of organizations and how these collective experiences differ across regions. This argument makes an insightful point as it suggests there is the need to move beyond the polemic debate surrounding whether companies can contribute to development and in its stead, discover in what circumstances corporate sustainability leads to holistic development. He further asserted that the business case argument for sustainability restricts the more important questions concerning the factors that drive and hinder corporate sustainability projects and their development role in African countries. Notably, his propositions appear to lean on the strongly critical approach to discussing corporate activity.

Additionally, the author has conducted several empirical studies exploring the nature of interactions between multi-national oil corporations in Nigeria and the effect of their extracting activities on surrounding communities.[362] Oil companies operating on the Niger Delta have had to employ several CSR strategies and policies in a bid to secure their social license to operate.[363] Violent conflict between oil corporations and indigenous communities in the region has been explained by the failure of oil extractors to seek, comprehend and incorporate community perceptions into their CSR practices.[364]

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359 cf. WULF (2005), p. 89.
360 cf. MARX & VAN DYK (2011), p. 40.
361 cf. IDEMUDIA (2014), p. 430.
362 cf. IDEMUDIA & ITE (2006); IDEMUDIA (2007), (2009a), (2009b).
363 cf. IDEMUDIA (2009a), p. 135.
364 cf. IDEMUDIA & ITE (2006), p. 194.

IDEMUDIA (2009a) compares two different approaches to managing and fostering community engagement, i.e. a community investment model and a corporate-community foundation model.[365] The investment model is largely an in-house approach to addressing community concerns whereas the foundation model involves sharing decision making with the community. The conclusion was that a bottom-up approach (i.e. the community foundation model) was more effective in creating positive perceptions about oil companies and was cited as having the potential to improve stakeholder relations and to cultivate trust.[366]

2.6.5.3 SR Research in South Africa, Mauritius and Kenya

Given that this dissertation is an exploratory attempt to illustrate the emergence and current state of sustainability reporting in South Africa, Mauritius and Kenya, a literature review of key studies in these regions necessary. As specified previously, there is a scarcity of research on sustainability reporting in these contexts, though scholarly attention is developing albeit slowly.[367] The works previously cited in the chapter span a variety of topics ranging from corporate governance, social responsibility, environmental accountability etc. Research based specifically based on sustainability reporting in these regions however, is a rarer occurrence.

Table 8 provides an overview of the status quo of sustainability reporting research among the three countries. I do not purport that the studies cited here provide an exhaustive list of scholarly inquiry in these regions, however, they are representative of the direction, scale and topics of interest within SR research in these three countries. Unsurprisingly, most of the studies are based in South Africa particularly because of the country's legislative reforms on corporate governance which are elaborated on further in Chapter 3.2.

[365] cf. IDEMUDIA (2009a), pp. 135-136.
[366] Ibid., p. 140. The study is also discussed further in IDEMUDIA (2011), p. 14.
[367] cf. RAHAMAN (2010), p. 421.

Table 8: Summary of SR Research in South Africa, Mauritius and Kenya

Country	Authors	Elaboration
South Africa	VISSER (2002)	The study explored the extent and type of sustainability information contained in a survey sample of 184 companies listed on the JSE. The 'sustainability issues' identified were corporate governance, ethics, fraud deterrence, community relations, ecological impacts, health and HIV/AIDS among others. The author concluded that sustainability reporting had the tendency of being superficial and firms were not able to balance reporting from economic, social and ecological dimensions.
	SONNENBERG & HAMANN (2006)	The article describes the methodology of JSE's sustainability index and provides further elaboration on the state of sustainability reporting among participant companies. The findings also demonstrated a general lack of information regarding the processes through which companies engaged with stakeholders. Environmental issues were elaborated on in detail by mining corporations and social disclosures tend to be subjective and selective.
	DAWKINS & NGUNJIRI (2008)	The study used five dimensions to capture the diversity of sustainability disclosures, namely: environment, community, diversity, human rights and employee relations. The frequencies and levels of sustainability reporting among the 90 selected firms were found to be generally better than those of multinational companies from the US, Germany and Japan. Disclosure items on community, diversity and employee relations of South African companies were considerably higher.
	MITCHELL & HILL (2009)	The paper provided an analysis of the barriers to adopting GRI's sustainability guidelines by establishing which items under the GRI could be disclosed classified by industry and assessing the readiness of companies to disclose such items. The authors argued that social aspects or items under the GRI were constantly kept in check due to local legislation. Environmental issues however required further attention and the authors consequently concluded that an internal environmental policy was necessary to provide balance in corporate sustainability reporting.
	MARX & VAN DYK, (2011)	The authors traced the history of sustainability reporting in South Africa by discussing how corporate governance and stakeholder inclusion have fostered the development of SR. The article also gauged the extent to which assurance was provided for sustainability disclosures. Out of the 60 firms composing JSE's sustainability index, only 35% obtained assurance for their sustainability disclosures.
	SAMKIN (2012)	The study employs a case study to examine how South African legislation on sustainability reporting influenced the disclosure practices of a South African defence contractor. The political history of South Africa is tied to the emergence of sustainability reporting. The results illustrate the pervasive influence of local legislation on the sustainability disclosures of the defence contractor over time.
	CLAYTON, ROGERSON, & RAMPEDI (2015)	The authors used content analysis to trace the shift from sustainability to integrated reporting resulting from the changing nature of regulatory requirements in South Africa. Though the article noted a marked increase and progress in integrated reporting, the authors argued that integrated reporting was viewed as an exercise in compliance rather than an endeavour to communicate ways in which corporations had generated value.
	IOANNOU & SERAFEIM (2017)	The article examined the effects of sustainability reporting regulation on the level of firm disclosures and valuations. The study spanned four contexts namely, China, Denmark, Malaysia and South Africa. The results indicated a marked increase in firms seeking assurance services for sustainability

Country	Authors	Elaboration
		information provided within reports and that sustainability reporting regulation leads to an increase in firm valuation.
Mauritius	RAGODOO (2009)	This study was an analysis of the degree to which organizations were contributing to the fight against poverty in Mauritius. The average percentage of funds spent on poverty alleviation was averaged at 11%, though the hotel sector had the highest percentage at 19%. Though the study focused solely on the social dimension of sustainability reporting, the results show that Mauritian businesses play a formative role in resolving economic inequities within the country.
	RAMDHONY & OOGARAH-HANUMAN (2012)	The authors sought to investigate the motivations for sustainability reporting and to propose solutions to enhance the comparability of sustainability disclosures. By employing a survey of qualified accountants, the results indicated that reputation management was the main reason corporations conducted sustainability reporting. The respondents also stated that the local code of corporate governance was vague concerning the type and degree of sustainability disclosures required.
	SOOBAROYEN & MAHADEO (2012)	The article examined whether the introduction of the Mauritian code of corporate governance influenced how accountability was perceived and implemented by corporate board members. The results indicated a substantive change in how Mauritian boards operated in addition to an increase of sustainability disclosures provided in annual reports of the companies sampled.
	MAHADEO & SOOBAROYEN (2012)	The objective of the paper was to examine how and the extent to which state-owned enterprises (SOEs) in Mauritius applied the local corporate governance code which legislates how companies should account for ESG information. Using a mixed method approach of combining content analysis with semi-structured interviews, the authors observed a significant non-implementation of the code in most entities. One of the main reasons for non-compliance was due to a mismatch between the code's recommendations and the context of a politically driven state-owned and controlled organization.
	DINESHWAR (2013)	The author investigated the state of sustainability disclosures provided by commercial banks in Mauritius in 2011. Using the requirements of the local code of governance as a measure of sustainability reporting, the findings indicated that the most prevalent disclosures made pertained to human capital.
Kenya	BARAKO, HANCOCK, & IZAN (2006)	The authors carried out a longitudinal study on the degree to which the corporate governance characteristics, ownership structure and company attributes influenced the level of sustainability disclosures present in annual reports from the NSE. The findings showed that the levels of institutional and foreign ownership had a positive effect on the amount of information disclosed. Similarly, highly leveraged and large firms were more likely to provide sustainability information voluntarily.
	BARAKO & BROWN (2008)	The article was an investigation of the influence of gender and board representation on corporate social reporting among financial institutions in Kenya. Corporations that displayed higher proportions of gender diversity and independent directorships were found to be more likely to engage in sustainability reporting practices. Overall, very low levels of sustainability disclosures were observed among the sampled companies.

Country	Authors	Elaboration
	PONNU & OKOTH (2009)	In this study, the authors explored the corporate sustainability disclosure practices of companies listed on the Nairobi Securities Exchange (NSE). The results indicated an extreme diversity in the format and content of sustainability disclosures given. Despite the variability in sustainability disclosures given, information pertaining to community engagement/involvement were found to be most prevalent across the sample.

Source: Own illustration.

Chapter summary

This chapter provided a detailed outline of the history and foundations of corporate sustainability reporting practice. The chapter began by introducing and distinguishing between notions of sustainability and sustainable development due to their misrepresentation in both academia and accounting practice. By discussing both these concepts in detail, the rationale and necessity for SR, and its potential to transform conventional corporate accounting practice was elucidated. The history and development of SR in North America and Europe was also discussed to illustrate the increasing sophistication and comprehensiveness of accounting information over time. Additionally, outlining the historical milestones that have prompted SR, also demonstrates a shift from purely profit driven corporate institutions, to ones that are responsive and responsible citizens of the society. The focus of the discussion then shifted towards making a case for SR in Africa. This is because the main impetus for SR is rooted in the region's developmental challenges resulting partially from its post-colonial history. The chapter illustrated how corporations operating in Africa must not only contend with weak governance structures and local societal expectations, but also align their activities towards resolving some of the continent's developmental issues. The chapter also discussed reasons explaining the paucity of research studies in the field of SR in Africa. However, authors who have made significant contributions in examining the activities of the private sector in Africa regarding SR and other related topics such as corporate governance, corporate citizenship and environmental accounting among other related topics were discussed in avid detail. The chapter eventually culminated in a summary of the state of SR research in the three chosen contexts for this study: South Africa, Mauritius and Kenya.

Chapter 3

Contextualization of the Study

3.1 Overview of the Choice of Contexts

This chapter discusses the unique factors that shape and support the development of sustainability reporting practices in South Africa, Mauritius and Kenya. The African continent is a hugely diverse region with 54 countries harbouring a multiplicity of languages, cultures and varied colonial legacies. The 54 countries can be roughly divided into three zones based on their official languages and colonial history: North Africa (the Maghreb zone), Francophone territories which are predominantly French speaking and the Anglophone region which is comprised of countries in Eastern, Western and Southern Africa.[368] Choosing South Africa, Kenya and Mauritius was not due to their geographical, cultural or demographic representation of sub-Saharan Africa, but primarily because of their orientation towards and institutionalization of corporate governance reform. Since the applicability, relevance and focus of sustainability reporting varies across different contexts, this chapter illustrates that the content, application and implementation of codes of corporate governance lay the foundation for sustainability reporting in sub-Saharan Africa. The overarching argument is that sustainability reporting can only be fostered within business environments that implicitly and explicitly encourage good corporate governance.[369]

[368] cf. ROSSOUW (2005), p. 95.
[369] Ibid., pp. 95-96.

Thus, Chapter 3.2 begins by discussing the development of corporate governance reform and its foundation for sustainability reporting in South Africa. South Africa's early legislation of corporate sustainability reporting is deliberated on in detail. A primary reason for stricter regulations for SR have resulted from a deep-seated need to resolve economic inequality and increase corporate transparency following the country's independence as shown in Section 3.2.2 and 3.2.3. Next, Chapter 3.3 describes the nature and development of corporate governance regulation in Mauritius and its implicit link to SR. Finally, Chapter 3.4 discusses the Kenyan context of SR and illustrates how industry-led best practices have instigated the development of SR among publicly listed companies.

3.2 SOUTH AFRICA: Equality Through Corporate Governance Reform

3.2.1 An Overview of the South African Context

In 2016, South Africa was ranked as Africa's most advanced economy with a well-developed and functioning financial market.[370] The country was further ranked the 39th largest economy in the world based on gross domestic product (GDP) in 2016.[371] As I will discuss here, South Africa is particularly distinct from Mauritius and Kenya because of its political and economic legacy, which has had a direct and immediate impact on the institutionalization and regulation of sustainability reporting practice in the country. The origin of sustainability and integrated reporting in South Africa is intrinsically linked to the country's political history and is rooted in corporate governance reform.[372] It is imperative that an in-depth comprehension of the socio-political setting of corporate governance is necessary to understand the complex processes of regime change and transformation.[373] Before 1994, South Africa's legal system was largely based on Roman-Dutch law, English common law and case law.[374]

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370 cf. FIRER & WILLIAMS (2003), pp. 349-350. In 2014, Nigeria was ranked as Africa's largest economy after rebasing its economy in the same year to include industries which had been previously unaccounted for, e.g., telecommunications, information technology and film production industries among others. See for example MATTHEWS (2016). However, South Africa reclaimed its title in 2016 following the strengthening of the South African rand against the dollar and a subsequent fall in Nigeria's currency-the naira.

371 cf. WORLD BANK (2017), p.1.

372 cf. ANDREASSON (2011), pp. 648-649; ATKINS & MAROUN (2012), p. 210.

373 Ibid., p. 655.

374 cf. RAMLALL (2012), p. 271.

The country's corporate laws and practices as is the case with several African countries were adopted mainly from the United Kingdom.[375] The traditional English law approach to corporate responsibility and/or accountability was hinged on the interests of the organization. According to BEUTHIN (1969), firm directors could only consider the interests of employees if they were similar or tied to the goals and objectives of the company.[376] Additionally, the South African Companies Act established in 1973, did not impose provisions necessitating responsible corporate action.[377] In terms of broader issues surrounding corporate governance, South Africa shares many similarities with what is described as an Anglo-American model.[378] Specifically, characteristics such as single tiered board structures, a vibrant securities exchange, a banking system that plays a secondary role and predominantly market driven policies are similar to South Africa's model of corporate governance. Notably, a secondary role connotes that banks are not in control of corporations and are avoidant of close ties with their customers.[379]

The shift in the country's political regime from minority rule to a multi-party democracy paved the way for radical changes in how businesses operated.[380] Organizations were placed in a situation where their license to operate and their right to generate profits was under severe scrutiny from the society and the state.[381] The African National Congress (ANC) which was the ruling party post 1994 expected exceptional social and environmental disclosures from businesses in a bid to demonstrate their legitimacy to society.[382] Though several steps have been taken towards political and socio-economic equality, South Africa is still a country in transition. While the country's system of governance has achieved political freedom, the same cannot be said for economic

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375 This is particularly the case for countries located in the Eastern and Southern parts of Africa, in addition to select countries in Western Africa, i.e. the Anglophonic region. For further elaboration, see ROSSOUW (2005), pp. 95-97.

376 cf. BEUTHIN (1969), pp. 165-169.

377 cf. ESSER & DEKKER (2008), p. 160.

378 An Anglo-American model of corporate governance is synonymous with a liberal market economy. In political economy, there is a distinct divide between proponents of stock market capitalism or liberal market economies versus welfare capitalism or coordinated economies as described by HALL & SOSKICE (2001), pp. 8-9.

379 cf. ANDREASSON (2011), pp. 654-655.

380 cf. DE VILLIERS & STADEN (2006), pp. 768-770.

381 In 1994, per capita income among the majority black population was a tenth of the white population's income, with majority of the country's resources (particularly land) and companies owned by whites. See for example NATTRASS & SEEKINGS (2001) and LEIBBRANDT, FINN, & WOOLARD, (2012) for a more in-depth discussion on economic inequalities after apartheid.

382 cf. DE VILLIERS & STADEN (2006) p. 768.

equality. Income inequality specifically, is no longer sharply bipolar along racial lines but rather within various racial and ethnic groups. [383] Notably, South Africa is divided into five main categories of race namely: Black African, White, Coloured, Indian/Asian or Other based on a census conducted in 2011.[384] For purposes of this dissertation, the term black is taken to include all people of African, Coloured and Asian descent and is consistent with the definition put forward by the South African constitution.[385]

There are two main types of income gaps in South Africa: between a rapidly growing multi-racial upper middle class and everyone else; and between a middle class of predominantly white collar, urban workers and a marginalised group of black unemployed and rural poor.[386] South Africa's labour force is becoming increasingly black and has seen an increase by 25.6% between 1993 and 2008. Yet, the percentage rate of unemployment among blacks only began to decline from 2001 and averaged at 27-35% between 1997 and 2008.[387] As a result, there was tension between 'pro community' policies with the main aim of equitable redistribution of wealth and pressure from corporations pushing for a more liberalized and deregulated South African market.[388]

3.2.2 Reforms in South Africa Post-Independence: RDP, GEAR and BEE

3.2.1.1 RDP and GEAR

When South Africa gained independence, the African National Congress (ANC) was under immense public pressure to create economic opportunities for black people and to begin the process of re-distribution of wealth from white minorities; this development concerned land ownership. As described by MAGUBANE (2002), the ANC inherited an immensely complex legacy of structural inequality.[389] The ANC consequently aimed to employ an effective labour strategy that would aid in expanding the country's economy. Furthermore, infrastructural development, specifically, affordable housing was

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383 cf. LEIBBRANDT ET AL. (2012) , pp. 8-10.
384 cf. STATISTICS SOUTH AFRICA (2011), p. 21.
385 cf. REPUBLIC OF SOUTH AFRICA (2003) p. 6.
386 Particularly, the rise of a small group of educated and wealthy 'black elites' has been met with condescension from the wider population due to the prevalent state of inequality in the country.
387 cf. LEIBBRANDT ET AL. (2012) p. 9.
388 cf. BABARINDE (2009), pp. 358-359.
389 cf. MAGUBANE (2002), p. 90.

necessary to encourage movement of people (primarily blacks) from township areas,[390] and finally monetary and fiscal reforms that would boost productivity and attract foreign investment.[391] The two main avenues that were sequentially adopted by the South African government to achieve the aforementioned goals following independence were the Reconstruction and Development Programme in 1994, and the Growth, Employment and Redistribution policy in 1996.

The Reconstruction and Development Programme (RDP) was launched with the aim of addressing broad based issues of poverty, environment, health, empowerment at work, affirmative action and human rights among other issues. MAGUBANE (2002) described the RDP as a development initiative that was designed to boost the South African economy and enhance participative democracy by the partial use of private funds in solving societal problems which would ultimately lead to macroeconomic balance.[392] At its core, RDP's principal goal was meeting the basic needs of all the South African people.[393] However, the programme was later abandoned due to poor enforcement and an overall lack of clearness regarding non-compliance.[394] The program also fell under heavy criticism particularly from South African corporations, as it was perceived as incompatible with free market policies which would be in favour of less regulation. RDP by design predominantly consisted of 'pro-community' policies. Additionally, the financial sector's view of RDP as a socialist reform was at odds with South Africa's imminent need to join the global economy.[395]

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[390] Township areas are poorly developed areas outside the cities that were created by the white minority during colonial rule to remove people of Indian, African and Coloured origins from the city areas in apartheid South Africa. Consider PETTMAN (1913), p. 298.

[391] cf. MAGUBANE (2002), pp. 90-91.

[392] Ibid., p. 94-96. The list of items classified as needs included the facilitation of employment, housing, electrification, water, transport, nutrition, health care among other requirements. The government's commitment to meeting such needs was demonstrated in the inclusion of these items as part of the nation's Bill of Rights which was incorporated in the country's constitution. For a more detailed presentation of these needs see REPUBLIC OF SOUTH AFRICA (1996), pp. 5-20.

[393] cf. MACLEAN (2005), p. 52.

[394] The RDP programme was also responsible for housing approximately 5 million South Africans who did not have access to proper housing. One million homes were constructed under RDP at the onset of the millennium. See POTTIE (2004), p. 609.

[395] cf. MAGUBANE (2002), p. 96.

To remedy the situation, the Development Bank of South Africa,[396] published the RDP Green Paper which elucidated the program's commitment to market liberalization as the key to economic growth. A major shortcoming of RDP was its ambiguity in addressing macroeconomic issues; the program did not provide a pragmatic and cogent macroeconomic framework.[397] Two years after RDP's introduction, the South African rand depreciated in value prompting the South African Foundation (a collection of fifty of the largest businesses in South Africa at the time) to further vilify the program's limitations. As a result, the ANC introduced a second initiative called the Growth, Employment and Redistribution (GEAR) Programme. It should be noted however despite its shortcomings, RDP set the tone for the bill of rights enshrined in South Africa's constitution of 1996.[398]

The GEAR policy advocated for stricter monetary controls, free market policies and the reduction of barriers to trade.[399] The main difference between RDP and GEAR was that the latter laid emphasis on the importance of growth preceding distribution.[400] This contrast is more aptly described by TERREBLANCHE (2002) as follows:

"the most important difference between RDP and GEAR was that, while the former expected the state to conduct a people-oriented development policy, the latter saw South Africa's economic 'salvation' in the high economic growth rate that would […] result from a sharp increase in private capital in an unbridled capitalist system."[401]

The presumption made by the GEAR policy was that creating a favourable investment environment would result in heightened economic growth, re-distribution of wealth and the creation of several employment opportunities for the masses.[402] Essentially, constraints to the nation's economic growth would be resolved by foreign investment which would in turn provide funding for infrastructural development.[403] Other outcomes of GEAR were expected to be the creation of 400,000 employment opportunities by the

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396 The Development Bank of South Africa is responsible for ensuring the developmental infrastructure in South Africa and the rest of Africa. Consider DBSA (2013).

397 cf. MAGUBANE (2002), p. 96.

398 cf. VISSER (2005), p. 31.

399 cf. MACLEAN (2005), pp. 60-61.

400 cf. MAGUBANE (2002), p. 96.

401 cf. TERREBLANCHE (2002), p. 116.

402 cf. SOUTHALL (2007), p. 69. GEAR is also described by MAGUBANE (2002), p. 96 as " […] the marriage of neoclassical economic growth theory to Keynesian notions about investor confidence".

403 cf. MAGUBANE (2002), p. 97.

year 2000 and annual growth rate to average at 6%. Though the GEAR policy was formulated to attract international investment, it soon was overcome by the duplicitous nature of globalization. Policies aimed at attracting foreign direct investment (FDI) often have contrary effects on domestic growth.[404]

In the case of South Africa, FDI did not have the intended consequences on the economy because the policy was unable to attract sources of long term investment. The investment flows were short term in nature, with majority of foreign capital directed at purchasing existing assets for instance through acquisition and/or mergers and privatization of local enterprises. Arguably GEAR left the country worse off than RDP because annual growth fell sharply from 3.2% in 1996 to 0.1% in 1998. The outflows resulting from FDIs in 1997 were far higher than the inflows coming into the country and the value of the currency fell by approximately 16% in 1996.[405]

The failure of both RDP and GEAR are illustrative of the nature of sustainability challenges faced within developing and emerging markets. On the one hand, the issue of societal progress is essential to achieve sustainable development, thus South Africa's push for inclusive development through RDP. However, the urgent need for economies to grow to a level where such progress can be assured creates an inherently complex developmental challenge. It almost becomes a choice between balancing the needs of an economy in dire need of economic growth and meeting the basic needs of majority of the country's population. The South African government inherited a very complicated situation and their early plans and rhetoric for wealth distribution were irreconcilable with the way capital was structured in the economy, that is, as stated by MacDonald (2006) "capital was committed to preserving its particular forms-collusive, uncompetitive, oligopical, and illiberal."[406] Essentially the demands of capital against the dire need for wealth distribution were conflicting.

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404 The relationship between foreign direct investment and domestic growth in the context of developing economies has been researched in depth. Some authors for example Agosin & Machado (2005) argue that foreign direct investment tends to have unfavourable effects on the level of domestic investment in emerging economies. Contrarily, authors such as Adams (2009) and Firebaugh (1992) find that foreign direct investment contributes and even spurs economic growth in developing nations.

405 cf. OECD (2002), pp. 267, 271.

406 cf. MacDonald (2006), p. 172.

While it is unclear in which situations countries should adopt more pro-communal or pro-growth policies, it should be acknowledged that in the case of GEAR the presumption made by corporate society was that social crises of poverty, structural unemployment and economic inequality would be resolved solely by economic growth.[407] The economic policy and system proposed by GEAR resulted in what TERREBLANCHE (2002) termed as "[a] systemic exclusion of the poorer half of the economy."[408] This outcome brings another debate to the fore, concerning the seemingly irresolvable nature of political equality and economic inequality within a democratic system.[409]

Naturally in any system of democracy, inequality (in so long as it is not embedded in citizenship), is made legitimate by political equality; Political equality (or equal citizenship) is implicative of fair opportunity which ultimately connotes that individuals in society have equal opportunity to secure their own fate.[410] It is fair to say that democratic societies therefore would expect growth and opulence for the majority, however the GEAR policy and subsequent legislation following the nation's independence has so far led the empowerment of a small group of black elites and engineered the rise of a black middle class but at the detriment of the majority of the population who are poor and marginalised.[411]

A multitude of further legislation was enacted between 1994 to 2004 that set priorities for addressing socio-economic development, ecological preservation, issues of labour, governance and ethics in governmental and private institutions. A summary of such legislation is summarized in Table 9. The next part of the chapter elaborates on key legislative items introduced into the country that led to the regulation of SR in South Africa.

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407 cf. TERREBLANCHE (2002), p. 97.
408 Ibid., p. 459.
409 cf. MACDONALD (2006), p. 171.
410 Ibid., pp. 171-172.
411 Ibid., p. 172.

Table 9: Summary of Legislative Reforms after 1994

Socioeconomic development	a) Reconstruction and Development Fund Act (1994) b) Development Facilitation Act (1995) c) Mineral and Petroleum Resources Development Act (2002) d) Broad-based Black Economic Empowerment Act (2003)
Environment, health and safety	a) Mine Health and Safety Act (1996) b) National Water Act (1998) c) National Environmental Management Act (1998) d) Air Quality Bill (2003)
Labour, governance and ethics	a) Employment Equity Act (1998) b) Skills Development Act (1998) c) Promotion of Access to Information Act (2000) d) Promotion of Equality and Prevention of Unfair Discrimination Act (2000) e) Prevention and Combating of Corrupt Activities Act (2004)

Source: VISSER (2005), p. 31.

3.2.1.2 Broad-based Black Economic Empowerment (B-BBEE)

In this section, the Broad-based Black Economic Empowerment (B-BBEE) act is discussed because of its direct effect on corporate action and reporting practices. B-BBEE has been described as one of the most influential pieces of legislation on corporate reporting practices in South Africa.[412] Initially B-BBEE was referred to only as Black Economic Empowerment (BEE), primarily geared at re-introducing black people into the economy after apartheid by encouraging black ownership and presence in corporations.[413] 350 years of racial discrimination that systematically denied Africans, Coloureds and Indians economic prosperity and equity as well as the white monopolization of land and other resources, made B-BBEE an urgent and necessary governmental intervention.[414] Notably, B-BBEE legislation is directly linked to the intragenerational dimension of sustainability as it is an attempt to bridge economic inequality among various groups in South Africa. The introduction and implementation of B-BBEE can be discussed in three distinct phases or waves.[415]

412 cf. DAWKINS & NGUNJIRI (2008) p. 298.
413 cf. RAMLALL (2012), p. 274.
414 cf. SOUTHALL (2007), p. 74.
415 cf. ACEMOGLU, GELB, & ROBINSON (2007), pp. 5-11.

1st Phase: 1993-1999.

BEE at its inception was subsumed within the Reconstruction and Development Program (RDP) and consisted of the transfer of equity holdings held by white firms to individuals or firms run by Africans, Coloureds and/or Indians. GRAY and KARP (1993) estimate that by 1990 black individuals occupied less than 3% of managerial positions among listed entities and by the end of 1995, less than 1% of the Johannesburg's Stock Exchange's market value was attributed to black ownership. Through BEE, corporations were encouraged to sell portions of their equity to black investors at substantially discounted rates from market values.[416] The first transaction based on the precepts of BEE can be traced back to 1993, when an insurance firm named Metropolitan Life sold 10% of its equity to a group of black purchasers.[417] The sales were financed through credit which in many cases was provided by the issuer and secured against future earnings of the firm itself.[418] ACEMOGLU, GELB, and ROBINSON (2007) further note "In many instances, the purchaser was a consortium assembled by one or two black individuals, usually with a high political profile but limited experience in business".[419] Until this point, government intervention in equity transfers had been minimal until 1996, when affirmative action policies were introduced resulting in further promotion of black-owned businesses and the encouragement of racial diversity in company boards. By the end of 1998, approximately 111 transactions (totalling 21 billion rand) had occurred under BEE.[420]

2nd Phase: 2000-2014

This phase has come to be described as an effort to overcome the legacy of apartheid.[421] BEE so far had come under heavy scrutiny and was described as a means of re-segregating the economy and a limit to economic growth.[422] Though scholars such as

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416 cf. JACKSON III, ALESSANDRI, & BLACK (2005), p. 4. The discount over the market prices is estimated to have been approximately 15-40% less than the market price of equity.

417 cf. THE ECONOMIST (2013). According to the referenced article, the group of people who bought the stakes in Metropolitan Life are described as 'well-connected' individuals. Referral is made to one of the individuals being Nelson Mandela's former physician.

418 cf. ACEMOGLU, GELB, & ROBINSON (2007), p. 6.

419 cf. ACEMOGLU, GELB, & ROBINSON (2007), p. 6.

420 cf. THE ECONOMIST (2013). 21 billion rand equates roughly to $1.7 billion using present currency values. At the time the article was written, i.e. 2013, the amount was equal to $3.8 billion.

421 cf. ACEMOGLU, GELB, & ROBINSON (2007), p. 7.

422 cf. SOUTHALL (2007), p. 79.

MATHEBA (2011) state such criticisms ignored the moral appeal BEE represented, he conceded that BEE had not been widely accepted by majority of the black and white population.[423] The underlying reason for BEE's lack of success was because it had so far benefited only a small elitist portion of blacks most of whom had political connections.[424] Though BEE was intended to encourage the participation and contribution of previously marginalised groups into the South African economy, the unintended consequence was that it fostered what KOVACEVIC (2009) describes as "a political cronyism that benefits only an elite few".[425] This outcome ties in with the changing nature of racial inequality in South Africa being between and within various racial groupings of society. Markedly, when it came to employment particularly within governmental institutions, racial inclusion was prioritized to a much higher degree than private organizations.

There was a growing sense that BEE needed to be institutionalised which led to the creation of the BEE Commission towards the end of 1999. Some of the objectives of the commission were to develop a coherent strategy for BEE, provide a comprehensive definition of black economic empowerment,[426] place BEE at the core of South Africa's transitional economy, establish the role of black-owned enterprises in the transformative process and to provide support for small businesses primarily owned by blacks among other aims.[427] The first act of the commission was to issue a BEE report. The report outlined topics pertaining to the challenges of securing empowerment for the South African population, proposed an integrated BEE strategy with several streamlined guidelines applying to various sectors of the economy,[428] and potential

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423 cf. MATHEBA (2011), pp. 139-141.

424 Ibid., p. 149.

425 cf. KOVACEVIC (2009). The author also argues that in 2003, 60% of BEE transactions (approximately 25.3 billion rand) went to firms primarily owned by two South African business people.

426 cf. BEE COMMISSION (2001), p. 11. The report argued that until that point, BEE had been very narrowly defined. The report emphasized that the fundamental flaw in South Africa's economy had been the exclusion of black people from both financial and economic facets. They therefore defined BEE as an integrated attempt to "[…] promote new opportunities for an increase the levels of participation of black people in the ownership, management and control of economic activities."

427 Ibid., p. 5.

428 Ibid., p. 17. Some of the components of the proposed integrated BEE strategy included a framework for improving the access to financial services for households and businesses through disclosure requirements from banking institutions, the formation of a national procurement agency aimed at making procurement processes in both public and private sectors transparent, etc.

targets and measures to ensure the success of BEE.[429] The report issued was essential to the development and further implementation of BEE as it recommended further interventionist steps the government could take to ensure the economic empowerment of black people. The BEE Commission also suggested specific metrics to gauge the level of black ownership and inclusion of firms as shown in Table 10 below:

Table 10: Levels of Black Ownership, Management and Inclusion

Type	Definition	Rating
Black company	50.1% owned and managed by black individuals, where ownership refers to economic interest and management refers to directorship.	A
Black empowered company	At least 25.1% owned and managed by black individuals, whether the black company has control or not.	B
Black influenced company	5-25% of the firm is owned and managed by black people.	C
Engendered company	AT least 30% representation of black women in equity ownership and company management.	No rating specified

Source: Adapted from BEE COMMISSION (2001), p. 34.

By suggesting the development of a legal framework for BEE and proposing the creation of civic entities in charge of specific tasks under BEE, the BEE commission contributed greatly to a much more centralized and concerted effort by the ANC to achieve black empowerment.[430] Following the publication of the BEE report, BEE was later reviewed in a governmental document titled South Africa's Economic Transformation: A Strategy for Broad-based Black Economic Empowerment (B-BBEE) which in addition to empowering black investors, aimed to bring about change in three ways: first, extensive change in racial composition of board structures in South African companies, second, encourage investment, ownership and participation of blacks in creating new enterprises and third, the empowerment of rural communities by enabling their access to economic assets primarily through land ownership.[431]

This document was published as an antecedent to the B-BBEE Act, No. 53 of 2003, which provided a legal framework for black empowerment. An integral part of the strategy was the re-statement of BEE to B-BBEE which was illustrative of the government's commitment to widening the initiative's reach.[432] Another unique

429 cf. BEE COMMISSION (2001)., pp. 17-18. Company specific targets were as follows: 40% of non-executive and executive directors of listed companies were to be composed of black persons, 25% equity of all listed companies should belong to black persons and 30% of procurement to private firms should be to black-owned enterprises.

430 cf. SOUTHALL (2007), pp. 73-75.

431 cf. REPUBLIC OF SOUTH AFRICA (2003).

432 Ibid., pp. 15-16.

element in the document was the introduction of a balanced scorecard to benchmark the engagement and performance of companies already applying precepts from BEE. Subsequent codes of good practice were enacted to outline key elements that companies had to address to achieve the overarching aims of B-BBEE. There were three main components of the scorecard namely, ownership and control of resources, development of human capital and preferential procurement. These three components were further sub-divided into seven core items used to measure individual firm progress with an associated set of indicators as shown in Table 11.

Table 11: Broad-based Black Economic Empowerment Scorecard

B-BEE Element	Indicators	Weighting
Direct empowerment score		
Equity ownership	% share of economic benefits	20%
Management	% black persons in executive management and/or executive board and board committees	10%
Human resource development and employment equity score		
Employment equity	Weighted employment equity analysis	10%
Skills development	Skills development expenditure as a proportion of total payroll	20%
Indirect empowerment score		
Preferential procurement	Procurement from black-owned and empowered enterprises as a proportion of total procurement	20%
Enterprise development	Investment in black-owned and empowered enterprises as a proportion of total assets	10%
Residual 10%		
To be determined by sector/enterprise		10%
Total score out of 100%		**100**

Adapted from REPUBLIC OF SOUTH AFRICA (2003), p. 32.

The extent of compliance to B-BBEE is calculated by independent rating agencies who grant corporations a certificate as proof that the entity is compliant. Compliance is necessary if an organization wants to tender for government contracts or wishes to form a public-private partnership.[433] Though some scholars point out that requiring compliance gives the South African government substantial leverage in some sectors for instance, mining,[434] B-BBEE is considered as a tool for affirmative action that seeks to meaningfully transform South African society. As MATHEBA (2011) argues, though

433 cf. KLEYNHANS & KRUGER (2014), p. 5.
434 cf. ACEMOGLU, GELB, & ROBINSON (2007), p. 9.

there are inherent difficulties in implementing B-BBEE, organizations have a central role in resolving structural economic and social problems stemming from the nation's past.[435] The strategy document therefore laid ample foundation for the B-BBEE Act which was signed into law in 2004. The act established a black economic empowerment advisory council. The council advised the government on black empowerment, reviewed the development and amendment of the "Strategy for Broad-Based Black Economic Empowerment and facilitated collaborative processes between both public and private sectors.[436] The act also empowered the Minister for Trade and Industry to issue codes of good practice in reference to B-BBEE. The codes of good practice were consequently issued in 2007. They provided an adjusted balanced scorecard for B-BBEE,[437] a scorecard for small businesses and a detailed ownership scorecard which presented a method for calculating an ownership score. The ownership scorecard is illustrated in Table 12.

Table 12: BEE Codes of Good Practice: The Ownership Scorecard

Ownership indicator	**Weighting**	**Compliance Target**
Voting rights		
Exercisable voting rights in the enterprise in the hands of black individuals	3	25% + 1 vote
Exercisable voting rights in the enterprise in the hands of black women	2	10%
Economic interest		
Economic interest of black persons in the firm	4	25%
Economic interest of black women in the firm	2	10%
Economic interest of the following groups of black persons: 1. Black designated groups 2. Black participants in employee ownership schemes 3. Black beneficiaries of B-BBEE schemes 4. Black members of co-operative societies	1	2.5%
Realisation points		
Ownership fulfilment	1	The requirements are explained in the code.[438]
Net Value	7	The requirements are explained in the code.[439]
Bonus points		
Involvement in the ownership of the firm/enterprise by new entrants who are black	2	10%

435 cf. MATHEBA (2011), p. 150.

436 cf. REPUBLIC OF SOUTH AFRICA (2003), p. 6.

437 The main difference between the score card presented in the original strategy document and the one re-introduced in the codes of good practice are a reduction in the number of core items and differences in their weighting. See REPUBLIC OF SOUTH AFRICA (2007), p. 21.

438 cf. REPUBLIC OF SOUTH AFRICA (2007), p. 7.

439 Ibid., p. 12.

Ownership indicator	Weighting	Compliance Target
Involvement in the ownership of the venture by black persons who fall in any of the following categories: 1. Employee Ownership Schemes 2. Broad-Based ownership schemes 3. Members of co-operatives	1	10%

Adapted from REPUBLIC OF SOUTH AFRICA (2007), p. 25.

As shown in Table 12, several elements are considered relevant pertaining to black ownership of corporations. Another unique element of the scorecard is the incorporation of the voting rights and economic interests of black women as part of the weighting process and performance measurement.[440] Following the issuance of the codes of good practice, in 2013 B-BBEE was amended to clarify interpretation,[441] to encourage compliance by both public and private institutions and to enable the Minister of Trade to issue sector specific codes of good practice.[442] Consequently, through these actions the B_BBEE was able to align the Act to codes of good practice. The latter point is of high importance because while the act provides a framework for B-BBEE, the codes of good practice relay the detailed regulations of how black empowerment is to be implemented.[443] Thus, the process of institutionalizing black economic empowerment between 2000 and 2014 has paved a different path from the country's colonial past.

3rd phase: 2015-Present

ACEMOGLU, GELB, and ROBINSON (2007) describe this stage as the point at which B-BBEE should seek to be self-sustaining empowerment.[444] The need to encourage compliance to B-BBEE codes of good practice should be of a transitory nature, meaning that the constant need for B-BBEE should not be perpetual. When companies reach a target required under the B-BBEE codes, for instance 25% ownership by black individuals, it is logical to surmise that the need for future affirmative actions will not be necessary as the management structures of local institutions will have altered so much so that black persons will be in a capacity to empower themselves, thus creating a self-sustaining empowerment.[445]

440 In the original strategy document for BEE (BEE COMMISSION, 2001), p. 32, the inclusion of women in economic enterprises was not directly measured under the ownership section.

441 The B-BBEE Act of 2003 was originally written in English whereas the amended act was translated into Sotho-one of the eleven official languages spoken in South Africa.

442 cf. REPUBLIC OF SOUTH AFRICA (2013), p. 8.

443 cf. ESSER & DEKKER (2008), p. 162.

444 cf. ACEMOGLU, GELB, & ROBINSON (2007), p. 10.

445 Ibid., pp. 10-11.

3.2.3 Corporate Citizenship and the Introduction of the King Reports

3.2.3.1 Corporate Citizenship in South Africa

South Africa's legislative process and reform has greatly influenced and encouraged the emergence of corporate citizenship.[446] Corporate citizenship as defined by CARROLL (1991) is "doing what is right morally and ethically".[447] It appears there is a transition from a shareholder focused system of governance towards a more inclusive stakeholder model framed within African values.[448] Notably, this adaptation of a pro-communal form of governance is hinged on what is termed as the ubuntu philosophy.

Ubuntu is a Zulu word which can be roughly translated as "a person is a person through other persons"[449] Though the term itself originated from South Africa, it is an expression of a fundamental African belief that an individual is only as strong as her, his or their community. More precisely the concept has also been defined by LUTZ (2009) as: "I am because we are; and since we are, therefore I am" speaks to the very core of what it means to be human.[450] Thus, in terms of *Ubuntu*, corporations cannot survive without support from the community within which they are embedded in. It can be surmised that the relationship between corporations and society, within the frame of *Ubuntu* philosophy, has and continues to actively shape South Africa's legislation process and consequently, the country's orientation to corporate citizenship. *Ubuntu* offers an alternative lens for viewing corporate accountability and negates sole focus on shareholder wealth maximization.[451] The *Ubuntu* philosophy is discussed in more detail in Chapter 4.3 of this dissertation.

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446 cf. VISSER, MIDDLETON, & MCINTOSH (2005), p. 31.

447 cf. CARROLL (1991), p. 41.

448 An overarching system of African values appears at first to be contentious given Africa's diversity in cultures and communities. However, there is acknowledged synergy between precepts of Ubuntu and traditional values in several African countries. VILLA-VICENCIO (2009), p. 113 states "the idea of ubuntu reaches across intra and intercommunity divisions, whether political, religious and others". Other authors who have discussed the applicability of ubuntu philosophy across various regions in Africa are SHUMBA (2011); HANSEN & RYAN (2005); RAMOSE (1999) and MABOVULA (2011).

449 This definition is directly quoted from South African theologist and human rights activist, Desmond Tutu.

450 cf. MBITI (1969), p. 99; LUTZ (2009), p. 315.

451 cf. ROSSOUW (2005), pp. 97-99.

Legislation as a pre-requisite for corporate citizenship is widely accepted in theory but not necessarily in practice.[452] In this regard, there is an expectation gap between the South African government and the corporate sector concerning regulatory reforms that encourage corporate citizenship. South African companies prefer minimal governmental intervention when it comes to regulation of their corporate governance activities.[453] The main argument is that regulation presents an additional cost to African companies that they cannot afford. The plethora of regulatory reforms introduced into South Africa following apartheid have had direct and indirect implications for corporate citizenship. The RDP introduced in Chapter 3.2.1.1 is a classic example of how legislation can contribute towards corporate citizenship. The RDP's focus on poverty alleviation, ecological preservation, health, affordable housing, etc. laid a foundation for organizational participation in communal goals. In a section of the act pertaining to financing of the programme under a subsection titled, 'socially desirable investments', the following statement is made:

"The democratic government cannot fund the RDP without support from the private sector. Financial institutions must assist both by funding individual programmes to meet basic needs, especially housing, and by improving their services to small-scale producers and the black communities."[454]

Several sections of the RDP act emphasize the need for governmental collaboration with the private sector particularly in matters of affordable housing delivery and financing.[455] Regulatory pressure also comes from international organizations such as the World Bank, the Organization for Economic Co-operation and Development (OECD), International Monetary Fund (IMF) etc. pushing for 'international or global best practices' from businesses operating in developing economies without taking into consideration the extra resources needed for the adoption of such advanced accounting methods.[456] The World Bank in particular, requires that emerging economies adapt their accounting systems to meet international accounting standards. [457]. Additionally,

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452 cf. CARROLL (1998), p. 3; CRANE & MATTEN (2016), p. 375.
453 cf. ANDREASSON (2011), p. 655.
454 cf. REPUBLIC OF SOUTH AFRICA (1994), p. 144.
455 Ibid., pp. 26, 29, 82.
456 cf. ANNISETTE (2004); ASHRAF & GHANI (2005); STAINBANK (2014).
457 cf. ASHRAF & GHANI (2005), p. 13.

foreign governments and markets encourage such regulatory pressures in a bid to hedge their investments in emerging markets.[458] Thus, several African nations have adopted International Financial Reporting Standards (IFRS) with mixed outcomes.[459]

NOBES (1998)'s exploration of international differences in accounting practices in several regions concludes that 'culturally dominated countries'[460] may find the implementation of international standards of accounting inappropriate.[461] He argues resources could better be directed at developing a "reliable and uniform bookkeeping system, partly for the purpose of improving the collection of tax."[462] The same rationale can also be applied when it comes to matters of corporate citizenship as locally tailored solutions may fare better than international paradigms.

On the flipside, aligning local accounting and corporate governance practices and systems to meet international standards may be the only way emerging countries can compete in a global economy.[463] Corporate governance reforms for instance, may achieve the twin aim of increasing the efficiency of local companies, which would ultimately enable them to better compete against multinational corporations and increase foreign investor confidence.[464] South Africa's re-entry into the global market following apartheid meant that local companies had to seek international legitimacy. Subsequent improvements in corporate citizenship led to a select number of firms obtaining international listing status, an increased level of sustainability reporting and corporate participation in specialized market indices such as the Business in the Community and Dow Jones Sustainability indices.[465] The South African business community has also partnered with several international partners to foster better corporate governance practices and policies, for example developing a regional chapter

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458 cf. SOEDERBERG (2004).

459 Mauritius' implementation of IFRS has not been problematic in comparison to how the standards have been adopted in other Sub-Saharan regions. See BOOLAKY (2012).

460 The term 'culturally dominated' is described by NOBES (1998), p. 170 are "countries affected by very strong external cultural influences […] due to their small size or underdeveloped state or former colonial status."

461 cf. NOBES (1998), pp. 182-183. The author proposes a model explaining the observed international differences in accounting practices based on the strength of capital markets and the level of cultural dominance extant in each territory.

462 Ibid., p. 182.

463 cf. REED (2002), p. 229.

464 Ibid., pp. 229-230.

465 cf. VISSER (2005), p. 32.

of the World Business Council for Sustainable Development,[466]the Minerals, Mining and Sustainable Development (MMSD) project and the Kimberley Process among other initiatives.[467] On the other hand, politicians and regulators are more likely to encourage corporate transparency through regulation in a bid to sway public opinion. Any discussion on the institutionalisation of corporate governance in South Africa must begin with the King Report on Corporate Governance published in 1994. Section 3.2.3.2 further elaborates on the report's history and development.

3.2.3.2 The King Report on Corporate Governance: King I-IV

The creation of the *King Report on Corporate Governance* begun on the 1st of June 1993 when the Institute of Directors in South Africa (IoDSA)[468] approached a former supreme court judge, Mervyn E. King to chair a committee (which was later named the King Committee) to develop a code on corporate governance.[469] The committee was mandated with the task of developing an integrated and inclusive approach to corporate governance. This meant special regard had to be given to the country's situation soon after independence; individuals from previously underprivileged groups would transition to business leadership positions.[470]

3.2.3.3 King I

In the words of Mervyn King: the "majority of our citizens needed guidance on how to operate in the economy because they'd never been in the economy. We couldn't just cookie cut what the UK or America had done."[471] The first version of the report-the *King Report on Corporate Governance* (King I) was mandated in 1994 with the main

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466 The development of this regional chapter resulted from a partnership between the World Business Council for Sustainable Development and the National Business Initiative (NBI). The NBI is a consortium of South African and multinational firms who encourage corporate contribution towards sustainable development.

467 cf. VISSER (2005), p. 32. The MMSD project was carried out to establish ways in which the mining industry in South Africa could orient itself towards sustainable development. The Kimberley Process was formed in 2000 as an initiative of South African diamond producers to develop ways of halting trade of 'conflict diamonds'.

468 The Institute of Directors in South Africa (IoDSA) is a professional institution oriented at promoting corporate governance and legitimizing directorship as a profession in South Africa.

469 cf. HENDRIKSE & KENDRIKSE (2009), p. 339.

470 cf. ROSSOUW, VAN DER WATT, & MALAN (2002), p. 298.

471 This statement was made by Mervyn King during an interview. See STEWART (2010) for the full exchange.

aim of safeguarding public interest and ensuring accountability of business entities in South Africa.[472] The content of King I was heavily influenced by the UK's Cadbury Report[473] issued in 1992.[474] The report which was the first of its kind in South Africa, addressed matters of board transparency, accountability and responsibilities of directors while also making reference to ways in which auditing and accounting could improve governance practices.[475] Despite the King Committee's assertion that an idiosyncratic approach to governance was necessary for South Africa, some of the recommendations given in King I are aligned to an Anglo-American approach of corporate governance. For example, King I advocated for a board consisting of executive and non-executive directors who are accountable to stockholders with voluntary compliance requirements.[476] The report also signaled South Africa's commitment to international business practices of corporate governance following its re-entry into the global economy in 1994.[477]

3.2.3.4 King II

King I was revised in 2002 to become the *King Report on Corporate Governance for South Africa* (King II) due to changes in international corporate governance requirements, local changes in local legislation and a cultural shift in South African society.[478] This sense of a cultural change or societal transformation was described as an 'African Renaissance' by former president Thabo Mbeki when he stated, "it provides the opportunity to enable each one and all to state their views, to promote them, to strive for their implementation in the process of governance without fear that a contrary view will be met with repression."[479] The central position of the notion of an 'African Renaissance' was a renewal of the African continent characterized by the establishment of democratic societies, the breaking of neo-colonial ties and the perpetuation of a pan-

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472 King I was a collaborative effort of the Institute of Directors in South Africa and former supreme court justice of South Africa-Mervyn King.

473 The Cadbury Report or the Financial Aspects of Corporate Governance is a report that was issued in the UK to set recommendations of how boards and accounting systems could be structured to prevent corporate governance failures. Consider CADBURY (1992) for the full report.

474 cf. ANDREASSON (2011), p. 656; MANGENA & CHAMISA (2008), p. 31.

475 cf. VAUGHN & RYAN (2006), p. 506.

476 cf. NTIM, OPONG, DANBOLT, & THOMAS (2012), p. 125.

477 cf. ANDREASSON (2011), p. 656.

478 cf. WEST (2006), p. 436.

479 This statement was made in Parliament by Thabo Mbeki in 1996 in a famous speech titled *I am an African.* See MBEKI (1996) for the full speech.

African identity.[480] 'Though the conception of an 'African Renaissance' is not unique to South Africa, the idea manifested itself in King II through the report's strong focus on the South African business environment and the culture of local enterprises.[481]

King II expanded on many of the issues raised in King I and provided sections related to the accountability of directors, risk management, internal auditing, disclosure of environmental, social and governance (ESG) information, and matters of compliance and enforcement.[482] A unique feature of King II is its call for an 'inclusive approach' to corporate governance. This 'inclusive approach' is comprised of three characteristics namely, consideration of the needs of all stakeholders, shareholders recognized as a class or sub-set of stakeholders and director responsibility to all stakeholders.[483] The system of corporate governance in South Africa was therefore influenced from two opposing sides: international and local pressures.

King II attempted to combine both global and contextual perspectives in the following ways: First, though the report proposed for an 'inclusive approach' to governance, the report still deepened and elaborated on the extent of directors' responsibilities to shareholders; the conventional mode of reporting to shareholders is perpetuated throughout the report.[484] Second, the report adopted a "comply or explain" policy to corporate disclosures which is typical to a UK approach to governance, while at the same time acknowledging the need for "support of community activities, social investment, and attention to social and environmental impact."[485]

The report further encouraged companies to engage in sustainability reporting on an annual basis, i.e., the degree of a firm's "social, transformation, ethical, safety, health and environmental management and practices."[486] Examples of specific disclosure and policy recommendations are: disclosure of HIV/AIDS strategic plans, establishment of

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480 cf. ANDREASSON (2011), pp. 656-657.
481 cf. GSTRAUNTHALER (2010), p. 148.
482 cf. IoDSA (2002).
483 Ibid., pp. 7,8,10,11.
484 cf. KAKABADSE & KORAC-KAKABADSE (2001), p. 311.
485 cf. IoDSA (2002), pp. 102, 142. Notably, IoDSA is an acronym for the Institute of Directors in Southern Africa. NTIM ET AL. (2012), pp. 123-124, have also discussed the report's merging of local and international outlooks.
486 Ibid., p. 35. Transformation in this case refers to the extent to which a company has integrated and adhered B-BBEE policies and recommendations.

a code of ethics and subsequent disclosure of adherence to that code, or disclosure of internal policies adopted to promote equal opportunities under B-BBEE.[487]

Another distinct quality of King II was a section outlining seven core characteristics of good corporate governance, namely, discipline, independence, accountability, transparency, responsibility, fairness and social responsibility.[488] While the characteristics serve as a good basis for corporate integrity, there are some cases where the report appears inconsistent. For instance, King II recognizes that a distinction needs to be made between accountability and transparency.

IODSA (2002) states: "One is liable to render an account when one is accountable and one is liable to be called to account when one is responsible […] The stakeholder concept of being accountable to all legitimate stakeholders must be rejected for the simple reason that to ask boards to be accountable to everyone would result in their being accountable to no one."[489]

This statement is rather problematic as the report does not explain why being accountable to all stakeholders would amount to being accountable to no one. Also, the part of the statement that states "for the simple reason" appears to draw attention from any serious inquiry into how the actions of the directors could be held accountable to all stakeholders, especially since the traditional framework of accounting to shareholders is mostly maintained throughout King II.[490]

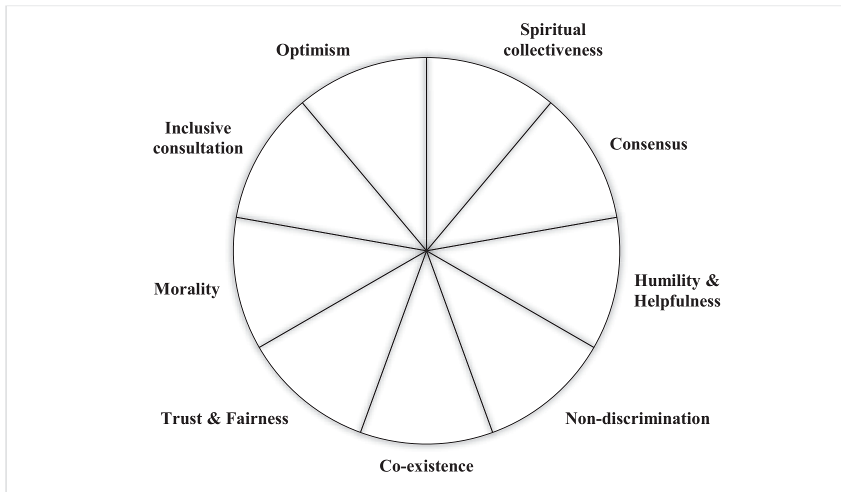
Additionally, in a later section of the report, there is a proposition that corporate governance should reflect the value system of the community in which it operates.[491] The report then goes on to list a set of values which are considered idiosyncratic to African experience and culture. Spiritual collectiveness, cohesiveness and non-discrimination are examples of some of the values cited within the report.[492] Notably, the notion that there is a holistic set of traditional values that are embodied across various African societies is highly contested.[493] However, there is consensus that

487 cf. IODSA (2002), pp. 121-124.
488 Ibid., pp. 11-12.
489 Ibid., p.7.
490 cf. WEST (2006), p. 437.
491 cf. IODSA (2002), p.18.
492 Ibid., p. 19.
493 cf. WEST (2006), p. 442.

African society is typically communitarian or community centric.[494] In the wake of globalization however, South Africa has increasingly been influenced by the values of other societies, especially the U.S.[495] Most importantly, this perspective of a set of African values ignores the significance of other groups within South Africa e.g. Indian or Afrikaner communities, who may subscribe to their own unique set of values. Despite these challenges, there is still evidence that these African values are upheld and/or endorsed in the region.[496] King II is a prime example of how parallels are drawn between African value systems and conceptions of sustainability and corporate citizenship. IODSA (2002) states:

"Closer to home, the notion of sustainability and the characteristics of good corporate citizenship […] can be found within the concept of Ubuntu-African humanism, which is generally regarded as the foundation of sound human relations in African societies."[497] The full list of values discussed in King II are shown in Figure 3. Notably, both King I and II reports did not require mandatory compliance from listed firms, however their principles were adopted by the Johannesburg Stock Exchange (JSE).

Figure 3: African Values as Elucidated in King II



Adapted from IODSA (2002), pp.18-19.

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494 cf. GYEKYE (2003); MBITI (1969); MENKITI (1979); WIREDU (2003). Further elaboration will be made on this aspect of African values in the theoretical chapter of this text.

495 cf. WEST (2006), p. 442.

496 Ibid., p. 442.

497 cf. IODSA (2002), p. 94.

3.2.3.5 King III

"[W]hen the Earth Summit took place in Johannesburg, we knew we had to rewrite the King Code. However, we made a mistake: we wrote a separate chapter on sustainability reporting and in consequence, companies started reporting on sustainability in a silo, rather than integrating it" - Mervyn King

In 2009, the third version of the King Report on Corporate Governance (King III) was introduced based on the premise that organizational activity, ecological well-being and societal progress were interlaced.[498] The aim of King III was to further the 'inclusive approach' to corporate governance introduced by King II. The corporation was an integral part of society and as such was considered as a citizen of the country in which it resided and operated in.[499] King III goes on to explain the expectation that companies should be held responsible for their interactions with society and nature, and boards should make decisions based on the needs of both the present and the future.[500]

Akin to previous versions of the King Report on Corporate Governance (King I, II) King III is a principle-based code of conduct that requires publicly listed entities to issue reports on an 'apply or explain' basis.[501] The conception of integrated reporting is also a unique feature of the report. King III states that an integrated report is not a simple amalgamation of various sources of information pertaining to the entity but a holistic depiction of a corporation's capacity to create and sustain value for its various stakeholders.[502] This approach is one of the distinguishing factors between King II and III, where the former made the disclosure of sustainability related information mandatory but within a separate chapter and/or annual report issued by listed companies.[503] The King III principles also recommend for the assurance of

498 cf. ACKERS & ECCLES (2015), p. 517.

499 cf. IODSA (2009), p. 11.

500 Ibid., p. 11; WADDOCK & GRAVES (1997), p. 315.

501 The 'apply or explain' basis is based on the UK's 'comply or explain' approach to corporate governance. However, the use of 'apply or explain' as described in IODSA (2009), p. 6 acknowledges that the term 'comply' could lead to a mechanical adoption of the code, whereas 'apply' connotes a firm's choice and consideration as to how the principles can be applied. Rather than imposing strict laws for corporate governance practices, commonly recognized principles of best practice are outlined which firms may apply. If firms choose not to conform to such codes, they must provide a public explanation. See for example ARCOT, BRUNO, & FAURE-GRIMAUD (2010), p. 104.

502 cf. IODSA (2009), p. 12.

503 cf. ECCLES, KRZUS, & RIBOT (2015), p. 30.

sustainability disclosures provided within the integrated report; the audit committee should comment on the reliability of the ESG disclosures made and ensure such disclosures do not conflict with financial information.[504]

King III (like King II), recommends an inclusive stakeholder approach to corporate decision making and strategy. Additionally, emphasis is placed on the significance of innovation, collaboration and fairness as essential to achieving corporate sustainability and the indispensability of social transformation as a pathway to greater prospects for both businesses and the community.[505] The report however, differs substantially from the previous codes of corporate governance by attributing the responsibility of risk management directly to the board of directors.[506] The board is tasked with playing an active role in developing, implementing and monitoring a risk management policy and plan.[507] In summary, the critical elements of King III are a focus on risk management, the necessity for future oriented information and disclosures, the measurement and disclosure of ecological and societal impacts (sustainability disclosures) and an inclusive approach to stakeholder management.

3.2.3.6 Comparing King III to the <IR> Framework

At this juncture it is imperative to compare the <IR> Framework with King III in terms of content and level of detail. The beginnings of the <IR> Framework are usually associated with the King III report.[508] The reason for this is because South Africa was the first country in the world to require listed companies to issue integrated reports. The main difference between the <IR> Framework for integrated reporting and King III stems from their position on stakeholder inclusivity. While King III calls for a holistic stakeholder view, the integrated reporting framework focuses mostly on meeting investor requirements. Following the IIRC's wording, the purpose of an integrated report is to "explain to providers of financial capital how an organization creates value over time."[509]

504 cf. IoDSA (2009), p. 32.
505 Ibid., p. 12.
506 cf. Tankiso (2014), p. 14.
507 cf. IoDSA (2009), p. 16.
508 cf. Solomon & Maroun (2012), p. 6.
509 cf. IIRC (2013), p. 7. A later section of the <IR> framework states that an integrated report should be useful to other stakeholders as well. However, the IIRC previously stated their intention was to

In terms of guidance, the <IR> framework attempts to offer firms flexibility to decide what material elements and principles they should apply within their reports. King III, however, lists specific requirements that should be included within an entity's integrated report based on predefined principles and recommended practices.[510] Furthermore, though King III makes brief references to materiality of sustainability information, South African organizations still provide excessive information in their integrated reports. Not all this information seems material and, is repeated constantly throughout the reports.[511]

SOLOMON and MAROUN (2012)'s research of South African firms' early adoption of King III concluded that the reason for such repetition suggested that companies were limited in their understanding on how to apply the report and/or how an integrated report should look like.[512] The materiality principle added yet another layer of complexity, specifically its application in integrated reporting.[513] In contrast, the <IR> Framework describes materiality as matters that affect a firm's capacity to generate value over time.[514] The framework also outlines a process for establishing materiality unlike King III.[515]

When it comes to risk disclosure and management, the framework gives firms leeway in disclosing risks that are deemed material in affecting their ability to create value.[516] In comparison, King III gives a detailed list of expected disclosures that companies should make in regard to risk such as, risk retention, tracking, perception, optimization and assessment among other measures.[517] Another striking difference between King III and the <IR> Framework is that King III does not provide a section that classifies the various forms of capital available to an entity. The IR framework has an entire section

orient the framework on the providers of equity and debt. See for example IIRC (2011), p. 8 and SOLOMON & MAROUN (2012), p. 51.

510 cf. IoDSA (2009).

511 cf. SOLOMON & MAROUN (2012), p. 5.

512 Ibid., p. 51.

513 cf. SOLOMON & MAROUN (2012), pp. 50-51.

514 cf. IIRC (2013), p. 18.

515 Ibid., pp. 18-20.

516 Ibid., p. 27.

517 cf. IoDSA (2009), p. 14.

devoted to describing various components of capital namely, natural, manufactured, financial, intellectual, human and social and relationship capital.[518]

Notably, both frameworks describe integrated reporting in two distinct ways. King III defines integrated reporting practice as “a holistic and integrated representation of the firm’s performance in terms of both its finance and its sustainability”.[519] The IIRC’s definition leans towards integrated reporting being a means through which entities create value. More precisely the IIRC’s definition of an integrated report is “a concise communication about how an organization’s strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over time.”[520]

Markedly, the <IR> Framework also stresses the importance of connectivity of information, that is, illustrating connections and interdependencies between strategy, risks and opportunities and their effect on social and environmental issues. King III on the other hand, does not expressly emphasize on the significance of connected disclosures but rather on combining social, governance, financial and environmental information within a single report. Summarily, this comparison illustrates the rifts that persist between local and international approaches to accounting praxis. King III takes a more holistic approach to stakeholder accountability, whereas, the <IR> framework from the onset seeks to meet investor needs. Arguably, King III reflects the necessity for corporate accountability at wider levels of society. The report also reflects the previous re-distribution policies of RDP and B-BBEE unlike the <IR> Framework. It is therefore essential to illustrate some of the complexities in applying international accounting guidelines in different contexts.[521]

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518 cf. IIRC (2013), p. 11.

519 cf. IoDSA (2009), p. 154.

520 cf. IIRC (2013), p. 7.

521 The comparison between the King Report on Corporate Governance-King III and the <IR> framework is made here because King III set a precedent for integrated reporting.

3.2.3.7 King IV

The latest version of the King Report on Corporate Governance is the King IV Report and was amended from King III. The report begins with a comprehensive definition of corporate governance as a merger of ethical and effective leadership geared towards ethical culture, good performance, effective control and legitimacy outcomes.[522] Some of the components of ethical leadership comprise of integrity, competence and accountability. Markedly, effective leadership encompasses the attainment of corporate objectives with positive results.[523]

The main underpinnings the report is built on pertain to ethical leadership, sustainable development and stakeholder inclusivity.[524] These foundations present a movement from financial capitalism to inclusive capitalism[525], from, short-term security markets to sustainable ones and finally, from disjointed to integrated reporting. Ultimately, King IV refines the emphasis on corporate citizenship (espoused in the prior reports) and places primary responsibility on the board for the implementation of a strong culture of ethics and accountability within businesses. In similar fashion to King III, the report also highlights the intrinsic value of all stakeholders and as such, the need for companies to address their expectations and concerns.[526] The report goes a step further to accentuate the pivotal role stakeholders play in the process of ensuring the accountability of both the company and the board.

Though King III was a pioneer of integrated reporting, King IV affirms the guiding principles, content elements and fundamental concepts advocated for by the <IR> framework. The report also states that the framework should be implemented as best practice for integrated reporting in South Africa.[527] The notion of integrated thinking is also discussed extensively in King IV with a focus on its connection to corporate citizenship, sustainable development, integrated reporting and an inclusive stakeholder

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522 cf. IODSA (2016).

523 Ibid., p. 20.

524 Ibid., p. 21.

525 The idea of inclusive capitalism stems from the work of C.K Prahalad, see for example PRAHALAD (2005), where those with power i.e. corporations have a duty to help better the society through access to education, better infrastructure etc. while at the same time remaining profitable entities.

526 cf. DELOITTE (2016), p. 3.

527 cf. IODSA (2016), p. 28.

approach.[528] An additional link to the framework is made as King IV discusses the combined nature of the economy, society and the environment in the context of the <IR> framework's six capitals.[529] It is interesting that King IV adapted itself to include precepts from the <IR> framework. Naturally, this presents an opportunity for international convergence of integrated reporting practice, however as previously discussed, it is unclear whether the shareholder orientation of the <IR> framework can fit in with King IV's inclusive stakeholder approach.

Another distinct feature of King IV is in its proposed application and approach. Unlike King III, the report does not list prescribed requirements or practices that should be applied, but focuses on the principles that need to be taken under consideration by each entity.[530] There is a shift from a check-box approach to applying the code (which was the nature of King III), towards a more reflective process on how firms can embody the principles of King IV within their operations. Additionally, the report is structured in such a way that it can be applied to non-listed businesses, non-profit organizations and public institutions. Finally, King IV recommends that corporations should make disclosures relating to how they apply the code.[531] The underlying assumption made is that companies apply all the principles listed in the report, hence, an "apply and explain' basis is used. The justification provided is that all principles listed in the report are based on ideals that all organizations should strive for in the pursuit of good corporate governance.[532] Simple quantitative disclosure of whether a principle has been applied is unwarranted, rather, a more detailed narrative of how each principle has been applied with reference to practices that demonstrate their implementation. Key features of King I-IV are summarised in Figure 4.

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528 IODSA (2016), p. 24.
529 Ibid., pp. 23-24.
530 cf. DELOITTE (2016).
531 cf. IODSA (2016), p. 37.
532 Ibid., p. 37.

Figure 4: King Report on Corporate Governance in South Africa

King I	**King II**
a) Applicable to all listed companies on the JSE b) Introduced notions of stakeholder accountability c) Focus on board appointments. composition and transparency d) Affirmative action initiatives e) Code of ethics	a) Introduced sustainability reporting b) Characteristics of good corporate governance e.g. discipline, independence, fairness etc. c) Link between corporate citizenship and African value systems d) Directorship responsibility for good governance
King Report on Corporate Governance	
King III	**King IV**
a) Pioneer of integrated reporting b) Inclusive stakeholder approach c) Risk management attributed to directors d) 'Apply or explain' basis of reporting e) Assurance of sustainability disclosures	a) Applicable to non-listed, non-governmental and public entities b) Endorsement of the <IR> Framework c) Emphasis on the intrinsic value of all stakeholders d) Stakeholder responsibility in good governance

Source: Own illustration.

3.2.4 Johannesburg Securities Exchange Socially Responsible Investment Index

In addition to the King Reports on Corporate Governance and B-BBEE legislation, the Johannesburg Securities Exchange (JSE) launched a socially responsible investment (SRI) index in 2004 with the aim of promoting sustainability reporting, good governance and overall responsible corporate practices.[533] The index also served as a bridge between locally relevant King II and internationally accepted criteria of SR, namely GRI guidelines.[534] The index was the first of its kind in Africa and presented an opportunity for South African's financial market to integrate principles of socially responsible investment (SRI), that is, investments that promote social and financial investment objectives.[535]

533 cf. MAUBANE ET AL. (2014), p. 156.

534 Ibid., pp. 153-154.

535 cf. HEESE (2005), p. 729; SPARKES & COWTON (2004), pp. 46-47. Socially responsible investing (SRI) much like SR, is also synonymously used with other terms such as ethical investing, green investing, etc. However, SRI is not synonymous with impact investing which connotes "placing capital in enterprises that generate social or environmental goods, services or ancillary benefits." Consider BREST & BORN (2013), p. 24.

The mandate of the SRI index can be summarised in four parts, (1) identification of JSE listed entities that provide sustainability disclosures on a regular basis and display responsible business leadership; (2) provision of an assessment tool that assesses a company's reporting practices using both local and international guidelines and/or standards for SR; (3) facilitate responsible investing for investor groups seeking to integrate non-financial indicators in their assessment of companies and; (4) encourage responsible business practices in South Africa.[536] Specifically, the criteria the index used for assessing corporations revolved around four key areas: (1) improving environmental performance; (2) a commitment to fostering strong stakeholder relationships; (3) upholding good corporate governance and; (4) addressing climate change through regular tracking and reduction of carbon emissions.

Notably, the index grouped 'sustainability concerns' in the same bracket with good corporate governance and stated the following: "identify and manage the broader impact of the company within the company's sphere of influence or where the company operated from a social, environmental, ethical and economic perspective, directly and indirectly."[537] This combination further illustrates that good corporate governance is a foundational basis for SR. In 2015, the SRI index was replaced with the FTSE/JSE Responsible Investment Index Series.[538] This collaboration is indicative of JSE's commitment to aligning its listed entities with global best practices.

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[536] cf. JSE (2007), p. 2.
[537] Ibid., pp. 4-5.
[538] cf. JSE (2015).

3.3 MAURITIUS: The Small Island Nation of the sub-Saharan Region

3.3.1 An Overview of the Mauritian Context

Mauritius is a small island (approximately 1,865 km^2) located in the Indian Ocean with a distinct colonial history, hinged on Dutch, British and French influences.[539] Mauritius gained independence from British rule in 1968 and became a republic 1992. The country is multi-ethnic and multi-racial consisting of persons of Indian, Creole, French and Chinese descent among others.[540] In terms of its economic status, Mauritius was originally dependent on sugar exports in the 80s and 90s, but later expanded its economy to textiles and tourism with great success.[541] Heightened economic growth, uptake of foreign direct investments and the nation's multi-ethnic dimension jointly explains why the country has often been described as a Sub-Saharan success story.[542]

The country's status as a Small Island Developing State (SIDS),[543] has meant the government has had to engage in several initiatives geared towards sustainable development. For instance, Mauritius has enacted an Energy Efficiency Act, a National Biodiversity Strategy & Action Plan and a National Forest Policy. These actions were aligned towards advancing sustainable development between 2006 and 2015.[544] Though the country fulfils the criteria of being an upper middle-income country, income disparities (based on race), poverty and cultural tensions remain societal problems.[545] Additionally, the country's reliance on its tourism sector (a key characteristic of small island economies) makes environmental management a vital component of tourism development.[546]

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539 cf. Boolaky (2012), pp. 7-8.

540 cf. Laville (2000), p. 2.

541 cf. Gokulsing (2011), p. 223.

542 cf. Bunwaree (2002), p. 1.

543 Small island developing states are coastal regions or nations that tend to experience similar challenges to sustainable development e.g. rapidly growing populations, vulnerability to natural disasters, excess dependency on international investment and overall delicate environments. The recognition of such countries was first made at the United Nations Conference on Environment and Development. See UN (1992) for the full report.

544 cf. Republic of Mauritius (2015), pp. 16-17.

545 cf. Laville (2000), p. 278.

546 cf. Prayag, Dookhony-Ramphul, & Maryeven (2010), p. 697. As of 2016 the tourism sector contributes approximately 25.6% of total GDP. Consider WTTC (2017), pp. 3-4 for further elaboration of Mauritius' tourism sector.

Mauritius obtained independence from Britain in 1968 and the local political party - the Mauritius Labour Party - gained administrative rule over the territory.[547] However, the private economy was still dominated by French and British business people, akin to South Africa's post-independence situation.[548] In a bid to tackle unemployment and to secure economic progress, the Mauritian government established an Export Processing Zone (EPZ) in 1970 and actively invested in tourism development.[549]

Mauritius' legal system is an amalgam of English Common Law and French Civil Law.[550] Company law is primarily derived from British Company law and consequently, the nation's accounting practices and systems are based on an Anglo-Saxon archetype.[551] Since the country became a republic, accounting practices have developed over the last two and a half decades, starting with simple single-entry book keeping, continuing later with the system of double entry which was compliant with the UK Generally Accepted Accounting Principles (GAAP) and finally adopting the IFRS in 2001.[552]

Sustainability reporting is still a new concept in Mauritius, however there is an escalating necessity and opportunity for corporations to engage in societal and environmental issues.[553] In 1999, country-wide riots sparked by ethnic disparities illustrated that despite the nation's commendable economic performance, working class Creoles were still excluded from the nation's economy.[554] Research following the demonstrations, illustrated that Creoles were and continued to be a marginalised group in Mauritian society and were not represented adequately in both economic and political spheres.[555]

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547 cf. BOOLAKY (2012), p. 5.

548 After independence, several steps were taken to form a coalition between the country's business elite (primarily European minority groups) and the political ruling class (majority of whom were of Indian descent). This is possibly one of the reasons why the country's situation after independence did not deteriorate as had been predicted. See SOOBAROYEN & MAHADEO (2012), p. 343 for further elaboration.

549 cf. DURBARRY (2002), p. 863.

550 cf. BOOLAKY (2012), p. 7.

551 Ibid., p. 7.

552 Ibid., p. 8.

553 cf. VISSER & TOLHURST (2010), p. 259.

554 cf. ERIKSEN (2004), p. 93.

555 cf. LAVILLE (2000), p. 287. Mauritius' populace is still defined by colonial categorisations of communal identity and class; the development of a unifying Mauritian identity has hence, been an interminable and taxing exercise. See for example ENGLAND (2015).

As stated by VISSER and TOLHURST (2010):

"The 1999 riots were a wake-up call for some corporations to start thinking of their social responsibilities, specifically in terms of trying to integrate what are perceived as marginalised and vulnerable groups into Mauritian society."[556]

Research on corporate responsibility in general is scant in Mauritius but there are a few core studies that have attempted to illustrate the necessity for good corporate citizenship and transparent disclosure. GOKULSING (2011) and RAGODOO (2009) have both investigated the association between corporate social responsibility and developmental issues in Mauritius, particularly poverty alleviation.[557] Their work is reflective of the emerging debate on corporate responsibility in Sub-Saharan Africa, as both authors emphasize the private sector's role in shaping Mauritius' developmental agenda. Approximately 11% of corporate funds were allocated towards poverty alleviation in 2008, though there was also evidence of corporate contributions towards healthcare and education.[558] Prior research shows that Mauritian businesses typically perceive CSR as conducting operations in a responsible manner (essentially being good corporate citizens) and advancing communal development.[559]

Studies pertaining to SR are even more limited, however some of the themes covered so far pertain to ways in which such reporting can be improved and the changing nature of corporate governance regulation in the region.[560] Like South Africa, Mauritius introduced a code of corporate governance in 2004 in response to societal and political concerns on business accountability and transparency following instances of corporate fraud.[561]

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556 cf. VISSER & TOLHURST (2010), p. 259.

557 cf. GOKULSING (2011); RAGODOO (2009). By Sub-Saharan standards, the state of poverty in Mauritius is comparably low, however the levels of inequality continue to rise and some communities continue to live in squalid conditions. See SREBRNIK (2002), p. 284.

558 cf. RAGODOO (2009), pp. 24, 29.

559 cf. JUWAHEER & KASSEAN (2009), p. 50.

560 cf. MAHADEO, OOGARAH-HANUMAN, & SOOBAROYEN (2011); RAMDHONY & OOGARAH-HANUMAN (2012); RAMDHONY (2015). The study conducted by MAHADEO, ET AL. (2011) is an extensive exploration of the extent of sustainability disclsoures issued by Mauritian companies between 2004 and 2007. The compelling part of their results is that the environmental sensitivity of certain industries was found to be a non-significant factor in explaining the degree to which companies provided an account for their sustainability impacts.

561 Three high profile cases of fraud perpetuated by board members of Air Mauritius (the national airline), Rogers Group (a large agglomerate) and the Mauritius Commercial Bank (a prominent bank on the island) occurred in 2002. See SOOBAROYEN & MAHADEO (2012), p. 345.

Additionally, during the same period, the Bretton Woods Institutions had introduced a standards and codes initiative aimed at fortifying the financial structures of emerging nations. The full name of the initiative was the Reports on the Observance of Standards and Codes (ROSC) and under it, the World Bank and IMF conducted periodical evaluations of countries' standards on corporate governance, monetary and fiscal transparency and securities regulation, among other areas.[562] The first ROSC Report on Mauritius accentuated several weaknesses in the country's system of corporate governance and recommended the immediate introduction of a voluntary corporate governance code.[563] The introduction of corporate governance legislation was thus, deemed necessary.

The development of a local code for Mauritius was initiated by the National Committee on Corporate Governance (NCCG) - a joint taskforce comprised of representatives from both the government and the corporate sector. At the consultation phase of the code's development, there was scrutiny from corporate representatives on the perceived invasive and bureaucratic nature of the code; the perception was that the code's requirements were misaligned to the local realities faced by Mauritian businesses. Moreover, it was not clear to whom compliance applied and to what degree, that is, listed firms were sceptical that compliance would apply solely to them and not to other public bodies or institutions, such as state-owned enterprises. To date, there have been two iterations of the code of corporate governance which are discussed in the following sub-sections of the chapter.

3.3.2 The Code of Corporate Governance for Mauritius

3.3.2.1 2004: The Report on Corporate Governance

Mauritius' first code of corporate governance was enshrined within a report which provided a foundational basis for the code. In addition to providing a definition and rationale for corporate governance in Mauritius, the report discussed its similarities to the King Report on Corporate Governance, especially regarding its adoption of an

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562 cf. WORLD BANK & IMF (1999).

563 cf. WORLD BANK (2002), pp. 15-16.

inclusive approach to governance.[564] Mauritius' unique context was also reviewed, for instance the island's fragile ecosystem and the social complexities arising from high levels of ethnic and cultural diversity. Consequently, the prejudicial nature of corporate society in Mauritius (based on ethnic groupings) was also articulated as the reason behind a "lack of fair employment practices in many sectors of the economy."[565] Thus, the elucidation of such matters, provided a solid foundation for the code.

In terms of guidance for sustainability reporting, the code had a separate section titled 'Integrated Sustainability Reporting'.[566] The section begun by acknowledging the evolving intersections between businesses, societies and ecology.[567] Being a good corporate citizen was cited as a logical pre-requisite to firm growth and development and the definition of sustainability reporting provided in the code was as follows:

"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."[568]

The code went on to describe the necessity for a well-articulated code of ethics which is constantly monitored and evaluated. Next, the country's ecological and social idiosyncrasies were carefully elaborated on and corporations were consequently encouraged to monitor and lower negative environmental impacts. Regarding societal concerns, companies were cited as important agents in creating equitable employment and ownership opportunities. Naturally, the code shares many similarities with South African legislation for example, the necessity for equitable ownership of corporations as reflected within the B-BBEE Act.

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[564] cf. NCCG (2004), p. 6. The inclusive approach to corporate governance means striking a balance between the company's purpose and stakeholder needs. Notably, Mervyn King also consulted the NCCG during the code's preparation.

[565] Ibid., p. 8.

[566] Ibid., p. 110.

[567] Ibid.

[568] Ibid., pp. 110-111.

Four broad themes were identified as the underpinnings of corporate sustainability reporting, namely: ethics, environment, health & safety and social categories.[569] However, the code lacked a check-list of proposed corporate sustainability disclosures. This was rather problematic as the code was applicable on a 'comply or explain' basis.[570] Thus, even though the code was principle based (in a similar fashion to South Africa's codes of governance), the 'what' and 'how' to disclose specific sustainability categories was unclear. Furthermore, neither the code nor the report endorsed international sustainability reporting guidelines such as the GRI guidelines which, rendered the process of measuring and reporting sustainability disclosures difficult. The code was later revised by the NCCG committee and a new one issued in late 2016.[571] The specificities of the revised code are discussed in Section 3.3.2.2.

3.3.2.2 2016: The National Code of Corporate Governance for Mauritius

Twelve years later, the NCCG committee issued a new version of the code with substantial revisions. Like the 2004 version, the code follows a principle-based approach rather than a rules-based approach to implementation.[572] A significant change is the code's advocation for an 'apply and explain' policy.[573] This change may seem subtle, however the presumption made is that all entities required to apply the code must also explain the way in which they apply each of the principles within the code. Notably, this approach differs from the South African 'apply or explain' policy in King IV which offers organizations leeway to decide whether to apply the principles or not. The national code is comprised of eight core principles covering matters pertaining to governance structure of boards, risk governance, transparent reporting, auditing and relations with stakeholders among other principles.[574] Interestingly, the code puts forward a definition of corporate responsibility as follows:

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569 cf. NCCG (2004), pp. 110-113.

570 Ibid., p. 16. The code required all firms listed on the Stock Exchange of Mauritius, financial institutions, large public and private corporations and state-owned enterprises were required to apply the code on a 'comply or explain' basis.

571 Ibid.

572 Ibid., p. 7. As stated in the report, the adoption of a principles basis to provides companies with the flexibility for application.

573 Ibid.

574 Ibid., pp. 9-10.

"Corporate Social Responsibility is the concept whereby companies act to balance their own economic growth with the sustainable social and environmental development of the country."[575]

This definition of corporate responsibility affirms that organizations operating within the sub-Saharan region are viewed as agents of holistic development as discussed in prior chapters of this dissertation.[576] Though the code does not provide an index for specific sustainability disclosures, it identifies the following categories that companies should consider reporting on plus a few suggested disclosure items. Notably, these suggestions fall under the sixth principle of the code, namely: reporting with integrity.[577]

Table 13: Suggested Sustainability Disclosures in NCCG

Category	**Suggested disclosure items**
Environmental Issues	Tracking of environmental impacts; policy of carbon reduction schemes; initiatives aimed at reducing carbon emissions
Healthy and Safety Issues	Monitoring and evaluation of health and safety compliance; Identification of health and safety risks
Social Issues	Evaluation of societal impact; non-discriminatory policies in recruitment and promotion; merit-based and transparent procedures
Corporate Social Responsibility (CSR)	2% appropriation of profits to go towards societal development
Charitable and Political Contributions	Donations e.g. gifts, property; sponsorships; membership subscriptions; non-commercial loans; political contributions e.g. expenses incurred for distribution of publicity material for a political party or candidate etc.
Governance	Detailed narrative on how each principle in the code has been applied; statement of compliance to IFRS, IAS and the Companies Act; Assessment of the corporation's economic, social, environmental and governance position; code of ethics.

Source: Adapted from NCCG (2016), p. 32-33.

The CSR category refers to the Finance Act that requires all listed companies to appropriate 2% of its profits or chargeable income towards company-led CSR initiatives and the National CSR Foundation.[578] The National CSR Foundation is a fund managed by both private and public sectors that supports actions and programmes centred on poverty alleviation, housing, sanitation, family protection, education and disability

575 cf. NCCG (2016), p. 2.
576 cf. BLOWFIELD (2005).
577 cf. NCCG (2016), p. 30.
578 cf. REPUBLIC OF MAURITIUS (2016).

support.[579] Another striking difference between this code and its previous iteration, is its endorsement of both the <IR> Framework and the GRI as alternative guidance for sustainability reporting.[580] Thus, the advocation for the application of international standards of sustainability reporting is also observed in a similar strand to South Africa's own legislation. In addition to the code of corporate governance, Mauritius has also introduced parallel legislative reforms encouraging corporate sustainability reporting as shown in Table 14.

Table 14: Legislation and Codes

Legislation	**Content**
Finance (Miscellaneous Provisions) Act 2009	Requires every company to contribute 2% of profits towards CSR programs that are company led or towards the National CSR Foundation. Amounts that are not appropriate to either of these aims should be submitted to the Mauritius Revenue Authority.
Environmental Protection Act 2002	Certain classes of corporations are required to carry out periodical Environmental Impact Assessments.
Mauritius Employers Federation Code of Practice for Enterprises in Mauritius 1981	Consists of 19 core elements the first of which pertains to the 'Social Obligations of the Enterprise'.
Joint Economic Council Model Code of Conduct for Directors and Employees of Private Sector Companies 2004	The Joint Economic Council (JEC) was a body tasked with fostering transparency and efficiency among Mauritian businesses. Some of the core propositions are environmental preservation and community involvement.

Source: Adapted from VISSER & TOLHURST (2010), p. 260.

In addition to legislative actions, the Stock Exchange of Mauritius (SEM) launched a Sustainability Index which "provides a robust measure of listed companies against a set of internationally aligned and locally relevant environmental, social and governance (ESG) criteria."[581] Thus, though Mauritius is one of Africa's smallest economies, the country has undertaken several steps to advance corporate governance and corporate sustainability reporting. The next section briefly discusses the specificities of the sustainability index.

[579] cf. REPUBLIC OF MAURITIUS (2016), p. 1. Initially, firms were supposed to channel 50% of their 2% appropriations to the foundation, but this was later amended to 75%.

[580] cf. NCCG (2016), p. 33.

[581] Ibid., p. 41.

3.3.3 Stock Exchange of Mauritius Sustainability Index

The Stock Exchange of Mauritius (SEM) launched a sustainability index (SEMSI) in 2015 to track the performance of corporations that exhibited strong sustainability practices.[582] Companies are gauged based on their sustainability disclosures which are drawn from both international SR guidelines, specifically the GRI, and local imperatives.[583] SEMSI reflects the nation's wider action plan titled Maurice ile Durable (MID) (engl. Mauritius Sustainable Island Project) that seeks the social, environmental and economic transformation of Mauritius, and to build capital for present and future generations.[584] The main reasons cited by SEM as the overarching objectives of the index revolve around aiding investors to make better investment decisions, foster high quality corporate communication, provide leeway for the creation of innovative investment products, promote stakeholder discourse and inclusiveness and to provide a benchmark against international best practices.[585] Notably, unlike South Africa's SRI, SEMSI does not provide its assessment tool used for gauging companies SR practices, however, its inception places Mauritius as the second country in sub-Saharan Africa to launch a sustainability index.

582 cf. SEM (2015).
583 Ibid.
584 cf. REPUBLIC OF MAURITIUS (2013), p. i.
585 cf. SEM (2015).

3.4 KENYA: Towards Industry Driven Best Practices of SR

3.4.1 An Overview of the Kenyan Context

Kenya has a unique socio-political setting that shapes its business environment.[586] The country is part of Anglophonic Africa as it was formerly a British colony, and is East Africa's largest and most developed economy with agriculture, industry and services as the main contributors to its GDP.[587] Due to technological innovations particularly in the telecommunications sector, Kenya has become a major communications and logistics hub in Africa.[588] The popularity of M-Pesa for instance, has revolutionised Kenya's financial landscape and is an illustration of how Kenyan corporations have championed development on a national scale.[589]

In comparison to the other two countries, Kenya is on the lower part of the spectrum when it comes to legislative reform oriented towards the fostering of sustainability reporting. However, the local government has taken some steps to regulate corporate behaviour through an Environmental Management and Coordination Act which provides an institutional framework for ecological protection.[590] Additionally in a bid to address the escalating incidences of economic crimes in the country,[591] Kenya has an Anti-Corruption and Economic Crimes Act which requires company directors to decline gifts or donations that have the potential of compromising the interest of the corporation and by extension stakeholder interests.[592]

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[586] cf. MUTHURI & GILBERT (2011), p. 468.

[587] Ibid.

[588] cf. WORLD BANK (2017a).

[589] M-Pesa which means 'mobile money' ('pesa' is the Swahili word for money), is a money transfer system enabling users to deposit, send and withdraw money using their mobile phones. See BATCHELOR (2012) and BUKU & MEREDITH (2013) for further deliberations on the history and development of M-Pesa.

[590] cf. REPUBLIC OF KENYA (1999). The act also established a body called the National Management Authority (NEMA) to implement the policies enshrined within the act.

[591] A survey conducted by PWC (2016) found that the incidence level of economic crime in Kenya was 61% which is 25% higher than the global average. The main types of crimes committed within organizations are asset misappropriation, bribery and procurement fraud. See PWC (2016), p. 5.

[592] cf. REPUBLIC OF KENYA (2003), p. 20.

In terms of corporate governance, the earliest law was the Kenyan Companies Act of 1948, which described the responsibilities of the board of directors but from a dominantly shareholders perspective.[593] In a similar fashion to other Commonwealth nations, the Companies Act is based on British legislation, however due to the limited nature of the act, regulation of financial reporting is supplemented by the Institute of Certified Public Accountants of Kenya (ICPAK). ICPAK is a professional accountancy body that is tasked with the development and implementation of accounting standards in Kenya.[594] The body mandated the adoption of IFRS in 1998 which resulted in all audited corporate financial statements being IFRS compliant by 1999.[595] Notably, though Kenya's legal system is framed around English common law, other sources of law include statutes, African customary law and doctrines of equity among other sources.

Despite the advancements made in financial reporting, sustainability reporting is still a voluntary activity.[596] As an extension when it comes to matters pertaining to corporate governance, reforms were initially voluntary and self-regulatory.[597] The Centre for Corporate Governance (CCG) Kenya has been the pioneer of institutionalizing best practices in corporate governance since 1999.[598] The CCG is a private sector led initiative and was responsible for issuing the first voluntary code of best practice and a set of principles for corporate governance in Kenya.[599] Though the document was voluntary, it influenced the drafting of a proposed set of corporate governance practices for public corporations initiated by the Capital Market Authority (CMA) in 2000, and mandated by 2002.[600]

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593 cf. MUTHURI & GILBERT (2011), p. 468.

594 cf. BARAKO, HANCOCK, & IZAN, (2006), p. 109. ICPAK was established under an Accountants Act. See REPUBLIC OF KENYA (2008), p. 6.

595 cf. BARAKO, HANCOCK, & IZAN, (2006), p. 109.

596 cf. BARAKO & BROWN (2008), p. 310; MUTHURI & GILBERT (2011), p. 472.

597 cf. ROSSOUW (2005), p. 98.

598 cf. BARAKO & BROWN (2008), p. 310.

599 cf. PSICG (1999). Notably, the CCG was originally called the Private Sector Initiative for Corporate Governance (PSICG).

600 PSICG (1999). The Capital Market Authority is an independent and statutory institution that is responsible for regulating and supervising the activities of the Nairobi Securities Exchange and other market intermediaries.

This interplay between the private and public spheres of self-regulation and mandated compliance respectively, is what makes Kenya unique to South Africa and Mauritius. Corporate disclosure practices are primarily driven by the private sector with parallel or consequent support from governmental legislative institutions. In the case of corporate governance, reforms are two tiered with the private sector taking the lead on formulating best practices which has then influenced mandatory regulation. Additionally, another unique factor distinguishing Kenya from the other two countries, is the nominal degree of racial diversity. In South Africa, race has played a pivotal role in shaping corporate reporting practices which is not the case in Kenya.[601] The following section discusses the content of both private and public codes of corporate governance and their approach to encouraging the disclosure of social and environmental disclosures.

3.4.2 The Centre for Corporate Governance (CCG) Kenya

The CCG was founded in 1999 as a company limited by guarantee, which was incorporated with the main aim of advancing excellent corporate governance practices among various organizations in Kenya.[602] The CCG is also an affiliate of the Commonwealth Association for Corporate Governance (CACG)-an institution established in 1998 to promote best practices and standards of corporate governance among members of the Commonwealth and to enable the development of local institutions to support such standards.[603] To date the centre provides training services on corporate governance, leadership and management to corporations, small and medium enterprises (SMEs), non-governmental organizations and governmental organizations in East, Central and West Africa.[604] In parallel, the CCG also carries out research on the ways in which corporate governance is manifested within diverse African organizations and industries. As previously discussed, CCG was the first organization to propose a voluntary corporate governance framework in Kenya. The content of that sample code is discussed in the following sub-section.

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601 cf. KNBS (2013). Kenya is largely a multi-ethnic society made up primarily of Bantu and Nilotic populations. There are individuals of Arab, Indian and European descent but they compose less than 2% of the country's population.

602 cf. CCG (1999).

603 cf. CACG (1999), p. 4.

604 cf. CCG (1999).

3.4.3 Codes of Corporate Governance in Kenya

3.4.3.1 1999: Principles for Corporate Governance in Kenya and a Sample Code of Best Practice for Corporate Governance

The code begins by describing what corporate governance entails and states the following:

"It is concerned with creating a balance between economic and social goals and between individual and communal goals […] while complying with legal and regulatory requirements and meeting environmental and society needs."[605]

This initial emphasis on the necessity for organizations to balance social and ecological issues as an imperative for corporate governance further illustrates the link between corporate SR and a present frame for corporate governance. Markedly, one of the code's guiding principles recommends social and environmental engagement of corporations as necessary for firm survival.[606] Additionally, the code suggests that companies should publish a 'Social Responsibility' report every year which elaborates on how social and environmental externalities have been addressed.[607] The code does not provide a list of recommended sustainability disclosures, however, fair employment policies, environmental protection, gender sensitivity and equity, the protection of children rights and participation of local communities are quoted as part of social responsibility.[608] Interestingly, reference to an inclusive form of governance is made as follows:

"There must be an all-inclusive approach to governance that recognizes and protects the rights of members and all stakeholder-internal and external."[609]

Once again, the dominant model of corporate governance that emerges across the three countries is an inclusive model that ensures directors are accountable to other company stakeholders and not just equity holders.[610] Arguably, the common basis and underlying connotations observed in these codes of governance (across all three countries), is their

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605 cf. PSICG (1999), p. 1.
606 Ibid., p. 10.
607 Ibid., p. 21.
608 Ibid., p. 20.
609 Ibid., p. 4.
610 cf. ROSSOUW (2005), p. 97.

emphasis on the need for businesses to respect local communities and the wider society in which they operate as essential for firm survival.[611] This initial code for corporate governance laid the foundation for the country's mandatory guidelines for corporate governance which is discussed in the next section.[612]

3.4.3.2 2002: Guidelines on Corporate Governance Practices by Publicly Listed Companies in Kenya

The first iteration of corporate governance guidelines issued by the Capital Markets Authority (CMA) in 2002, dealt with issues primarily pertaining to the composition, remuneration, re-election and resignation of company directors, distinctions between the roles of the CEO and chairman, auditing requirements and the rights of shareholders.[613] The guidelines did not make any explicit mention of corporate social responsibility or sustainability reporting but instead stated that the board should ensure accounts are prepared in conformance to International Accounting Standards.[614] Additionally, the guidelines were to be adopted on a 'comply or explain' basis as was the case with South Africa's and Mauritius' initial codes on corporate governance. In terms of the CMA's approach to inclusive governance, majority of the recommendations are largely oriented towards addressing shareholder requirements.[615] This observation is also evidenced by the way in which corporate governance is defined:

"Corporate governance is defined as the process and structure used to direct and manage business affairs of the company towards enhancing prosperity and corporate accounting with the ultimate objective of realising shareholders long-term value while taking into account the interest of other stakeholders."[616]

There are clear parallels between the three national approaches to corporate governance however, the guidelines issued by the CCG formed a substantial part of the CMA's mandatory guidelines on corporate governance.[617] Interestingly, the CCG issued

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611 cf. ROSSOUW (2005), p. 98.
612 cf. BARAKO, HANCOCK, & IZAN (2006), p. 109.
613 cf. CMA (2002), pp. 470-471.
614 Ibid., p. 479.
615 Ibid., pp. 472, 478-480, 482. An example of the shareholder-oriented focus of the CMA's guidelines, they state that the implementation of international benchmarks of corporate governance among listed Kenyan firms is paramount to maximizing the value of stockholders. See Ibid, p. 482.
616 Ibid., p. 472.
617 cf. BARAKO, HANCOCK, & IZAN (2006), p. 109.

disclosure guidelines in 2005 to improve the quality of corporate reporting with further emphasis on disclosures pertaining to board characteristics (e.g. qualifications, committees, meetings etc.), auditor independence and corporate social responsibility. These set of recommendations further influenced the CMA's code of corporate governance issued in 2015 discussed in the next section.

3.4.3.3 2015: The Code of Corporate Governance Practices for Issuers of Securities to the Public

The guidelines were succeeded by a comprehensive code of corporate governance also issued by the CMA in 2015. The code differed significantly from the prior guidelines in several ways. First, the code diverted from a 'comply or explain' to an 'apply or explain' approach which is akin to King III's basis of application.[618] As the code is principle based (contrary to being rule-based), firms have the choice to recuse themselves from applying the code if they provide justification for doing so.[619]

Second, though the code's definition of corporate governance remains unchanged, a 'stakeholder-inclusive approach' is recommended which entails acknowledging that a firm has many stakeholders that affect the achievement of corporate strategy and sustainable growth.[620] Additionally, corporations are encouraged to engage with stakeholders by taking their interests into account before making decisions and serving their information needs.[621] Stakeholder engagement is consequently connected to corporate citizenship which the code describes as having policies and practices that incorporate societal, environmental and communal concerns.[622] The report makes a further recommends triple bottom line reporting that would entail reporting to shareholders and other stakeholders on financial, ecological and social performance.[623]

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618 cf. CMA (2015), p. 1.

619 Ibid. The caveat, however, is that if companies chose against applying the code, not only do they need to justify their actions, they must also demonstrate a firm commitment to moving towards full compliance of the code.

620 cf. CMA (2015) , p. 24.

621 Ibid., pp. 25-27.

622 Ibid., p. 28.

623 cf. CMA (2015), p. 28.

The third and perhaps most significant change is the code's endorsement of integrated reporting. The code states that "integrated reporting combines the most material elements of information currently reported in separate reporting strands (financial, management guidelines, governance and remuneration, and sustainability) into a coherent whole."[624] Though corporate boards are prompted to work towards the adoption of integrated reporting, the code does not endorse the <IR> Framework which is dissimilar to both Mauritian and South African codes of governance.

Thus, in Kenya's case, corporate governance reform and consequent legislature was triggered by the actions of the private sector. Markedly legislative actions protecting the rights of individuals working in Kenya's horticultural sector have also largely developed from industry self-regulation.[625] This pattern is not unique to Kenya and has also been observed in other Sub-Saharan countries because of the ineffectual nature of regulatory frameworks and institutions present in several countries.[626] Another reason for industrial engagement is due to the necessity for broadening the scope of corporate governance. Given the relatively small number of listed entities in the region, mandatory requirements often do little to address the intricacies of how good corporate governance practices can fit into non-listed businesses especially small and medium enterprises (SME's).[627]

Unlike South Africa and Mauritius, Kenya does not yet have a sustainability index, however, the NSE is a member of the Sustainable Stock Exchanges (SSE) initiative which is a UN partnership Programme seeking to build the capacity of security exchangers and market authorities to encourage responsible investment and advance

624 cf. CMA (2015), p. 31. Notably, 'sustainability' is defined as a means through which companies conduct their operations that meets present needs without compromising future needs. This definition is loosely based on the WCED (1987)'s definition of sustainable development once again illustrating how difficult it is to delineate both sustainability and sustainable development in the corporate sphere.

625 cf. VISSER (2012). The Kenya Flower Council is a voluntary organization that protects the rights of workers and fosters environmental protection within the flower industry. The council requires members to comply to a locally developed sustainability standard which requires firms to provide annual social, environmental, health and safety and training disclosures among other sustainability items. See KFC (2015), p. 25.

626 cf. ROSSOUW (2005), p. 98.

627 Ibid., p. 98.

corporate SR.[628] Furthermore, the CMA's strategic plan (shown in Table 15) aims to introduce a sustainability index before 2023 in a bid to promote good corporate governance and transparent corporate reporting.[629] Despite scant regulation on sustainability reporting, there are other legislative items that implicitly promote the practice among public companies as shown in Table 15.

Table 15: Legislation and codes

Legislation	Content
Environmental Management and Co-ordination Act of 1999	The act provides a legal and institutional basis for environmental management. Manufacturing entities are required to prepare annual environmental impact assessment reports which should be submitted to the national environmental regulatory authority-NEMA.
Companies Act 2015	Requires that company directors ensure the company provides an account of its activities on social and ecological well-being using key performance indicators.
Mining Act 2016	Mining companies are required to provide environmental impact and social heritage assessments of their projects regularly. A social heritage assessment is an evaluative process of identifying and measuring the potential effects of a mining project on a community.
Bribery Act 2016	This act forbids bribery primarily within the private sector. Bribery is defined as proposing or giving financial or other advantages to another person. Additionally, corporations must have anti-bribery processes and procedures in place.
Capital Market Master Plan 2014-2023	The *Master Plan* is a strategic framework explaining among other things, the CMA's plans to foster a "sound, responsive, legal, and regulatory framework" in Kenya's financial market. In a bid to improve corporate governance, the CMA plans to develop a social and sustainability index.

Source: Adapted from VISSER & TOLHURST (2010), p. 240.

There is a common trajectory through which sustainability reporting has been fostered in these three countries. It appears that national codes of corporate governance evolve over time into legislative requirements that implicitly and explicitly define how sustainability reporting should be conducted by publicly listed entities. Another shared observation observed is that corporate governance reforms adopt an inclusive stakeholder approach and that national business communities play a formative role in fostering sustainability reporting practice across the three regions. Finally, all the three codes venture most aptly into how ethics, culture and corporate action are interlinked.[630]

[628] cf. SSE (2018). Notably, the SSE initiative is a partnership between the United Nations Conference on Trade and Development (UNCTAD), the UNGC, the UNEP Finance Initiative (UNEP-FI) and the Principles for Responsible Investment (PRI).

[629] cf. CMA (2016), p. 86.

[630] cf. ROSSOUW (2000), p. 102.

This chapter has delved deeply into how national codes of governance implicitly and explicitly bring about SR in South Africa, Kenya and Mauritius. However, the field of sustainability reporting is still predominantly based on international standards or guidelines for reporting that provide homogeneity and comparability across national borders. The Global Reporting Initiative (GRI) particularly, has become one of the leading adopted guidelines for SR. Though there are other institutions that encourage the disclosure of social and/or environmental externalities relevant to firm activity,[631] the GRI remains the most prevalently used and applied framework in many parts of the world including sub-Saharan Africa.[632] In section 3.5.1 and 3.5.2, a brief overview of the history, functions and standards developed by the GRI and the United Nations Global Compact (UNGC) are discussed. Finally, Section 3.5.3 elaborates on the environmental management standards introduced by the International Organization of Standards (ISO) and its application among manufacturing entities in Kenya and South Africa. These three international guidelines are discussed in this chapter because of their scale of application among companies in sub-Saharan Africa.

3.5. International Guidelines for SR

3.5.1 The Global Reporting Initiative

The GRI was born as joint initiative of the Coalition for Environmentally Responsible Economies (CERES) and the Tellus Institute which were both U.S. based entities that promoted environmental reporting in the 90s. The global discussion of sustainable development brought on by the report *Our Common Future* sparked a debate on the necessity for indicators that would represent the complexities of societal interactions and impacts on the earth's ecosystem.[633] The GRI was launched in 1997 with the aim of giving organizations a toolkit of and for sustainability reporting. The GRI was considered unique due to its governance by a steering committee comprised of several groups of stakeholders, its efforts to advance corporate sustainability reporting and its

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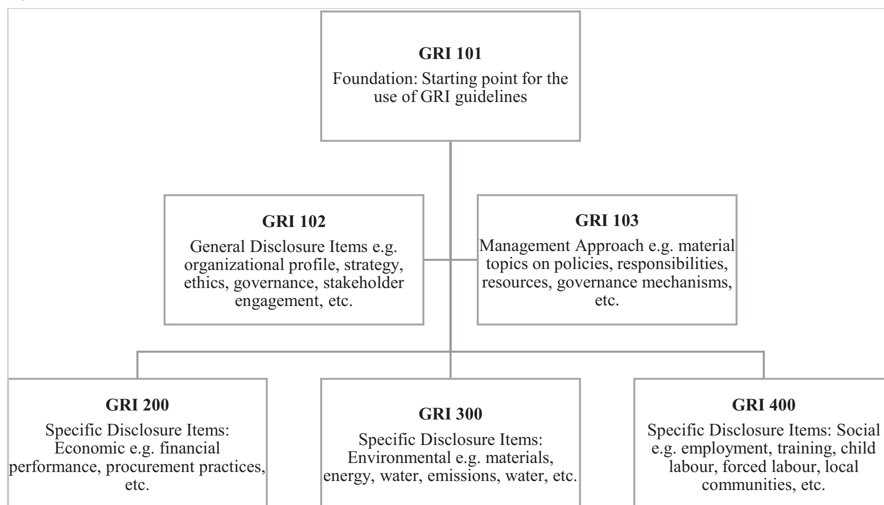
[631] Organizations such as the UNEP Finance Initiative, the United Nations Global Compact and the World Business Council on Sustainable Development all offer principle-based guidance on how corporations should account for labour, eco-efficiency, climate change, human rights and anti-corruption practices among other disclosure items.

[632] 74% of the world's 250 largest corporations use the GRI to report on their sustainability performance. See for example, GRI (2018).

[633] cf. FONSECA (2010), p. 3.

emphasis on the standardization of SR.[634] GRI's first version of SR guidelines were released in 2000 and since then have been iterated four times with the most recent version launched in 2016. The content and structure of the newest version of the standards are depicted in Figure 5 below.

Figure 5: Structure of GRI SR Standards 2016



Source: GRI (2016), p. 3.

In terms of the GRI's involvement in sub-Saharan Africa, the organization has taken some steps to promote the applications of its standards across the continent. The GRI Focal Point South Africa for instance, is a regional hub that works to encourage the dissemination of GRI's standards among African corporations by encouraging greater transparency of financial markets, influencing public policy and market initiatives and creating opportunities for a diverse representation of African practitioners, experts and companies in the continuous development of GRI's framework for SR.[635] Additionally, GRI's local partners for example the Centre for Corporate Governance in Africa based at the University of Stellenbosch Business School in South Africa, brings an academic perspective to the necessity for sustainability and integrated reporting in the region. While these are promising initiatives, the reality of adoption remains quite low in most sub-Saharan countries.

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634 cf. WHITE (1999), p. 38.
635 cf. GRI (2013b).

According to KPMG's annual survey of sustainability reporting, apart from South Africa, the incidence of SR in Africa and the Middle East is and has consistently remained the lowest in relation to other parts of the world.[636] It should be noted though that the survey only accounts for SR in South Africa, Nigeria and Angola which naturally excludes several Sub-Saharan countries in comparison to other continents which have more representation, for example, European economies. The limitation of this survey confirms that a study of the extent of SR in this region is a pressing and necessary task.

3.5.2 The United Nations Global Compact

The United Nations Global Compact (UNGC) officially launched in 2000, is a voluntary pact comprised of organizations who want to align their activities and strategies to ten principles, which encompass four key areas: human rights, environment, labour and anti-corruption.[637] The UNGC began as an initiative of former UN Secretary-General Koffi Annan as a challenge to business leaders around the world to use their positions of influence to address deep inequalities in the distribution of opportunities in our societies.[638] The main premise of his argument was that corporations could not continue benefiting from global financial markets without acknowledging and addressing social, political and environmental responsibilities accruing to them.[639]

To date, the UNGC has 9,762 firms (spanning 164 companies) who are signatories to the pact.[640] As is the case with voluntary initiatives, the UNGC has faced its fair share of critique mostly centred on how to implement the principles, their scope and a lack of verifiable obligations.[641] Additionally, at the UNGC's inception, there was some fear from the business community that the initiative would lead towards global business regulation which would ultimately curtail economic growth.[642] Finally, there was some concern that companies would use the legitimacy of the UN to justify corrupt business

636 cf. KPMG (2017), p. 11. Notably, their analysis combines Africa and the Middle East as one region.
637 cf. UNGC (2010), p. 1.
638 cf. SETHI & SCHEPERS (2014), p. 198. Notably, Kofi Annan proposed the global compact in an address at the World Economic Forum in 1999. For the full address, see UN (1999).
639 cf. POST (2012), pp. 53-54.
640 cf. UNGC (2018).
641 cf. BERLINER & PRAKASH (2014), p. 217.
642 cf. RASCHE, WADDOCK, & MCINTOSH (2012), p. 7.

activities.[643] Despite the concerns raised, prior research on the application of the UNGC suggests signatories benefit due to enhanced networking opportunities and improved corporate image.[644]

In terms of the UNGC's scope in Africa, over 600 firms and other stakeholders, spread over 35 countries, are signatories to the pact.[645] The UNGC has also partnered with African CEO's to develop a long-term strategy of engaging with the continent's private sector.[646] Introduced in 2014, the strategy titled *Partners in Change: UN Global Compact Advancing Corporate Sustainability in Africa*, aims to create greater awareness of responsible business practices in Africa, align corporate actions to UN development goals[647] and to foster innovative solutions driven by businesses that can help in resolving the region's developmental challenges.[648] The 10 principles of the UNGC are illustrated in Table 16.

Table 16: The 10 principles of the United Nations Global Compact

Focus	**Principles**
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights Principle 2: Make sure they are not complicit in human rights abuses
Labour Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining Principle 4: The elimination of all forms of forced or compulsory labour Principle 5: The effective abolition of child labour Principle 6: The elimination of discrimination in respect of employment and occupation
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges Principle 8: Undertake initiatives to promote greater environmental responsibility Principle 9: Encourage the development and diffusion of environmentally friendly technologies
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Source: UNGC (2014), p. 3.

[643] cf. RASCHE, WADDOCK, & MCINTOSH (2012), p. 7.
[644] cf. CETINDAMAR & HUSOY (2007), p. 167.
[645] cf. UNGC (2018).
[646] cf. UNGC (2014).
[647] For a full list and description of the development goals, see UNDP (2018).
[648] cf. UNGC (2014), pp. 7-12.

3.5.3 International Organization for Standardization

The International Organization for Standardization (ISO) is another independent and non-governmental institution that develops voluntary and consensus based international standards of best practice that apply across various sectors.[649] ISO is one of the earliest institutions that was created in a bid to unify and coordinate industrial standards.[650] To date the organization has published over 22,248 international standards spanning across several industries and has members from 161 countries.[651] One of the standards that is closely aligned to some aspects of SR is titled ISO 14001. ISO 14001 requires companies to describe the procedures that constitute their Environmental Management System (EMS).[652] According to the Environmental Protection Agency (EPA) and EMS is "a set of processes and practices that enable an organization to reduce its environmental impacts and increase its operating efficiency."[653] The general requirements of ISO 14001 are laid out in Table 17 as follows:

Table 17: General requirements of ISO 14001

Requirement
Requirement 1. Development of an environmental policy that reflects an organization's commitments
Requirement 2. Appointment of a person(s) responsible for the EMS's coordination
Requirement 3. Identification of how the organization interacts with the environment
Requirement 4. Identification of actual and potential environmental impacts
Requirement 5. Identification of environmental compliance requirements
Requirement 6. Establishment of environmental objectives, targets and programs
Requirement 7. Monitoring and measurement of the progress to achieve its objectives
Requirement 8. Reviewing the system and environmental performance
Requirement 9. Continuous improvement of the organisation's environmental performance

Adapted from ISO (2002).

The third, fourth and fifth requirements are closely tied to SR as they require firms to provide an account for their impact on the environment. In terms of research, there are a few studies based in South Africa and Kenya that have examined the impact of ISO adoption on manufacturing entities. For instance, the application of ISO 14001 in South Africa's chemical industry has been found to be associated with lower environmental regulatory costs, reduced waste levels and increased competitive advantage.[654]

[649] cf. ISO (2018).
[650] For a full recount of ISO's formative years, see ISO (1997).
[651] cf. ISO (2018).
[652] cf. CHAUKE, MBOHWA, & SOBIYI (2017), p. 58.
[653] cf. EPA (2018). Notably, the EPA is an independent agency of the United States federal government tasked with preservation of natural resources.
[654] cf. CHAUKE, MBOHWA, & SOBIYI (2017), p. 57.

Similarly, a case study on a Kenyan petroleum company's adoption of ISO 14001 led to lower operational costs, enhanced efficiency and safety.[655] Notably though ISO 14001 unlike SR is more closely oriented towards management accounting as opposed to financial reporting..

[655] cf. WATAKA (2016), p. 56. Another incentive for the adoption of ISO 14001 among Kenyan manufacturing companies, has been used to avoid fines from NEMA. Consider KAIRU (2014), p. 36.

Chapter summary

This chapter provided an overview of how locally developed codes of corporate governance and industry-led best practices have instigated the emergence of sustainability reporting in South Africa, Mauritius and Kenya. The chapter illustrates how codes of corporate governance provide a solid base for responsible and transparent sustainability reporting praxis, thus, providing a rationale for the choice of the three countries for this study. South Africa is presented as a unique case due to its political and economic legacy of inequality, which has contributed immensely to the development and regulation of SR through B-BBEE legislation and the King Reports on Corporate Governance. The introduction and legislation of integrated reporting in South Africa also sets it apart from other sub-Saharan territories. Next, Mauritius' codes of corporate governance were discussed keeping in mind the country's status as a small island developing state (SIDS). The size of the country, its fragile ecosystem and ethnic and cultural complexities have jointly contributed to the necessity for SR in corporate communication. Notably, the chapter also discusses how Mauritius' codes of corporate governance are closely modelled on South Africa's King Reports. Kenya's approach to corporate governance as industry-led best practices is also deliberated on in the chapter in addition to parallel streams of legislation introduced in the country that implicitly encourage SR. Finally, the last section discusses three international standards explicitly and implicitly tied to SR due to the scale of their application among countries in sub-Saharan Africa.

Chapter 4

Theoretical Framing and Hypotheses Development

4.1 Overview of Some Theories Applied in SR research

Theory in its simplest form is an abstraction of the "relationship between things."[656] In order to understand, explain and make sense of SR's application in sub-Saharan Africa, theory is essential. This study employs institutional theory as the prevailing paradigm, however, it should be noted that there is a significant compendium of literature that has applied diverse social and environmental accounting theories, from macro-level theories that seek to explain the major swaths of influence that characterise and are in turn characterised by societies, cultures and economies, to micro and meso-level theories that explore and explain the behaviour of individual elements within society.[657]

GRAY ET AL. (2010), for instance provide a typology of theories explaining how and why corporations engage in SR which encompass three broad areas. First, decision usefulness of sustainability disclosures to identified users or stakeholders. Next, studies on economic theory which lay emphasis on agency theory and finally, socio-political theory studies which encompass stakeholder and institutional perspectives to comprehending SR.[658] Their study is insightful for this thesis as it provides a pedagogical frame for understanding the level at which extant theory explains SR at both a firm and country level. Table 18 extracted from their work, illustrates how

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656 cf. GRAY ET AL. (2010), p. 6.

657 cf. CHO & PATTEN (2007); GRAY ET AL. (2010); MANETTI & TOCCAFONDI (2012); MANETTI (2011); NTIM & SOOBAROYEN (2013b); WILMSHURST & FROST (2000).

658 cf. WANGOMBE (2013b), p. 656.

theories of SR can be conceptualized from a macro to a micro level, which the authors term as a 'level of resolution'. The level of resolution refers to the degree and areas of influence theories may have at various levels of society.[659] They also suggest three metaphors or worldviews that explain the assumptions made by each theory, which they describe as being either biological, political/sociological and economic/rationalist.

Table 18: Typology of Theories on SR[660]

	Metaphor		
Theory (level of resolution)	Biological	Political/sociological	Economic/rationalist
Meta-theory (system level)	Deep ecology	Marxian political economy	Friedman's liberal economics
Meso (sub-systems level)	Autopoiesis	Bourgeois political economy	Efficient capital markets hypothesis
Micro I (organizational level)	Resource dependence	Stakeholder	Decision usefulness
Micro II (internal to organization)	Boundary management	Discourse	Positive accounting
Micro III (individual level)	-	Values driven	Principle-agent

Source: Adapted from GRAY ET AL. (2010).

As is the case with this thesis, theories applied in prior SR studies have tended to focus on the organizational level or Micro I shown in Table 18. Stakeholder theory for instance, outlines the obligation managers have in balancing stakeholder expectations. The assertion the theory propagates is that corporations should be managed in a manner that accounts for the interests of a wide and diverse group of stakeholders. The theory has been used by scholars to explore the intricacies between voluntary disclosures, stakeholder power and corporate responsibility.[661]

This dissertation employs institutional theory as the overarching theoretical paradigm because comprehending how corporations account for sustainability based on the institutional context they exist in is the overarching research premise. Chapter 4.2 therefore, discusses the premise and applications of institutional theory to SR. Since institutional theory posits that corporate behaviour is reflective of institutionalized expectations and structures in the environment, it provides an adequate theoretical

659 cf. GRAY ET AL. (2010), pp. 6-12.

660 Table 17 is not a full representation of the typology given in GRAY ET AL. (2010), p. 12, rather, a few examples have been cited based on their relevance relative to this dissertation and for demonstrative purposes.

661 cf. BANERJEE (2008); MANETTI (2011).

foundation for the study.[662] In addition to institutional theory, Chapter 4.3 introduces other locally developed Afrocentric concepts of *Africapitalism* and *Ubuntuism* which can also be used to frame SR in sub-Saharan Africa. Markedly, as this thesis presumes that sustainability reporting is contextual,[663] it is appropriate to discuss the theoretical potential of *Africapitalism* and *Ubuntuism*. Finally, section 4.4 provides an empirical review of extant literature on the determinants of SR, which in turn informs the development of hypotheses.

4.2 Institutional Theory

As stated by ZUCKER (1983) "organizations are the preeminent institutional form in modern society."[664] Organizations have been referred to as "systems of coordinated and controlled activities that arise when work is embedded in complex networks of technical relations and boundary spanning changes."[665] While there are several conceptions of institutions in extant literature, there is general consensus that they tend to exhibit resistance to change, are transmitted across generations and connote stability.[666] JEPPERSON (1991) describes institutions from the point of view of how they come into being by articulating: "*Institution* represents a social order or pattern that has attained a certain state of property; *institutionalization* denotes the process of such attainment."[667] Institutional theory acknowledges that organizations are structured by the circumstances of their environments and thus, have the tendency of becoming isomorphic with them; the systems surrounding organizations fundamentally shape organizational behaviour.[668] One of the reasons for this alignment between companies and their environments is that they structurally reflect and represent socially constructed

662 cf. MEYER & ROWAN (1977), p. 341.

663 Contextual here is taken to mean that is, the way in which SR is proliferated, mandated and eventually institutionalized differs from context to context.

664 cf. ZUCKER (1983), p. 1.

665 cf. POWELL & DIMAGGIO (1991), p. 42.

666 cf. SCOTT (2001), p. 48. ZUCKER (1977) p. 729, also discusses the distinct properties institutions have been observed to have. She states institutionalization tends to increase transmission, maintenance and resistance to change.

667 cf. JEPPERSON (1991); emphasis in original. Additionally, the author further explains this point by contending that institutions are social patterns that when perennially reproduced or repeated, "owe their survival to relatively self-activating social processes."

668 cf. MEYER & ROWAN (1977), p. 346. Concepts of institutions and institutionalization have been described in various ways, therefore, institutional theory is not constituted of one but of many variations. See SCOTT (1987) for a compendium of contributions aimed at developing institutional theory.

reality.[669] Early management theorists argued that organizations were rational entities designed for the effectual transformation of material inputs into outputs.[670] This view of organizations has evolved over time to include the effects cultural norms, symbols and rituals have on organizational dynamics.[671] Organizations can therefore be viewed as multi-layered, robust social structures that are constituted of "symbolic elements, social activities, and material resources."[672]

As institutional theory proposes that organizations conform to a predefined set of rules, norms and routines, an institutional approach to understanding accounting practice would involve an examination of how corporations come to accept a shared vision of reality. Furthermore, such an approach would encompass how this vision is reflected in their reporting practices. Institutional theory can be discussed from two perspectives namely: strategic and institutional perspectives.[673] The strategic perspective leans heavily on what has been previously described as legitimacy theory.[674] Corporations would therefore, aim to establish an alignment between the social values implied by their actions and the standard of acceptable behaviour within the environment they work in.[675] The strategic perspective tends to take a more managerial stance by emphasizing how organizations instrumentally use vivid symbols to gain societal advocacy.[676] Within the context of sustainability reporting, companies would therefore, control information disclosure to garner support from their various stakeholder groups.

The institutional perspective on the other hand, provides "a lens through which an organization's social structures including schemas, rules, norms and routines become established as guidelines for corporate behaviour".[677] This perspective adopts a wider and perhaps deliberately more detached position, by laying emphasis on the ways in which structural dynamics create cultural pressures beyond the control of a single organization.[678] SCOTT (2001) identified three pillars or elements which institutions rest

669 cf. BERGER & LUCKMANN (1967), p. 78.
670 cf. SCOTT (1987), p. 498.
671 cf. POWELL & DIMAGGIO (1991)
672 cf. SCOTT (2001), p. 49.
673 cf. SUCHMAN (1995), p. 572.
674 cf. ARCHEL, HUSILLOS, LARRINAGA, & SPENCE (2009); BARKEMEYER (2007); GUTHRIE & PARKER (1989).
675 cf. DOWLING & PFEFFER (1975), p. 122.
676 cf. SUCHMAN (1995), p. 572.
677 cf. WANGOMBE (2013b), p. 661.
678 cf. SUCHMAN (1995), p. 572.

on and proposed that they existed on a continuum from "the conscious to the unconscious, from the legally enforced to the taken for granted."[679] The three pillars are described as regulative, normative and cognitive and collectively make up and support institutions.[680] Institutional influence can also be understood through three mechanisms that explain why organizations come to resemble each other: normative pressures which denote professionalism, mimetic pressures which make reference to replicating best practices and coercive pressures which underscore the "regulative aspects of institutions.[681] Table 19 describes the three pillars by elucidating their basis of compliance, cultural carriers, logic and mechanisms among other differentiating factors.

Table 19: Three Pillars of Institutions

	Pillar		
	Regulative	*Normative*	*Cognitive*
Basis of compliance	Expedience	Social obligation	Taken-for-grantedness Shared understanding
Basis of order	Regulative rules	Binding expectations	Constitutive schema
Mechanisms	Coercive	Normative	Mimetic
Logic	Instrumentality	Appropriateness	Orthodoxy
Indicators	Rules Laws Sanctions	Certification Accreditation	Common beliefs Shared logics of action
Basis of legitimacy	Legally sanctioned	Morally governed	Comprehensible Recognizable Culturally supported

Source: Adapted from SCOTT (2001), p. 52.

Prior research that uses an institutional perspective as the prevailing paradigm suggests that companies producing sustainability reports issue them based on the influence of macro-level institutions within their environment.[682] The literature also illustrates a concerted effort to understand the forces or mechanisms that explain the isomorphism of organizational behaviour.[683] For example, one study showed that the extent of environmental disclosures made within annual reports could be explained by mimetic

679 cf. SCOTT (2001), p. 51-52. HOFFMAN (1997), p. 36 also discusses institutions from these three respective pillars.

680 cf. SCOTT (2001), p. 51.

681 Ibid. Alternatively, these three mechanisms that explain how institutional isomorphic change happens can also be described as follows: Coercive isomorphism comes from political influence, mimetic isomorphism arises as a response to uncertainty and normative pressure stems from professionalization. See DIMAGGIO & POWELL (1983), pp. 151-153.

682 cf. ABEYSEKERA (2013); DRAGU & TIRON-TUDOR (2013).

683 cf. CARAVELLA (2013); HAHN & KUEHNEN (2013); JALALUDIN, SULAIMAN, & AHMAD (2011); JENSEN & BERG (2012); SHABANA, BUCHHOLZ, & CARROLL (2017).

processes that made organizations model their reporting based on the disclosure patterns of similar corporations.[684] Other studies have found coercive pressures, that is, the rules, laws and/or sanctions prevalent in a specific setting are more pertinent in explaining the incidence of sustainability reporting among corporations. For instance, firms located in civil law countries are more likely to issue sustainability reports.[685] Though regulatory or coercive pressures significantly affect firm behaviour, in the absence of legal pressures, companies still seek for comparability and credibility.[686] Both mimetic and normative pressures are therefore equitably as important as coercive processes in explaining corporate conduct.

Underlying both strategic and institutional approaches to institutional theory is the notion of legitimacy. Corporations aim to align their activities to the "norms of acceptable behaviour" within the wider social system in which they exist and operate; legitimacy represents the congruence between corporate action and the values extant within a social system.[687] The strategic perspective tends to portray legitimacy as an operational resource which organizations competitively leverage to achieve their objectives.[688] Though legitimacy is recognized as a 'conferred status' given to the organization externally, the prevailing assumption is that management has a high level of control over how their organizations come to be perceived as legitimate in the public sphere.[689] From a strategic point of view, SR would serve as a managerial toolkit in securing corporate legitimacy.[690] Contrastingly, the institutional perspective views legitimacy as a collection of 'constitutive beliefs'.[691] Legitimacy, thus, cannot be controlled or harvested from the environment; external institutions shape and influence

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684 cf. CORREA (2003), p. 359.
685 cf. FRÍAS-ACEITUNO ET AL. (2013), p. 53.
686 cf. IOANNOU & SERAFEIM (2017), p. 5.
687 cf. DOWLING & PFEFFER (1975), p. 122.
688 cf. SUCHMAN (1995), p. 576.
689 This point is further discussed in PFEFFER & SALANCIK (1978), pp. 193-196. The authors contended that though the process of garnering organizational legitimacy was a social one, legitimacy did not need to be conferred by a significant portion of the society. Additionally, they argued "Organizations may seek to establish their status in society by generating statements of their goals which would be acceptable by the relevant publics."
690 cf. BURRITT & SCHALTEGGER (2010), p. 832.
691 cf. SUCHMAN (1995), p. 576. HAHN & LUELFS (2014), p. 404 also discuss how institutional dynamics originating from the industrial space where corporations function in, create external influence or pressure on corporations to behave in a way that is perceived to be legitimate.

how corporations act. Summarily, the institutional view presumes minimal corporate control over how businesses are perceived by the society.

It is therefore apparent that corporate organizations are embedded within institutional frameworks that exist in diverse socio-economic and political contexts.[692] The main premise of institutional theory is that corporations face implicit and explicit institutional pressures which ultimately influence their values, customs/norms, structures and activities.[693] Consequently, the understanding and implementation of sustainability reporting differs across diverse institutional environments. Prior research in Africa suggests that issues to do with corporate accountability and by extension SR, is rooted in respective local institutions.[694] Thus, understanding the role institutions play in encouraging sustainability reporting in Africa encompasses not just the role of governmental and bureaucratic bodies, but also to "prevailing codified and noncodified norms of behaviour and values."[695] This necessity for a contextually relevant understanding of how corporations operate in Africa has led to the exploration of how Afro-centric concepts of *Ubuntuism* and *Africapitalism* can be applied to SR.[696]

4.3 Africapitalism and Ubuntuism

"One of the sayings in our country is Ubuntu-the essence of being human. Ubuntu speaks particularly about the fact that you can't exist as a human being in isolation. It speaks about our interconnectedness […] We think of ourselves far too frequently as just individuals, separated from one another, whereas you are connected and what you do affects the whole World. When you do well, it spreads out; it is for the whole of humanity." - Desmond Tutu

"Africapitalism is a call to action for businesses to make decisions that will increase economic and social wealth in addition to promoting development in the communities and nations in which they operate. Such a decision will ultimately help businesses become more profitable as the communities they serve become well-off consumers,

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692 cf. KUEHN, STIGLBAUER, & FIFKA (2018), p. 441.
693 cf. MATTEN & MOON (2008), pp. 413-414.
694 cf. AMAESHI ET AL. (2006); IDEMUDIA & ITE (2006); SONNENBERG & HAMANN (2006).
695 cf. FIFKA & POBIZHAN (2014), p. 193.
696 cf. AMAESHI & IDEMUDIA (2015); EDOZIE (2017).

healthy and better-educated employees, and even entrepreneurs who go on to become suppliers and service providers." - Tony Elumelu

These statements made by the late Desmond Tutu on the meaning of *Ubuntu* and Nigerian banker and economist - Tony Elumelu on *Africapitalism*, are both Afrocentric concepts that reflect the heritage and value systems shared across several regions within Africa.[697] Both notions are underpinned by what is described as 'African humanism' which generally refers to having a good inclination or regard towards others and a moral nature; it is a form of humanism that does not encourage self-enrichment, but calls for the opulent in society to improve the wider community.[698] Interestingly, the concepts represent a sense of shared identity; a pan-African ideal of unity expressed by African leaders shortly after the colonial period as discussed in Chapter 2.6.2.5. *Africapitalism* and *Ubuntuism* are geared towards steeping corporate decisions and actions in African humanism. They collectively aid in formulating an economic philosophy that better aligns corporate activities towards addressing developmental necessities on the continent. As stated by EDOZIE (2017), "Africapitalism and Ubuntu economic philosophies are systems of knowledge production, each revealing ways that African economic livelihoods, experiences, and aspirations may be shaped by aspects of African identities."[699]

Ubuntuism better represents the starting point for defining and framing how precepts of solidarity, humane personality, community participation and social uplift (all principles of *Ubuntuism*) can be translated into managerial theory.[700] Apart from the fact that *Ubuntuism* is an older notion than *Africapitalism*, its intellectual discourse has its roots in pan-Africanism which was a political movement that gained traction during the colonial period in several parts of Africa.[701] *Ubuntuism*, can be understood as an African universal value system that is not limited to the sphere of corporate behaviour, but encompasses complexities of identity politics in Africa and narratives about African

697 cf. EDOZIE (2017), p. 80.
698 cf. AMAESHI & IDEMUDIA (2015), p. 215; WEST (2006), p. 439.
699 cf. EDOZIE (2017), p. 82.
700 cf. LUTZ (2009), p. 325.
701 There are several definitions of pan-Africanism, but in general the term connotes a global intellectual movement expressing solidarity among Africans and individuals who are of African descent. See ANI & OJAKOROTU (2017), HILL (2015), NANTAMBU (1998) and TAMBOLI (2015) for the history of and discussions centred around pan-Africanism.

distinctiveness.[702] *Ubuntuism* emphasises the need for shared African values, cooperative institutions and humanness in social interactions. Though the notion cuts across various social and political facets of life, from a business perspective, an economic action is only justifiable if it "preserves the totality, fullness, and the harmonious life of a human person."[703] There are some examples of how *Ubuntuism* has been used to frame corporate actions, for instance in South Africa's King Reports as discussed in Chapter 3.2.3.

Africapitalism, on the other hand, is a newer notion that subsumes some of the values espoused by *Ubuntuism* but with a capitalistic orientation. AMAESHI and IDEMUDIA (2015) describe it as "an attempt to […] reunite capitalism with its moral roots in Africa."[704] *Africapitalism* specifically focuses on what obligations the private sector has in securing the continent's social and economic progress. Since *Africapitalism* has its roots in *Ubuntuism*, the purpose of management is not for the benefit of a single group of individuals, but for the benefit of the commune which it is a part of.[705] The common good is the principle aim of managerial decision making. *Africapitalism*, therefore, offers an alternative way of understanding corporate culture by identifying four areas that are central to the concept: (1) a sense of progress and prosperity, (2) a sense of parity, (3) a sense of peace and harmony, and (4) a sense of place and belonging. Each of the four areas are elaborated on further in Table 20.

Table 20: The Core Elements of Africapitalism

Element	Elaboration
Sense of progress and prosperity	*Africapitalism* advocates for the generation of social wealth in tandem with the objective of economic profitability. Progress and prosperity is considered as part of social well-being and not simply the absence of poverty.
Sense of parity	This aspect of *Africapitalism* recognizes that progress and prosperity should be equitably shared. A sense of parity is a push back against the prevalence of crony capitalism that is apparent in most African countries; it calls for inclusive growth.
Sense of peace and harmony	This element alludes to a sense of balance that can be achieved between economic opulence and social wellness. Notably, a sense of peace and harmony can also be understood as a way of approaching sustainability from a purely contextual perspective i.e. balancing impacts of production and consumption on society, the environment and the economy.

702 cf. EDOZIE (2017), p. 88.
703 Ibid., p. 89.
704 cf. AMAESHI & IDEMUDIA (2015), p. 215.
705 Ibid., p. 212.

Element	Elaboration
Sense of place and belongingness	At the core of *Africapitalism* is its emphasis on the intersections between place, identity and economy. Economic development is not viewed as a purely rational undertaking but also an emotive one. Thus, development in Africa is viewed primarily as an indigenous or home-grown project in which Africans themselves play a substantial and active role. This element also connotes forms of corporate actions which contribute towards national welfare of African citizens.

Source: Adapted from AMAESHI & IDEMUDIA (2015), p. 218.

There is a caveat to using both concepts as a representation of a commonly shared culture in Africa. First, it should be noted that since all societies reflect multiple identities, cultures, languages and outlooks, I do not purport that there is one singular African identity or ideal that spans across all African countries. Next, it should be noted that the ideal of communalism has also been applicable in western regions for instance, in Southern Europe and across various rural communities in Europe.[706] Yet, *Africapitalism* and *Ubuntuism* underscore a worldview that is present and valid in many societies in Africa. The focus on inter-dependence, in comparison to the Western or Anglo-American emphasis on individual freedom and self-determination.[707] The Cartesian "I think therefore I am" which is an outcome of enlightenment in Europe, contrasts with the African perspective which is surmised as "I am because you are."[708]

Additionally, though both *Africapitalism* and *Ubuntuism* represent African approaches to addressing corporate responsibility, they also share some common streams with institutional theory. Like institutional theory, both concepts underscore the significance of legitimacy in the private sector. *Ubuntuism* for instance accentuates solidarity as a basis for the survival of individuals within communities.[709] Corporations, thus, must pursue actions that display solidarity towards the broader social community they are embedded in. Additionally, *Africapitalism's* emphasis on the role African identity plays in creating a sense of place and belonging among businesses operating in Africa, is akin to how individuals play an active role in establishing what corporate actions and ideologies are institutionalized or de-institutionalized.[710] In the next section, a

706 cf. HESKETH (2006), p. 126.
707 Ibid. Notably, Margaret Thatcher is famously quoted as saying, "There are individual men and women [...] There is no such thing as society." For the full transcribed interview see MTF (1987).
708 HESKETH (2006), p. 127.
709 cf. LUTZ (2009), p. 315.
710 cf. KIKULIS (2000), p. 311.

conceptual framework that encapsulates the potential institutional determinants of SR is presented.

4.4 SR and the Institutional Context of the Corporation

MATTEN and MOON (2008) developed a conceptual framework to explore and explain institutional drivers of corporate sustainability reporting.[711] Notably, there are other frameworks that encapsulate national and/or regional differences and their influence on organizational and individual behaviour. HOFSTEDE (1984)'s work on four dimensions of national culture for instance, has featured in multiple studies on corporate disclosure.[712] Ultimately, MATTEN and MOON (2008)'s framework for SR was chosen for this study for two main reasons. First, the framework encapsulates both external and internal components of a corporation's institutional environment. A country's national framework in tandem with features unique to an organization's immediate environment, are jointly used to explain the occurrence of SR. Secondly, this framework has been applied in the study of sustainability reporting and corporate responsibility practices in organizations operating in developing countries.[713] Though their work serves as a base for translating institutional theory to corporate sustainability reporting practice, the model has been adapted to include precepts derived from *Africapitalism* and *Ubuntuism* as shown in Figure 6 for purposes of this dissertation. Both concepts present customized and locally relevant perspectives to comprehending how firms operating in an African context engage in and are driven towards sustainability reporting practice.

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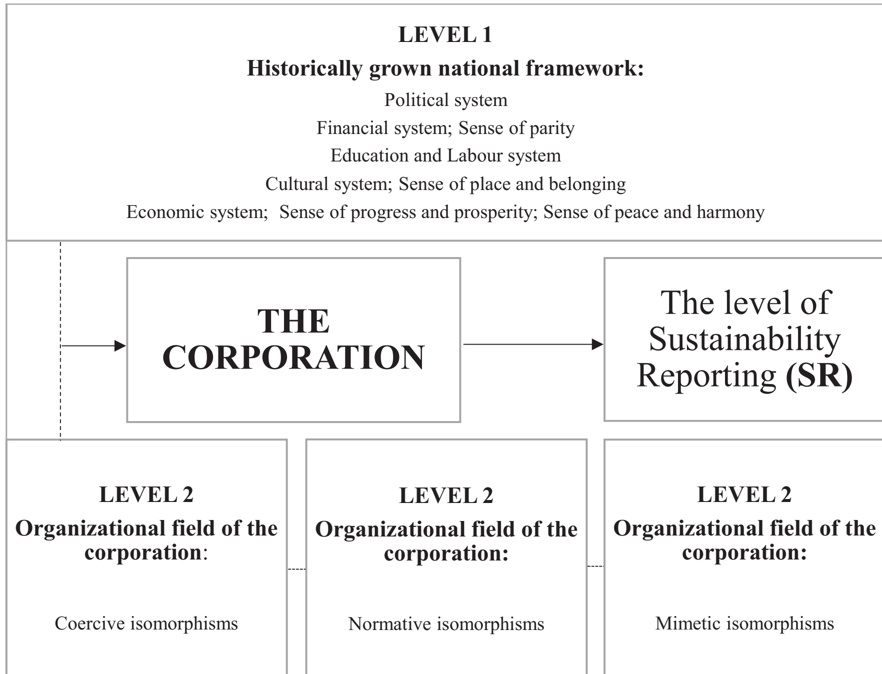
711 cf. MATTEN & MOON (2008), p. 11.

712 cf. DAWKINS & NGUNJIRI (2008); FERNANDEZ-FEIJOO ET AL. (2014); GRAY ET AL. (2008); HOFSTEDE (1984); ORIJ (2010).

713 cf. CHAPPLE & MOON (2005); JAMALI & NEVILLE (2011); KUEHN ET AL. (2018).

Figure 6: SR and the Institutional Context of the Corporation



Source: Adapted from AMAESHI & IDEMUDIA (2015), p. 216-217; MATTEN & MOON (2008), p. 415.

Using institutional theory and precepts derived from *Africapitalism* and *Ubuntuism*, the underlying assumption is that a relationship exists between the institutional environments sub-Saharan corporations operate in and the level of SR engaged in. The analysis of the determinants of SR in this dissertation is therefore, two pronged as it examines the influence of both country level and company level characteristics on corporate sustainability reporting. Chapter 4.5 applies MATTEN and MOON (2008)'s framework illustrated in Figure 6 to derive several hypotheses that are tested to establish if they have significant associations with the level of sustainability reporting observed by firms operating in South Africa, Mauritius and Kenya.

4.5 Empirical Review and Hypotheses Development

4.5.1 Country Specific Determinants

a) Political system

The political system of a country has an impact on the type and extent of legal regulation extant in the country.[714] In sub-Saharan Africa, the degree to which regulations are enforced is directly linked to government policies, the extent to which the media is free and the level of democracy and transparency within governmental institutions.[715] Additionally, the level of political influence has been cited as a key element in explaining the extent to which corporations issue sustainability reporting disclosures.[716] Previous studies have shown that civil law countries tend to have a higher level of government intervention on economic activity and consequently, are more likely to require a high level of corporate transparency than common law countries.[717] However, given that the systems of law in South Africa, Mauritius and Kenya are hybrid systems of common law, civil law and African customary law, it is not possible to so easily dichotomize their legal systems.

Alternatively, considering the quality of governance within these countries is perhaps a better indication of how businesses in the region engage with SR. The level of standards of governance in a country which is ultimately expressed through law enforcement, and governmental transparency among other factors, tends to foster corporate accountability.[718] Prior studies have found that the quality of national governance is correlated to more extensive and detailed SR.[719] Countries that have robust and stable governmental institutions are more likely to regulate businesses in respect to how their activities affect the society and environment.[720] Therefore, a high standard of regulatory governance is likely to lead to extensive SR. Thus, the following hypothesis can be drawn:

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714 cf. JENSEN & BERG (2012), p. 302.
715 cf. AKE (1996).
716 cf. FRÍAS-ACEITUNO ET AL. (2013), p. 45; STAINBANK (2014), p. 82.
717 cf. JENSEN & BERG (2012), p. 302.
718 cf. MITCHELL & HILL (2009), p. 59; PLUMPTRE & GRAHAM (1999), p. 27.
719 cf. SOLOMON & MAROUN (2012a); RAHAMAN (2000).
720 cf. KUEHN ET AL. (2018), p. 444.

H$_{1a}$: The degree of a country's standard of governance is positively associated with the level of corporate sustainability reporting.

Additionally, the effectiveness of a country's legal system is not only represented by the state of its governance, but also by the mechanisms through which it ensures investor rights are protected.[721] For example, a study on the reporting behaviour of Canadian firms concluded that extensive investor protection laws were positively correlated to the quality and extent of SR disclosures made by local firms.[722] The case in sub-Saharan countries could be less straight forward. On the one hand, countries that have weak investor protection laws may adopt higher standards of SR, to compensate for the weaknesses of the regulatory frameworks they operate in.[723] Alternatively, countries that have weaker laws, may tend to have a lower degree of flexibility in dictating their own governance and reporting practices which would imply the presence of a positive correlation. Additionally, investor protection laws are designed to meet shareholder needs which tend to be the focus of conventional accounting reports in contrast to the multiple stakeholder focus of sustainability reporting.[724] Based on these considerations, the following hypothesis is proposed:

H$_{1b}$: The strength of a country's investor protection laws has a positive association with the level of corporate sustainability reporting.

b) Financial system; Sense of parity

The state of a country's financial system, that is, the system of financial institutions and security markets, depends upon how well financial resources are channelled towards productive ends.[725] Some studies have considered the nature of financial systems and their influence on the scope of SR.[726] Market-based economies for instance, are characterized by a more anonymous capital market, therefore, firms archetypally have a larger and more diverse number of stakeholders who base their investment decisions on corporate reports and other forms of company information.[727] Market-based

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721 cf. JENSEN & BERG (2012), p. 302.
722 cf. CORMIER & MAGNAN (2014), p. 480.
723 cf. KLAPPER & LOVE (2004), p. 704.
724 cf. JENSEN & BERG (2012), p. 302.
725 cf. EMENALO, GAGLIARDI, & HODGSON (2018), p. 345.
726 cf. ALI & HWANG (2000); JENSEN & BERG (2012).
727 cf. ALI & HWANG (2000), p. 20.

economies are therefore, more likely to have companies that disclose sustainability information in comparison to corporations based in bank-based economies.[728]

Bank-based economies are primarily driven by the activities of financial intermediaries and as a consequence can have an effect on corporate communication.[729] As companies would depend heavily on bank capital, banks would have access to corporate data which would ultimately lead to lower monitoring costs for companies than they would have in the case of several individual investors.[730] Prior studies suggest that the demand for SR is considerably lower in countries that have bank-based economies.[731] Notably, the pros and cons of market-based financial systems in comparison to bank-based ones have been previously discussed around four countries.[732] Japan and Germany have been described as contexts that are primarily bank-based in comparison to the U.S and the U.K, where security exchanges play a more dominant role in corporate decision making.[733] In several sub-Saharan countries, financial markets remain narrow and illiquid, while at the same time banking systems remain relatively undeveloped.[734] It is therefore unclear whether market based financial systems vis-à-vis bank-based systems work in favour of SR in an African setting. Thus, the following hypothesis is proposed:

H_{2a}: Corporations operating in a predominantly market-based economy are more likely to display a higher level of sustainability reporting

While the nature of the financial system is an important consideration, *Africapitalism* argues that market-based or liberal economies have also perpetuated heightened levels of inequality.[735] It is therefore pertinent to explore the consequences of a nation's financial system. Interestingly, AMAESHI and IDEMUDIA (2015) argue that "inequality in Africa is not necessarily created by liberalism but by its absence. Inequality is further

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728 In bank-based economies, banks play a major part in capital allocation, monitoring investment decisions made by corporate management and mobilizing savings. See DEMIRGUC-KUNT & LEVINE (1999), pp. 1-5 for a detailed explanation of bank-based and market based financial systems.
729 cf. NYASHA & ODHIAMBO (2015), p. 237.
730 cf. JENSEN & BERG (2012), p. 302.
731 cf. ALI & HWANG (2000), p. 20.
732 cf. JENSEN & BERG (2012), pp. 302-303.
733 cf. DEMIRGUC-KUNT & LEVINE (1999), p. 1.
734 cf. MOGHALU (2014), pp. 146-149.
735 cf. PIKETTY (2014), pp. 20-26.

compounded by the entrenchment of crony capitalism and corruption."[736] One of the main outcomes of crony capitalism is a deeply ingrained gap between the wealthy and the poor. While prior research has not explicitly discussed the links between SR and income inequality in Africa, there are studies that suggest that lower levels of income inequality lead to a higher probability of collective action in building inclusive corporate governance.[737] Organizations that operate in countries with deep inequalities are therefore, less likely to be required to be accountable to a wide array of stakeholders. Based on these arguments, the following hypothesis is drawn:

H_{2b}: The level of inequality in a country has a positive association with the degree of corporate sustainability reporting.

c) Education and Labour system

A company's involvement and investment in a country's educational institutions is a signal of their responsiveness to addressing sustainability issues.[738] In the U.S for instance, the stake firms place in education has been found to be directly correlated to their involvement in social responsibility.[739] In a similar vein, prior studies on social responsibility policies among companies in sub-Saharan Africa, have found that corporate investment in tertiary and post-secondary education is associated with a higher extent of sustainability related disclosures.[740] In South Africa for example, capacity building of communal access to education is routinely included as the normal costs of doing business.[741] Another argument for exploring this relationship is that firms that are highly involved in post-secondary education tend to be characterised by a proclivity to new research and academic knowledge, and are more likely to adapt to new managerial methods in comparison to those with a low degree of involvement.[742] The following hypothesis can therefore be derived:

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736 cf. AMAESHI & IDEMUDIA (2015), p. 216. Crony capitalism is an economy where firms succeed not because of the risks they take, but rather because of their political connections. Crony capitalism in Africa is most aptly discussed by MOGHALU (2014).

737 cf. ROTHSTEIN (2011).

738 cf. MATTEN & MOON (2008), p. 6.

739 cf. SALMI (2000), p. 19. The author also discusses the emergence of corporate universities and the competition they pose to traditional higher institutions e.g. IBM's corporate university or IDX Institute of Technology.

740 cf. DAWKINS & NGUNJIRI (2008); MONTIEL (2008); VISSER (2002).

741 cf. BABARINDE (2009), p. 360.

742 cf. JENSEN & BERG (2012), p. 304.

H_{3a}: A corporation's commitment to post-secondary/tertiary education is associated with higher levels of corporate sustainability reporting.

Systems of labour differ across national boundaries and can also be used as an indicator of the importance firms place on more transparent reporting. The extent to which employees have a say in corporate decisions can ultimately influence a firm's reporting practices.[743] Employee involvement in corporate management is generally associated with trade union density, where a high density of trade unions in a country reflects social and political progress.[744] As companies reflect the value systems of the broader environment in which they reside in, the assumption is that their reporting practices will be held to higher scrutiny. Previous research has also demonstrated an association between trade union density and the extent of SR.[745] These considerations inform the following hypothesis:

H_{3b}: Trade union density is positively associated with the level of corporate sustainability reporting.

d) Cultural system; Sense of place and belongingness

A nation's cultural system in the context of corporate activity consists of the extent to which organizations are viewed as responsibility-bearing components of the wider social structure. Some countries restrict corporate responsibility to financial security. This fact is also evidenced by the body of literature that argues for a relationship to be established between corporate actions (particularly social responsibility), and financial performance.[746] Yet, other contexts embody the necessity for all facets of society to contribute to communal and environmental well-being, in which case, corporations are expected to be ethical and forthcoming in their communication to the public.[747] The African case is no different. Precepts from *Ubuntuism* propose that organizations are only as valuable as the contributions made to the welfare of the commune.[748] Under *Ubuntuism*, a business is viewed as a community with a purpose which is to promote the common good of the society as opposed to "legal fictions which serve as a nexus

743 cf. De Geer, Borglund, & Frostensen (2009), p. 275.
744 Ibid., p. 275.
745 cf. Jensen & Berg (2012), p. 312.
746 cf. Kleynhans & Kruger (2014); Makori & Jagongo (2013); Waddock & Graves (1997).
747 cf. Kolk & Perego (2010), p. 187.
748 cf. Mabovula (2011), pp. 40-42.

for a set of contracting relationships among individuals."[749] Societal perceptions on corporate responsibility may thus pay a role in explaining the level of sustainability reporting. The following hypothesis is therefore drawn:

H_{4a}: The societal perception of corporate responsibility has an influence on the level of corporate sustainability reporting.

Another aspect of the cultural system is also reflected in *Africapitalism*'s argument for a sense of place and belonging. The notion of duty to one's country could be categorized as a form of economic patriotism articulated by CLIFT and WOLL (2012), who state that "economic choices should be linked with concerns for one's homeland".[750] The call for a corporate form of patriotism, that is, corporate actions that demonstrate not only a concern for national welfare but also a confidence in the social and economic context they operate in, is part of *Africapitalism*'s proposition.[751] Corporate patriotism has also been described as organizational behaviour that addresses social needs and ultimately garners the support of consumers and other stakeholders.[752] One way to gauge the degree of economic patriotism would be to consider the extent of private investments made by the private sector, and their corresponding association with the extent of SR. This leads to the next hypothesis:

H_{4b}: The level of private investment in a country has a positive association with the level of corporate sustainability reporting.

e) Economic system; Sense of progress and prosperity; Sense of peace and harmony

Extant research on the institutional determinants of voluntary disclosure suggests that economic development is an important consideration.[753] The underlying argument is that advanced economies are more likely to have companies that engage in high quality SR, whereas in developing countries SR is primarily driven by multinational entities.[754] To examine the relationship between the state of the economy and sustainability reporting, prior studies have used GDP as a proxy for economic wealth.[755] Notably,

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[749] cf. JENSEN & MECKLING (1976), p. 310.
[750] cf. CLIFT & WOLL (2012), p. 308.
[751] cf. AMAESHI & IDEMUDIA (2015), p. 218.
[752] cf. PUNCHEVA-MICHELOTTI, MCCOLL, VOCINO & MICHELOTTI (2014), pp. 471-472.
[753] cf. BUHR & FREEDMAN (2001); KUEHN ET AL. (2018); WELFORD (2004).
[754] cf. ISLAM & DEEGAN (2008)
[755] cf. BAUGHN, BODIE, & MCINTOSH (2007); KUEHN ET AL. (2018); WELFORD (2004).

most of the studies have found that the level of SR increases with economic development. Additionally, there is an intersection between economic development and the values espoused by *Africapitalism*; a sense of progress and prosperity can be equated to a country's economic capacity to address issues of poverty; a particularly adamant and pernicious problem in most of sub-Saharan Africa. It is upon these considerations that the following hypothesis is formulated:

H_{5a}: A country's economic development has a positive association with the level of corporate sustainability reporting.

A balance between economic prosperity and quality of life is at the centre of *Africapitalism*. AMAESHI and IDEMUDIA (2015) describe *Africapitalism* as a "quest for balance, harmony and peace."[756] *Africapitalism* recognizes this sense of balance as a process of achieving human development in a manner that is all encompassing, prudent and secure. This proposition requires consideration of a country's social development e.g. education levels, standards of living and life expectancy among other indicators and its corresponding link to sustainability reporting.[757] Socially developed contexts tend to foster more stable environments. They are therefore more likely to have organizations which reflect social and environmental consciousness in their corporate communication.[758] In turn, researchers have posited that the level and quality of corporate sustainability disclosures is positively associated with the degree of social development.[759] Hence the following hypothesis can be drawn:

H_{5b}: A country's social development has a positive association with the level of sustainability reporting.

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756 cf. AMAESHI & IDEMUDIA (2015), p. 217.
757 cf. CHAPPLE & MOON (2005), p. 426.
758 cf. VORMEDAL & RUUD (2009), p. 207.
759 cf. KOLK (2003), p. 289; KUEHN ET AL. (2018), p. 467.

4.5.2 Company Specific Determinants

Apart from broader institutional context organizations operate in, there are also various pressures or mechanisms in play within their immediate environment that influence their behaviour.[760] Since corporations in similar positions, contexts, industries etc. experience comparable pressures, they are prone to adopting rules, structures and/or beliefs which ultimately makes them isomorphic with their environment. DIMAGGIO and POWELL (1983) identify three forms of pressures that influence organizational behaviour.[761] This section discusses each mechanism and hypothesises how such forces influence and/or explain the level of sustainability reporting observed in South Africa, Mauritius and Kenya.

a) Coercive isomorphism

Coercive isomorphism is often described as the main impetus for companies' decision to issue sustainability disclosures.[762] This aspect of institutional theory questions the influence of legal pressure on the incidence and extent of SR.[763] The proposition made is that corporations would engage in sustainability reporting due to pressures exerted upon them by institutions or organizations they depend on e.g. governmental agencies, non-profit organizations etc.[764] A pertinent example is RAHAMAN ET AL. (2004)'s case study on the social and environmental accounting (SEA) practices made by the Volta River Authority (VRA), a parastatal in Ghana.[765] The study concluded that the core driver of sustainability accounting in this case was because the VRA was dependent on funding by the World Bank and as a result, had to comply with their requirements for such reporting.[766] Ultimately, the VRA's rigorous adherence to the World Bank's conditions made the organization the leader in social and environmental accounting in Ghana. In the context of this study, though all three countries have taken progressive

760 cf. DE VILLIERS & ALEXANDER (2014b), p. 53.
761 cf. DIMAGGIO & POWELL (1983), pp. 150-154.
762 cf. SHABANA ET AL. (2017), p. 1111.
763 cf. HAHN & KUEHNEN (2013), p. 15.
764 cf. OTHMAN, DARUS, & ARSHAD (2011), p. 123. The authors describe these pressures most aptly by stating, "Such pressures may be felt as force, persuasion, or invitations to join the collusion." There are also several other studies that have investigated the sway coercive pressures may have over organizational behaviour e.g. in environmental management accounting, voluntary financial disclosures and the associations between institutional pressure and corporate legitimacy. Consider for example, CARAVELLA (2013); HAHN & KUEHNEN (2013); JALALUDIN ET AL. (2011); JENSEN & BERG (2012); SHABANA, BUCHHOLZ, & CARROLL (2017).
765 cf. RAHAMAN ET AL. (2004)
766 Ibid., p. 35.

steps in corporate governance reform and consequently the fostering of sustainability reporting within the private sector, South Africa stands out as a unique case because of two streams of re-enforcing regulation: The King Reports on Corporate Governance (I-IV) and the B-BBEE Act. Using precepts drawn for coercive isomorphism the following hypothesis can be drawn:

H_6: The level of corporate sustainability reporting among South African corporations is higher than in Kenya and Mauritius.

b) Normative isomorphism

Normative influences pertain to the dissemination and institutionalization of structural characteristics stemming from professionalization.[767] Organizational behaviour viewed through a normative lens could be explained by how specialised education, professional networks, training collectively influence decisions in the corporate sphere.[768] Essentially, normative isomorphism occurs when firms integrate the norms derived from the professionalization of a field.[769] For example, an investigation of the accounting practices of mining firms in South Africa concluded that the application of international guidance for SR (specifically the GRI's framework) became the norm for all listed mining corporations in the region.[770] The GRI therefore, acted as a professional tool to guide companies on how to prepare quality sustainability reports which is also evidenced in the organization's aim to "help organizations determine what they should report on and how they should report it."[771] Additionally, the word 'normative' implies that organizational behaviour is driven by the need to do the right thing. With these considerations in mind, the following hypothesis is derived:

H_7: The level of corporate sustainability reporting is influenced by a corporation's affiliation to international guidance on SR.

767 cf. MA & TAYLES (2009), p. 476.
768 cf. DIMAGGIO & POWELL (1983), p. 152.
769 cf. DE VILLIERS & ALEXANDER (2014b), p. 201; DIMAGGIO & POWELL (1983), p. 152
770 cf. DE VILLIERS ET AL. (2014), p. 477.
771 cf. GRI (2013b), p. 6.

c) Mimetic isomorphism

The third mechanism considers imitation as an underlying driver behind organizational isomorphism.[772] Fundamentally, mimetic pressure stems from the tendency companies have in imitating each other or modelling themselves on other organizations in response to uncertainty.[773] The impetus for imitation is because failure to adopt the behaviour of other larger, more experienced or successful corporations results in or may potentially lead to a competitive disadvantage.[774] Company size as measured by total assets, sales, turnover or market capitalization among other measures is considered as having a positive effect on the application and extent of sustainability reporting as evidenced by multiple studies.[775] Prior studies also suggest that sustainability disclosure may be driven by mimetic predispositions within industries and could possibly explain the presence of such reporting in the absence of coercive pressures.[776] Furthermore, firms operating in industries characterized by high environmental and/or social externalities are more likely to provide SR disclosures to ward off stakeholder pressures.[777] Finally, mimetic pressures may also be observed among companies that are listed internationally due to necessities of meeting information requirements of two or more security exchanges and/or the necessity to reduce monitoring and agency costs due to a larger and more diverse pool of stakeholders.[778]

Thus, the following hypotheses are derived:

H_{8a}: The level of sustainability reporting is positively associated with a company's size.

H_{8b}: Companies from environmentally sensitive industries are likely to display higher levels of sustainability reporting.

H_{8c}: Companies that are internationally listed are likely to display higher levels of sustainability reporting.

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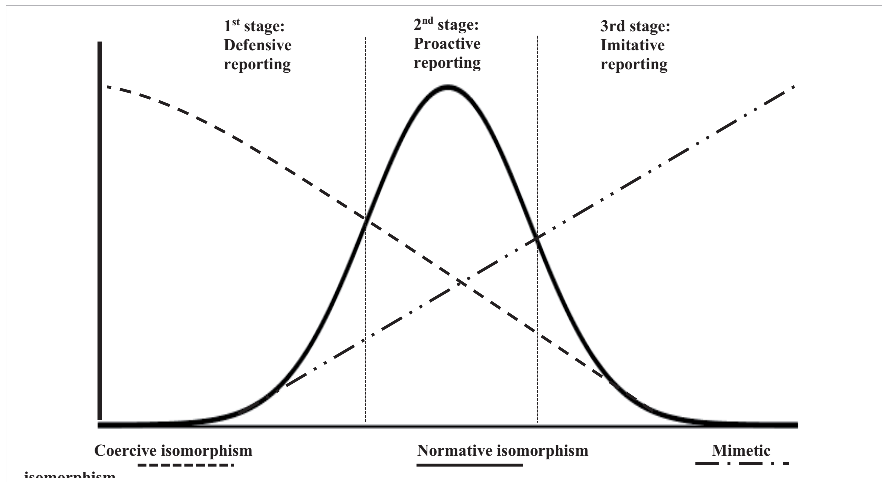
772 cf. DE VILLIERS & ALEXANDER (2014b), p. 51-55.
773 cf. MA & TAYLES (2009), p. 477.
774 cf. MA & TAYLES (2009), p. 485.
775 cf. HAHN & KÜHNEN (2013), p. 10. The authors provided a compendium of research studies that have found a positive correlation between the degree of sustainability reporting and company size.
776 cf. DE VILLIERS & ALEXANDER (2014b); GATTI & SEELE (2014); HAHN & KUEHNEN (2013); MATTEN & MOON (2008).
777 cf. HAHN & KÜHNEN (2013), p. 13.
778 cf. KUEHN ET AL. (2018), p. 446; REVERTE (2009), p. 356.

The process through which sustainability reporting becomes institutionalised at the organizational level can also be explained using the three isomorphic mechanisms discussed. One proposition suggests that coercive pressures constitute the first stage of reporting which is termed as 'defensive reporting'. The premise is if corporations fail at fulfilling their mandate to the society, pressure or influence may be exerted on them by legal or industry-led institutions, to engage in SR.[779] The second stage is a more proactive form of sustainability reporting that recognizes the influence of professionalization, that is, the collective efforts of individuals within an occupation to outline the conditions of their work.[780] SR, therefore, becomes commonplace within accounting practices and is deemed as a way in which corporations demonstrate their commitment to integrity and quality within their profession. In the last section, a threshold is reached where the net benefits of sustainability reporting are perceived as exceeding the net cost which ultimately leads to an 'imitative reporting' to avoid the potential of competitive disadvantage. Figure 7 gives an illustration of the process.

Figure 7: The Isomorphic Stages of SR



Source: SHABANA ET AL. (2017), p. 1109.

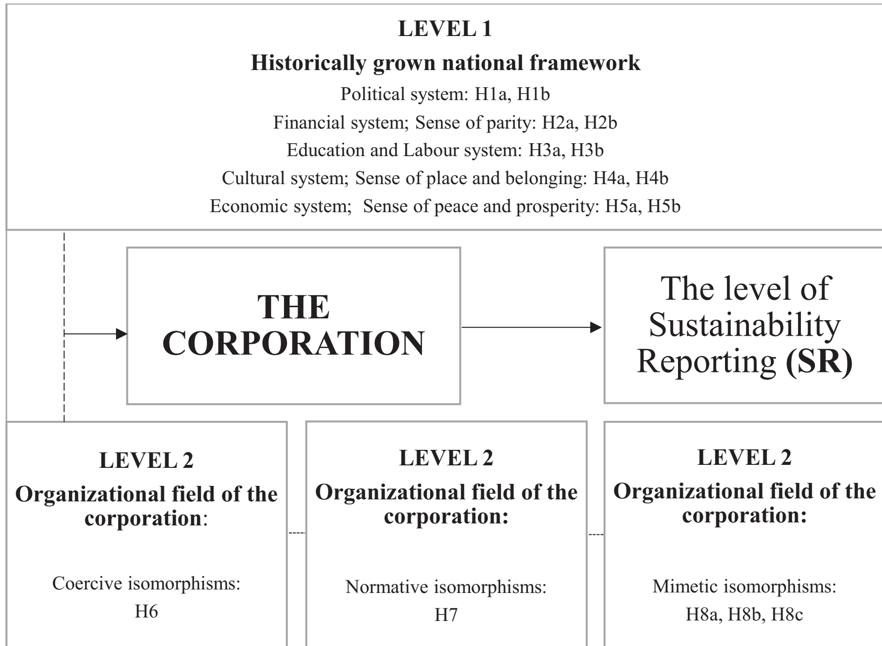
Alternatively, other researchers propose a different sequence of events and suggest that general uncertainties surrounding newer forms of reporting, as was once the case with SR, encourage mimetic isomorphism. In general, a new area, concept, accounting

779 cf. SHABANA ET AL. (2017), pp. 1109-1110.
780 cf. DIMAGGIO & POWELL (1983a), p. 153.

practice, etc. is often characterised by uncertainty at its inception. Corporations in this scenario would thus, benchmark their own SR against that of other larger and perhaps more profitable organizations.[781] The following stage would involve coercive pressures from regulators e.g. capital market authorities and stakeholders leading to mandated disclosure. Finally, normative isomorphism would take place as the practice of SR matured; professionalization would become increasingly important as SR became embedded in corporation actions. It should be noted though that while both arguments suggest that these isomorphisms occur sequentially, they can occur simultaneously. Additionally, based on the contextual differences of South Africa, Kenya and Mauritius discussed in Chapter 3.1, it is possible that the three isomorphisms have manifested themselves differently in each area. SR in South Africa may have begun with coercive pressures brought on by regulation in 1994, leading to mimetic and normative isomorphism in later years. In Kenya on the other hand, regulation on sustainability reporting has been borne out of normative pressures from the business community. The overarching framework used to explore the above hypotheses is represented one more time in Figure 8. Country specific determinants of SR are represented in Level 1, that is, the historically grown national framework and company specific drivers of SR constitute the second level, that is, the organizational field of the firm.

[781] cf. DE VILLIERS ET AL. (2014a), p. 54.

Figure 8: SR and the Institutional Context of the Organization



Source: Adapted from AMAESHI & IDEMUDIA(2015), p. 216-217; MATTEN & MOON (2008), p. 415.

Chapter summary

The onset of this chapter presented a short summary of some of the prevalently used theories associated with SR research. Institutional theory is then presented as the overarching theoretical paradigm used by this study. The chapter demonstrates that an institutional approach to understanding SR is appropriate for this thesis mainly because, corporations are embedded within institutional frameworks that exist in diverse socio-economic and political contexts. Companies face both implicit and explicit institutional pressures which influence their reporting practices, hence, the theory rests on the premise that the prevalence of SR is influenced by codified and noncodified norms of behaviour and values. Next, locally developed concepts of *Ubuntuism* and *Africapitalism* are also avidly discussed as they reflect African approaches to framing corporate responsibility and behaviour. Both concepts recognize that corporations must pursue actions that display solidarity towards the broader social community they are embedded in to achieve legitimacy. A conceptual framework developed by MATTEN and MOON (2008) for exploring the drivers of SR is then presented, due to its encapsulation of institutional pressures that characterise a company's external and internal environment. Finally, the chapter culminated with an empirical review of country and company level determinants of SR and associated hypotheses to be tested in this study.

Chapter 5

Methodology

5.1 Overview of Approach to Research Methodology

In this chapter, the paradigmatic rationale of this dissertation is expounded on in section 5.2 by explaining the philosophical underpinnings, that is, the assumptions of reality and knowledge reflected in the chosen research methods and analysis. Next, chapter 5.3 outlines the research design chosen and how it is suited to addressing the two research questions posed by the study. The data collection and analysis procedures were conducted in two sequential phases based on the research questions. For the first research question, section 5.4 describes how the content index used for codifying corporate sustainability disclosures was compiled and elaborates on the applied content analysis procedures. To address the second research question, the operationalization of the institutional drivers of SR and the construction of regression models for analysis are described in Chapter 5.5. Section 5.5.1 describes and operationalizes the hypotheses developed in Chapters 4.5.1 and 4.5.2. Next, Chapter 5.5.2 outlines the various model specifications that would be used to analyse the determinants of SR in South Africa, Mauritius and Kenya.

5.2 Scientific Paradigm

It is imperative to explain the research paradigm which is described by BRYMAN (1988) as "[a] cluster of beliefs and dictates for which scientists in a particular discipline influence what should be studied, how research should be done and how results should be interpreted".[782] A paradigm contains both ontological and epistemological components.[783] The ontological assumption made by this study is between objectivism and subjectivism, but leaning more towards an objective view of reality as "a contextual field of information."[784] As this dissertation employs the use of inferential statistics and content analysis, a purely objectivist stance of reality is inappropriate given that content analysis involves some subjectivity in unearthing the "deeper meaning and unmeasured characteristics of a text."[785] In terms of epistemology, the work employs a post-positivist stance meaning extant theory (in the case of this study institutional theory) is tested through empirical analysis, that is, a deductive research approach is applied.[786] Though positivism assumes knowledge resides in objective reality, post-positivism acknowledges that truth generated from research of a particular phenomenon only applies for the hypotheses tested within the study and that "scientific theories can never be proven true."[787] As cited by POPPER (1959) "it [is] inevitable that every scientific statement must remain *tentative* forever."[788] Based on these assumptions, the research design adopted by the study is discussed in the ensuing chapter.

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782 cf. BRYMAN (1988), p. 4.

783 cf. SCOTLAND (2012), p. 792. While ontology connotes 'what is' or as described by CROTTY (1998) the study of being, epistemology is concerned with what constitutes knowledge. Both ontology and epistemology are assumptions of reality and knowledge respectively which in turn influence the research design adopted.

784 cf. MORGAN & SMIRCICH (1980), p. 492. The article discusses both subjective and objective debates on what constitutes reality in the social sciences. A continuum of core ontological assumptions is provided, ranging from largely objective views that perceive reality as a 'concrete structure' or a 'concrete process' to a more subjective perspective that considers reality as 'a projection of human imagination' or as a 'social construction'.

785 cf. DIERONITOU (2014), p. 8.

786 cf. NEUMAN (2014), p. 97.

787 cf. DIERONITOU (2014), p. 10.

788 cf. POPPER (1959), p. 280; emphasis in original.

5.3 Research Design

Constructing an appropriate research design for any scholarly work is akin to the process an architect goes through when designing a building.[789] The research design for this thesis is thus, framed in a way that best addresses the research questions posed. A descripto-explanatory research design is adopted for this thesis because the research questions seek to establish: (1) the extent of sustainability reporting conducted by public corporations in three sub-Saharan contexts, and (2) the factors influencing the level of sustainability reporting in the same regions. Notably, studies are described as descripto-explanatory when descriptive findings are used as precursors to examine or predict the nature of relationships between variables.[790] Thus, the research questions are addressed in two sequential phases as the findings from the first question are used to address the second research question.

Given the scientific paradigm adopted by the study, the research is primarily quantitative as it emphasizes quantification in data collection and analysis, tests extant theories (i.e. applies a deductive approach to understand the relationship between theory and research) and embodies a predominantly positivist view to reality. The type of data collected, and the methods used are discussed based on the two overarching research questions posed by this dissertation. The two sequential phases of data collection and analysis procedures are elaborated on in section 5.3 and 5.4 respectively. Addressing the first research question entailed four steps: (1) choosing an appropriate framework for conceptualizing sustainability reporting, (2) establishing categories, sub-categories and individual sustainability disclosure items from the chosen framework (3) choosing the medium of collection and (4) selecting an appropriate mode of analysis. The steps are described in further detail in Section 5.4.

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789 cf. HAKIM (2000), pp. 1-2.

790 cf. SAUNDERS, LEWIS, & THORNHILL (2012), p. 171.

5.4 Data Collection and Analysis: Phase 1

5.4.1 Choosing the Framework

Research question 1: What is the level of sustainability reporting conducted by listed companies in South Africa, Mauritius and Kenya?

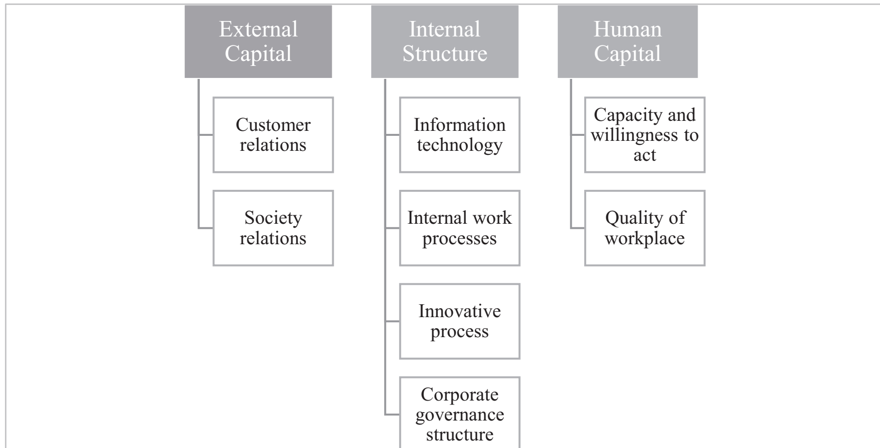
The first step was to establish a framework that could capture the type and extent of sustainability disclosure items (essentially the level of sustainability reporting) communicated by corporations, for instance, energy usage, corporate social contributions, employment policies, gender diversity, etc. Though several prior studies have measured the degree of sustainability reporting using international guidance frameworks particularly the GRI,[791] this dissertation uses a proposed framework of sustainability disclosures developed by YONGVANICH and GUTHRIE (2006) titled the Extended Performance Reporting Framework (EPRF).[792] The appeal of the EPRF is in its attempt to combine the "management of social and environmental issues into mainstream business activities."[793] While the GRI Framework provides a protocol on 'how' and 'what' to disclose, it lacks a holistic approach to addressing corporate sustainability.[794] As stated by MILNE and GRAY (2002) sustainability reporting requires "a detailed and complex analysis of the organisation's interactions with ecological systems, resources, habitats and societies."[795] The framework is an amalgam of elements from the balanced scorecard, intellectual capital and GRI's sustainability guidelines for disclosure, all oriented towards defining what sustainability reporting should encapsulate.

Arguably, the EPRF provides core elements that must be present in any undertaking of sustainability reporting. Companies based in developing economies generally have been characterised in prior research as having low SR disclosures partially because of focus international guidance documents give to ecological disclosure items.[796] Since the EPRF offers a wide spectrum of categories which are also inclusive of internal

[791] cf. DILLING (2010); HAHN & LÜLFS (2013); LESZCZYNSKA (2012); MAUBANE, PRINSLOO, & ROOYEN (2014).
[792] cf. YONGVANICH & GUTHRIE (2006), p. 315.
[793] Ibid., p. 313.
[794] cf. GRAY & BEBBINGTON (2000); RICHARDSON & HENRIQUES (2004); MILNE & GRAY (2007).
[795] cf. MILNE & GRAY (2002), p. 68.
[796] cf. DINESHWAR (2013); KUEHN ET AL. (2018); VISSER & TOLHURST (2010).

capabilities regarding innovative processes, leveraging of technology and issues pertaining to stakeholder interactions, it provides a wider spectrum for exploring how SR is manifested by corporations in sub-Saharan Africa and possibly differences in the SR disclosures that companies tend to focus on over others. The EPRF therefore, provides a foundational base for building the content items considered pertinent and core to sustainability reporting. The framework is presented in Figure 9.

Figure 9: The Extended Performance Reporting Framework for SR: Main Categories



Source: Adapted from YONGVANICH & GUTHRIE (2006), p. 315.

The EPRF encapsulates sustainability reporting from both ‘inside-outward’ and ‘outward-inside’ perspectives where the former considers how corporate strategy is aligned towards sustainability and the latter takes up sustainability issues raised from “public debate and defines measurement activities [based on] on these issues.”[797] Essentially sustainability reporting is not only approached from a predominantly communicative view, but also involves reporting on how internal capabilities position and aid companies in being more sustainable. Interestingly, human capital is not considered a sub-set of internal structure but is given its own distinct place in the framework. The reason for the distinction, is to accentuate the unique characteristics of accounting for and managing employees.[798] After choosing the framework for

[797] cf. YONGVANICH & GUTHRIE (2006), p. 310.

[798] Ibid., p. 316. A similar argument was made by BONTIS, DRAGONETTI, JACOBSEN, & ROOS (1999), p. 397 in a critique of the balanced scorecard (BSC) which lumps personnel together with IT infrastructure. The authors argue that “the specific challenge of managing people and their knowledge is underestimated by the BSC.”

sustainability reporting, the next step was to establish the specific disclosure items that would fall under each category.

5.4.2 Categories and sub-Categories of Sustainability Disclosures

The three main categories under the EPRF are external capital, internal structure and human capital. External capital reflects the nature of an organizations relationship with its stakeholders.[799] Interestingly, this category is dichotomized into two sub-sets namely customer and society relations. This is contrary to other studies that consider customers as part of the social category of sustainability reporting.[800] The implicit assumption made by the EPRF is that organizations can effect change in the society and environment, while fulfilling their core purpose of providing products and services to consumers. Thus, YONGVANICH and GUTHRIE (2006) appear to take a 'moderately managerial' stance to sustainability reporting which means they are of the view that ecological conservation, societal well-being and profitability should be centred around organizational activity.[801]

Arguably, a conglomeration of ESG issues into a report is not reflective of true corporate sustainability, however the underlying objective of reporting on pre-defined areas of sustainable development while remaining economically profitable is a good starting point for African companies, particularly in regions where such practices are at their infancy.[802] Next, society relations are further sub-divided into environmental and societal/communal categories connoting whether corporations report on carbon emissions, waste effluents, human rights, bribery, corruption, indigenous rights, etc.

Both categories of external capital have the largest number of disclosure items in comparison to the other categories espoused by the framework. Internal structure is broken down into four constituent parts encompassing the innovative capacity of

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799 cf. YONGVANICH & GUTHRIE (2006), p. 316.

800 cf. DAWKINS & NGUNJIRI (2008); MUTHURI & GILBERT (2011).

801 cf. BEBBINGTON & GRAY (2001), pp. 561-562. This notion of being 'moderately managerial' was also discussed in Section 2.4 of the dissertation.

802 cf. DYLLICK & MUFF (2016), pp. 163-167. The authors propose three different levels of business sustainability. The first level is based on a purely economic view of the organization, meaning the sole aim of the firm is to generate profits and create value for shareholders. The second level connotes how firms manage financial, social and environmental issues. Notably, the EPRF is at this level of business sustainability. The final level describes 'true corporate sustainability' as an iterative process through which firms first identify sustainability challenges and translate them into business opportunities. This level requires substantial changes in the status quo of business operations.

corporations, technological infrastructure, internal processes and systems of corporate governance. The final category of human capital is split into capacity and willingness to act which incorporates whether corporations report on employee competence levels, productivity, satisfaction etc., and quality of workplace which brings to the fore issues of corporate culture, training, diversity etc. The framework is presented in Table 21.

Table 21: Extended Performance Reporting Framework (EPRF) for SR: Sub-Categories

External Capital	Internal Structure	Human Capital
1) Customer Relations a) Customer satisfaction b) Customer longevity c) Customer retention d) Brand e) Distribution channel f) Product quality g) Customer base h) Market share i) Sales volume j) Pursuit of new market opportunities k) Joint venture and alliances l) Good customer relationship	**1) Information Technology** a) Database of information b) Networking c) Communication systems d) Internet	**1) Capacity and willingness to act** a) Employee competence b) Employee satisfaction c) Employee retention and turnover d) Employee absenteeism e) Employee productivity and profitability
	2) Internal work processes a) Systems, methods and technology b) Methodologies for assessing and managing risks c) Health and safety d) Community improvement/engagement programs	**2) Quality of workplace** a) Organizational culture b) Rewards, performance assessment, etc. c) Training and education d) Employment e) Labour/management relations f) Health and safety g) Diversity and opportunity
2) Society relations a) EPIs • Materials • Energy • Water • Biodiversity • Emissions, effluents, waste • Suppliers • Products and services • Compliance • Transport b) SPIs • Human rights • Strategy and management • Non-discrimination • Freedom of association • Child labour • Forced labour • Disciplinary practices • Security practices • Indigenous rights c) Society/Community • Community • Bribery and corruption • Political contributions • Competition and pricing d) Product responsibility • Customer health and safety • Products and services • Advertising • Pricing	**3) Innovative process** a) Research and development b) New product introduction c) Time to market d) Trademarks e) Copyright f) Patents g) Research for improving outreach programs **4) Corporate governance** a) Board and committees' responsibility b) Board independence c) Process for review of the board's composition d) Board-level processes for review of corporate performance e) Organization structure f) Commitment to high corporate governance standards	

Source: Adapted from YONGVANICH & GUTHRIE (2006), p. 315.

5.4.3 Choosing the Medium of Collection

The corporate annual report was selected as the primary tool for observing the level of sustainability disclosures made by businesses for the following reasons: (1) it is the main channel through which organizations communicate to their stakeholders;[803] (2) it is considered a credible source of information due to the annual audit of key financial statements;[804] (3) it provides additional discretionary information in tandem with regulatory requirements.[805] In addition to the annual report, other media of corporate communication were considered, namely sustainability reports, integrated reports,[806] corporate responsibility reports and corporate citizenship reports. The reports were gathered from company websites, GRI's Sustainability Disclosure Database and in some cases received upon request via email.

5.4.4 Content Analysis

5.4.4.1 Description of the Method

The method applied to analyse the sustainability disclosures presented in accounting reports is content analysis. Content analysis is defined as a research technique for the objective, systematic and quantitative description of the manifest content of communication.[807] It is imperative for researchers to distinguish between quantitative/classical and qualitative forms of content analysis.[808] ROBERTS (1997) suggested that this distinction between both forms could be reduced to a matter of 'timing', therefore, quantitative content analysis utilizes pre-determined measures, categories and/or sub-themes whereas qualitative analysis applies one classification theme after another before settling on a scheme (or schemes) that resonate(s) with the data.[809]

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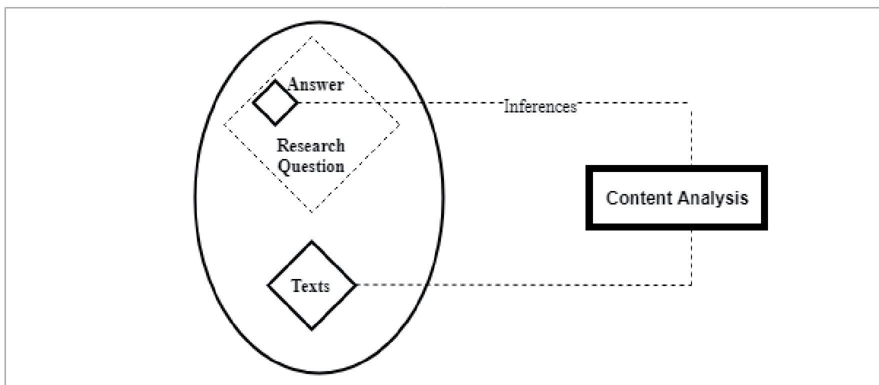
803 cf. EPSTEIN & FREEDMAN (1994), p. 97.
804 cf. NEU & WRIGHT (1992), p. 656.
805 cf. DAWKINS & NGUNJIRI (2008), p. 291.
806 In the case of South African companies, their annual reports are referred to as integrated reports.
807 cf. BERELSON (1952), p. 18.
808 cf. TITSCHER, MEYER, WODAK, & VETTER (2000).
809 cf. ROBERTS (1997), p. 2.

For the purposes of this dissertation, content analysis is defined as a research method that draws inferences by systematically and objectively identifying specified characteristics of messages.[810] The form of analysis is largely quantitative as pre-established themes and categories were developed prior to coding the data. A framework for content analysis proposed by KRIPPENDORFF (2013) shown in Figure 9 is used to describe the procedure used to answer the first research question.[811] As shown by the framework, content analysis is utilized as a means to gather inferences from appropriate texts, in this case, annual, sustainability and integrated reports (among other forms of corporate communication), to establish the level of sustainability reporting among companies operating in the three chosen areas of study.

Figure 10: A Framework for Content Analysis



Source: KRIPPENDORFF (2013), p. 97.

Content analysis was carried out in a number of disctinct steps. First, the pre-established categories identified under the EPRF were classified into coding units. Coding units are words, phrases, sentences, essentially units of text that jointly reflect the concepts necessary for analysis.[812] For this study, the coding units comprised of sentences, statements and metrics describing sustainability disclosures e.g. disclosures pertaining to human rights, forced labour, IT infrastructure, employee satisfaction etc. In prior

[810] cf. HOLSTI (1968), p. 601.
[811] cf. KRIPPENDORFF (2013), p. 83.
[812] cf. ROSE, SPINKS, & CANHOTO (2015) , p. 4.

research, sentences have been found to be most reliable in gauging the extent of SR disclosures contained in corporate reports.[813]

The next step was to develop a coding manual which was a list of rules and procedures that specified how and what to code. This was necessary to ensure a "systematic and replicable coding of the data".[814] Initially, a tentative set of priori dimensions, sub-categories and individual items were listed down based on the EPRF's recommendations of sustainability disclosures. They were reviewed, critiqued and modified based on my own judgment and the procedures followed by other scholars who have conducted content analysis studies.[815]

Specifically, the procedure followed by SINGER (1964) was predominantly used as a basis to construct the coding manual.[816] The procedure consisted of the following steps: (1) A sample of 15 randomly selected annual reports (5 annual reports per country) from 2013 were selected and reviewed to ensure they made reference to the categories of items identified by the EPRF; (2) The dimensions and sub-categories derived from the EPRF were reviewed to ensure they did not overlap with each other; (3) individual disclosure items were assessed and modified to ensure they remained unambiguous for coding and; (4) to ensure the items were as mutually exclusive as possible, a question was posed for each item of disclosure to aid coders in determining whether a disclosure was present or not.

Finally, a total of 3 main categories, 8 sub-categories and 58 individual disclosure items were included in the coding manual. If a sustainability item was disclosed a numerical code '1' was assigned and '0' was recorded if the item was not disclosed. An extract of the coding manual is provided in Figure 11. After constructing the coding manual, a pilot study was conducted to ensure the coding manual had well specified decision categories and well specified decision criteria.[817]

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[813] cf. MILNE & ADLER (1999), p. 243. Other studies have used word counts or page counts as the basis for measuring social and environmental disclosures, see for example DEEGAN & GORDON (1996), p. 189, WILMSHURST & FROST (2000), p. 16 and ZEGHAL & AHMED (1990), p. 42.

[814] cf. ROSE, SPINKS, & CANHOTO (2015) , p. 4.

[815] cf. DAWKINS & NGUNJIRI (2008); GUTHRIE & ABEYSEKERA (2006); MUTHURI & GILBERT (2011); ZEGHAL & AHMED (1990).

[816] cf. SINGER (1964), pp. 432-433.

[817] cf. GUTHRIE & ABEYSEKERA (2006), p. 121.

Figure 11: Excerpt from coding manual

(1) Human capital	i. Employee capacity and willingness to act	a) Does the company provide the total number of employees trained in the financial year (inclusive of both internal and external training interventions)?
		b) Does the company provide data on total number of employees, permanent and temporary?
		c) Does the company provide results of surveys/interiews/focus groups on employee satisfaction?
		d) Does the company disclose the percentage/number of employee turnover per financial year?
		e) Does the company provide information on the absenteeism rate among employees per financial year?

Source: Own illustration.

5.4.4.2 Addressing Reliability of Content Analysis Procedures

Given the subjective nature of content analysis, it is imperative that precautions are taken to ensure data generated is reliable.[818] As stated by KAPLAN and GOLDSEN (1965), "The importance of reliability rests on the assurance it provides that data are obtained independent of the measuring event, instrument or person."[819] One way of demonstrating the reliability of the data garnered is duplicating the data under various conditions, for example using the observations of diverse individuals or personalities. The overarching aim is to ensure that there are minimal discrepancies between coders and that the coding tool is reliable. There are three main forms of reliability, namely: stability, accuracy and replicability. They are further elaborated on in Table 22.

818 cf. KRIPPENDORFF (2013), p. 267.
819 cf. KAPLAN & GOLDSEN (1965), p. 83.

Table 22: Types of reliability

Reliability	Designs	Elaboration	Strength
Stability	Test-retest	A single observer repeats the coding procedure on the same text after some time has elapsed to reduce the risk of individual inconsistencies	Weakest
Replicability	Test-test	Measures the extent to which similar conclusions about the same text are reached by two or more observers	Medium and easily measurable
Accuracy	Test-standard	Data obtained is compared against an independent, credible and alternative source or standard	Strongest but difficult to achieve

Source: Adapted from KRIPPENDORFF (2013), p. 271.

For purposes of this dissertation, only test-retest and test-test procedures were performed. The accuracy dimension could not be uniformly tested across the three countries as each region has its own standards and/or methods of gauging and in some cases rewarding corporate sustainability.[820] The next section gives an overview of how inter-coder and intra-coder reliability was tested to ensure replicability.

5.4.4.3 Calculating Inter-Coder and Intra-Coder Reliability

Inter-coder reliability addresses replicability, that is, "the degree to which a process can be reproduced by different analysts, working under varying conditions, at different locations, or using different but functionally equivalent research instruments."[821] Given the subjective nature of content analysis, inter-coder reliability contributes to the overall credibility and quality of data garnered. First, an agreement level is calculated to establish the extent to which two or more independent observers agree on a predefined set of criteria. Notably, there are several measures that can be applied to determine

[820] The Financial Reporting (FiRe) Award is an award in East Africa that rewards corporations on their reporting practices. In recent years, the award has shifted its focus to promoting integrated reporting among public companies in East Africa.

[821] cf. KRIPPENDORFF (2013), p. 271.

levels of agreement between different coders.[822] Percent agreement for example, is measured by dividing the number of agreements between two individual coders, that is the number of times both coders give identical ratings or codes, by the total number of agreements and disagreements.[823] Krippendorff's alpha coefficient was used in this study primarily because it is a measure that has been developed over time;[824] it can be applied for data sets with two or more coders; can be used for data sets that are non-nominal including ordinal, interval, ratio, circular and polar data and finally, the measure allows for missing values.[825] Additionally, Krippendorff's alpha adopts a more composite mathematical approach and corrects for chance agreement between individual coders unlike percent agreement. In its most general form, alpha (α) can be calculated as follows:

$$\propto = 1 - \frac{D_o}{D_e}$$

Where D_o, is a measure of the observed disagreement among values assigned to the units of analysis:

$$D_o = \frac{1}{n} \sum_c \sum_k o_{ck} \, {}_{metric}\delta^2_{ck}$$

and D_e, represents the disagreement by chance and is expressed as follows:

$$D_e = \frac{1}{n(n-1)} \sum_c \sum_k n_c \cdot n_k \, {}_{metric}\delta^2_{ck}$$

Therefore, α assesses the deviation from perfect reliability by the proportion of observed to expected disagreement. The symbols in both measures, o_{ck}, n_c, n_k and n, refer to the frequencies of values in reliability or coincidence matrices. When there is perfect agreement between coders α has a value of 1 and D_o=0. To construct the reliability matrix, the total number of observations and the number of observers are combined into a single matrix as illustrated:

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822 For instance, POPPING (1988) discussed 39 distinct measures for nominal data. Commonly used measures are percent agreement, Scott's pi (p), Cohen's kappa (k) and Krippendorff's alpha (a).

823 cf. FREELON (2013), p. 11.

824 cf. KRIPPENDORFF (1970a, 1970b, 1980, 1987, 2004, 2008).

825 cf. KRIPPENDORFF (2011), p. 4.

	Units:	1	2	…	*U*	…	*N*
Observers:	***i*:**	c_{i1}	c_{i2}	…	C_{iu}	…	c_{iN}
	***j*:**	c_{j1}	c_{j2}	…	C_{ju}	…	c_{jN}

5.4.4.4 Pilot Test

The pilot study consisted of two consecutive rounds, with 15 reports (5 from each country) randomly chosen for analysis in each round. A total of nine coders were tasked with coding the SR disclosure items consisting of myself and seven graduate students (currently pursuing masters' degrees specialized in Accounting and Finance) and one novice to sustainability reporting research who was pursuing an undergraduate degree in commerce. Before the first round commenced, the novice coder was provided with several foundational research articles in sustainability reporting and some select studies that had used content analysis as a base for exploring environmental, social and governance disclosures.[826] Ultimately, the inclusion of multiple coders was to lend credibility to the final SR scores attributed to individual companies which would address the first research question regarding the level of SR observed among publicly listed firms in South Africa, Kenya and Mauritius.

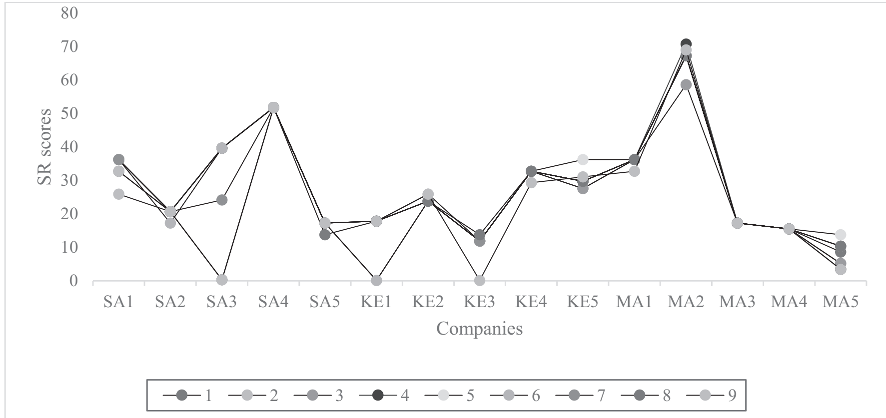
Before commencing the first round of content analysis, all the observers were provided with a detailed set of instructions to ensure they understood how to code the various disclosure categories identified in the coding manual. To calculate Krippendorff's alpha, I employed the use of an online statistical tool called ReCal that computes inter-coder reliability coefficients for nominal, ordinal, interval or ratio level data. Apart from Krippendorff's alpha being particularly difficult to calculate manually, ReCal was also chosen because it has been tested and verified in prior literature and has been used widely by researchers conducting content analysis across various disciplines and regions.[827] Krippendorff's alpha in the first round was 0.623 which was indicative of a

[826] cf. DUBE (2016); GUTHRIE & ABEYSEKERA (2006); KRIPPENDORFF (2004); DE VILLIERS & ALEXANDER (2014a).

[827] For a detailed evaluation of ReCal's functionality in content analysis studies, consider FREELON (2013, 2010). According to Google Analytics, ReCal was used by 2771 unique visitors from 47 countries (on all continents except Antarctica) between 2008 and 2010. Though ReCal is a useful tool, caution was taken to ensure the results obtained were accurate.

relatively high degree of disagreement between the coders. The results are also diagrammatically presented in Figure 12.

Figure 12: First Round of Coding Sustainability Disclosure Items



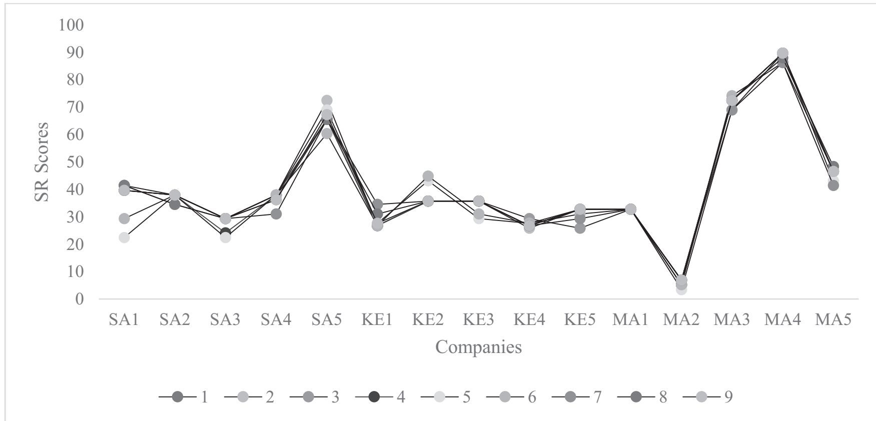
The abbreviations SA, KE and MA refer to the region i.e. South Africa, Kenya and Mauritius. 5 companies from each country were chosen randomly for the pilot study. Source: Own illustration.

Figure 12 illustrates the degree to which coders assigned the same codes and overall scores of each of the 15 corporations chosen for the pilot study. In some cases, for example in the case of the fourth company from South Africa, all 9 coders collectively assigned the same SR score of 51.72%, which indicates that the company report provided 30 out of a possible 58 sustainability disclosures. In other instances, high levels of disagreement were observed. The fifteenth company in the sample for example, was assigned SR scores ranging from 3.45% to 13.79%. Following the recommendations made by MILNE and ADLER (1999), a follow up discussion was held with the coders to discuss the observed discrepancies between the scores assigned which led to further clarification of the coding instrument particularly the structure and specifications of the questions posed to establish whether a sustainability disclosure was present or not.[828]

[828] cf. MILNE & ADLER (1999), p. 245.

A second round was subsequently carried out on another random sample of 15 companies (5 from each country) and Krippendorff's alpha increased to 0.839. Though there is still no consensus on what an acceptable level of agreement is, prior literature suggests that an alpha level greater than 0.7 is adequate.[829] The findings are presented in Figure 13 and illustrate lower levels of disagreement in coding content disclosures.

Figure 13: Second Round of Coding Individual SR Items



The abbreviations SA, KE and MA refer to the region i.e. South Africa, Kenya and Mauritius. 5 companies from each country were chosen randomly for the pilot study. Source: Own illustration.

In a final step, intra-coder reliability was also tested to ensure I coded SR disclosures consistently on a sub-sample of the reports after the content analysis procedure had been conducted for the entire sample[830] and one month had elapsed. Based on the coding of another set of fifteen randomly selected reports, Krippendorff's alpha was 0.904. The results therefore, indicate a high degree of certainty concerning the coding procedures used to gauge the extent of sustainability reporting. The SR scores assigned by the 9 coders in the first and second rounds of analysis are provided in Appendix C and D respectively.

829 cf. HAHN & LÜLFS (2013); LOMBARD ET AL. (2002); NEUENDORF (2002).

830 The whole content analysis procedure on the entire sample of companies presented in section 5.6 took approximately 6.5 months.

5.5 Data Collection and Analysis: Phase 2

5.5.1 Operationalization of Variables Drawn from Institutional Theory

Research question 2: What factors influence the level of sustainability reporting in South Africa, Mauritius and Kenya?

a) Country specific determinants

The independent variables from the study were obtained from numerous sources. The first hypothesis which considered the influence of a country's governance, that is, the accountability and transparency of its public institutions was proxied by the Corruption Perceptions Index (CPI) and the nation's Freedom House (FH) status. Both CPI and FH provide ratings on how well public sectors execute their mandate to govern nations in a way that is free, democratic and transparent.[831] Ultimately FH status was used as a measure of governance due to the CPI's strong correlation to investor protection and trade union density. FH is rated from 0 to 100, where higher values are indicative of a higher quality of public governance. Notably, other measures of national governance such as the Opacity Index (OI) and the Bribe Payers Index (BPI) were also considered, however, they do not yet provide metrics for sub-Saharan territories.[832]

Next, the extent of investor protection (INPR) provided within a region is regularly computed by the World Bank in tandem with the International Finance Corporation (IFC) based on a methodology developed by a group of financial economists.[833] INPR is the mean of disclosure, ease of shareholder suits and director liability indices all of which are computed by both institutions. The values range from 0 to 10 where values approaching 10 are regions where investors experience a higher level or quality of protection. Next, to empirically measure the nature of the financial system, the Structure-Activity Index was manually calculated to establish whether a country's system was bank-based or market-based.[834] The index gauges the proportion of activity

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[831] cf. Freedom House (2016); Transparency International (2017).

[832] The Bribe Payers Index is an initiative by Transparency International that measures the willingness of businesses to engage in corrupt practices abroad. The Opacity Index on the other hand, measures the transparency of doing business in a country e.g. efficiency of legal systems, accounting standards and regulatory effectiveness among other measures.

[833] cf. Djankov et al. (2008).

[834] For further elaboration on bank-based and market-based financial systems, consider the works of Beck et al. (2004) and Emenalo et al. (2018). For an explanation of the Structure-Activity Index consider Moradi et al. (2016).

of security exchanges in relation to banks by comparing the total value of shares exchanged in comparison to the total number of credits granted by banks to the private sector as shown by the following equation:

$$SA = Ln(\frac{STV}{PCB})$$

Where:

SA: Structure-Activity Index

STV: Ratio of the total value of shares exchanged over GDP

PCB: Credits granted by banks to the private sector over GDP

A positive result would indicate that a country's financial system is market-based.

The following step was to operationalize Africapitalism's proposition of a sense of parity, essentially the level of inequality extant within a region. The most commonly used measure of inequality is the Gini index which is a measure of wealth/income distribution of a country's citizens.[835] The values of the index range from 0 to 1 where 1 is an indication of perfect equality. For the third hypothesis, corporate involvement in post-secondary or tertiary education was measured based on whether a company explicitly stated their support of or contribution to post-secondary education in their report, for example, through the granting of scholarships, funding or training programs among other initiatives.[836] A score of 1 was assigned when this was the case and 0 given when it was not. Trade union density (TUD) represents the ratio of waged and salaried members of trade unions in relation to the total number of waged and salaried individuals in a country.[837]

Societal perceptions (SP) or attitudes towards the responsibility of companies was proxied by the World Economic Forum's (WEF) indicator on how individuals rate the ethical behaviour of corporations in their respective countries. The score ranges from 1

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835 cf. WORLD BANK (2016a).

836 Notably, I considered using the UNESCO's computation of private expenditure on tertiary education as a percentage of GDP as a measure however the data for the countries under study was not available.

837 Trade union density for all the three countries were retrieved primarily among request from the Central Organization of Trade Unions (COTU) in Kenya, Statistics South Africa (SSA) and Mauritius' Ministry of Labour.

to 7, where 1 is extremely poor and 7 is excellent.[838] Consequently, the level of private domestic investment (PI) which is amount of private capital that is invested in local production, was proxied by the percentage of domestic investment as a percentage of GDP.[839] Finally, for the fifth hypothesis, economic development was measured using Gross Domestic Product (GDP). The extent of foreign direct investment was also considered as a measure of economic progress, however, it correlated very strongly with the Corruptions Perceptions Index. To operationalize social development, the Human Development Index (HDI) was employed which compounds metrics on life expectancy, education and income capita among other measures to give a holistic picture of development.[840]

b) Company specific variables

A company's affiliation to international sustainability reporting guidelines was proxied by whether a firm has adopted the Global Reporting Initiative's (GRI) sustainability reporting guidelines or not. To gauge this, a score of 1 was assigned if a company's report was listed on GRI's sustainability disclosure database and 0 if it was not.[841] In respect to company size, the log of the total assets (log(ASSETS)) was used as a proxy.[842] Environmental sensitivity (ENV) was a dichotomous variable that was given a value of 1 if the firm's industry was included in the top ten list of most environmentally sensitive industries as categorised by DEEGAN and GORDON (1996).[843] International listing (INTL) was proxied by whether or not a firm was cross-listed on a security exchange outside the country in which it was incorporated. Other measures of internationalization were considered for instance the ratio of foreign assets to foreign sales, however the data required could not be obtained for the full sample of companies.

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838 cf. WEF (2017).

839 The data was retrieved from WORLD BANK, (2018b) and upon request from the Central Bank of Kenya and Statistics South Africa.

840 cf. UNDP (2016).

841 GRI maintains a global database of annual, sustainability corporate governance and integrated reports prepared according to their guidelines on SR.

842 HAHN & KUEHNEN (2013) discuss various proxies used in prior studies to measure company size, leverage and profitability and their potential effect on the extent and incidence of SR.

843 cf. DEEGAN & GORDON (1996), p. 187.

c) Control variables

In addition to the hypothesised independent variables, some control variables were included to avoid biased findings. First, profitability as proxied by a firm's net income (PROF) was used to control for the possibility that more profitable organizations would be able to dedicate more resources towards the issuance of sustainability disclosures. As discussed in Chapter 2.4.3, one of the barriers towards the issuance of sustainability disclosures for Sub-Saharan companies stems from the wider debate and tension between economic success and social and environmental protection.[844] Furthermore, the ratio of current assets to current liabilities (LIQ) was also included to control for the incentives firms with weak liquidity positions would have in disclosing more information.[845] Long-term debt as a percentage of common equity (LEV) was also included to control for the incentives high leveraged firms would have in using corporate sustainability disclosure items as a way of reducing the monitoring costs of stakeholders.[846] A comprehensive summary of the variables under study are shown in Table 23.

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844 cf. NGOSSO (2013), p. 41.

845 cf. BARAKO ET AL. (2006), p. 107.

846 cf. CORMIER & MAGNAN (2003b), p. 43.

Table 23: Description, Operationalization and Sources of Independent Variables

A. Country specific variables			
Hyp.	Description	Measurement	Source
H1a	This variable constitutes the functionality, accountability and transparency of public sector organizations in different countries. The proxy used was a country's Freedom House status (FH).	FH is scaled from 0-100, where 0 is indicative of very poor governance and 100 is the best-case scenario.	FREEDOM HOUSE (2016);
H1b	The degree of investor protection (INR) is calculated by the World Bank and the International Finance Corporation based on a method developed by DJANKOV ET AL. (2008).	INR ranges from 0 to 10, where values approaching 10 are regions with higher levels of investor protection.	WORLD BANK (2016b)
H2a	The nature of the financial system (FS) i.e. whether it is market based or bank based is calculated using the Structure-Activity Index.	A value of 1 indicates that the economy is market based and 0 indicates it is bank-based.	MORADI ET AL. (2016); TGCE (2017)
H2b	National levels of inequality are measured using the Gini Index (GIN) which measures the distribution of wealth of a country's citizens.	GIN ranges from 0 to 1 where a Gini Index of 0 is representative of perfect equality.	KNBS (2013); SSA (2017)WORLD BANK (2016a)
H3a	Corporate involvement in post-secondary education (EEXP) is proxied by the number of firms who explicitly state their contribution to education and/or training initiatives at the tertiary level.	The total number of firms who had explicitly indicated a commitment to tertiary/post-secondary education was tallied.	Annual reports; Sustainability reports; Integrated reports; Company websites
H3b	Trade union density (TUD) represents the number of employed workers who are members of a trade union in a country.	Total number of waged and salaried individuals who are trade union members divided by total number of wage and salaried individuals in a country.	Upon request: Statistics South Africa (SSA); Central Organization of Trade Unions (COTU); Ministry of Labour-Mauritius
H4a	The societal attitudes/perceptions (SP) to corporate responsibility is gauged by how the public rates organizations on their ethics.	The variable ranges from 1 to 7 with 1 indicating the worst score and 7 the best.	WEF (2017)
H4b	The level of private/domestic investment (PRV) as a percentage of GDP is used as a proxy for corporate patriotism.	The variable is expressed as a percentage (0-100).	WORLD BANK, (2018b); Upon request: Central Bank of Kenya; Statistics South Africa
H5a	A country's Gross Domestic Product (GDP) is used as a proxy for economic development.	The log of the GDP was used to lessen skewness and kurtosis.	WORLD BANK (2016c)
H5b	Social development was gauged using the Human Development Index (HDI) which is a multi-dimensional measure that captures core elements of human well-being.	Values range from 0-1 with higher scores indicating high levels of human development.	UNDP (2016)

B. Company specific variables			
H6	Coercive isomorphism is represented by the extent of SR disclosures provided by South African companies and by their BEE scores	SR and BEE scores range from 0-100.	Annual reports; Sustainability reports; Integrated reports; EMPOWERDEX (2015)
H7	Normative isomorphism is represented by whether a firm has adopted (or refers to) international SR guidelines.	Is a dichotomous variable that takes a value of 1 if a firm refers to GRI's guidelines and/or has its report listed in GRI's sustainability disclosure data-base.	Annual reports; Sustainability reports; Integrated reports; GRI DATABASE (2018)
H8a	Company size (SIZE) is used as a proxy for mimetic pressures; larger firms are expected to have higher levels of observed SR.	The log of total assets at the end of each financial year.	Annual reports; Upon request from SEM, JSE and NSE
H8b	Environmental sensitivity (ENV) of industries is based on DEEGAN & GORDON (1996)'s categorization of industries.	Is a dichotomous variable that takes a value of 1, if a firm's industry was categorised as environmentally sensitive.	DEEGAN & GORDON (1996)
H8c	International listing (INTL) status represents the potential effect cross-listing has on SR disclosures.	Is a dichotomous variable that takes the value of 1 if a firm is listed on more than one security exchange and/or if a firm is listed on a security exchange outside its home country.	Annual reports; Sustainability reports; Integrated reports; Company websites

C. Control variables			
	Net income (PROF)	Is the standardized value of net income (profit after tax) earned at the end of each financial year.	Upon request from SEM, JSE and NSE; Thomson Reuters Database
	Liquidity (LIQ)	Is the ratio of the current assets by current liabilities at the end of each financial year standardized by sector.	Annual reports; Upon request from SEM, JSE and NSE: Thomson Reuters Database
	Leverage (LEV)	Is the long-term debt as a percentage of common equity at the end of each financial standardized by sector.	Annual reports; Upon request from SEM, JSE and NSE: Thomson Reuters Database

The capitalized words in brackets represent the names of the variables used in the multiple regression models.
Source: Own illustration.

5.5.2 Modelling

After operationalizing both independent and dependent variables, various model specifications were used to analyse the determinants of SR in South Africa, Kenya and Mauritius. In an initial step, investigating the institutional determinants on the level of SR was approached from two core perspectives: the historically grown institutional framework and the organizational context as discussed in Chapter 4. Additionally, an Africapitalism model was also presented as a subset of the historically grown institutional framework to provide a related albeit unique approach to investigating context specific determinants of SR in the three regions.

The first model is primarily based on the theorised institutional and national determinants of sustainability reporting with controls for firm size and industry affiliation. Fixed effects for firm years control for the unobserved year effects and aid in minimizing heteroskedastic or autocorrelation errors.[847] The general equation for a fixed effect model is specified as:

$$Y_{it} = \beta_1 X_{it} + \alpha_i + u_{it}$$

Where, Y_{it} is the dependent variable, i represents each entity and t denotes time. X_{it} is the independent variable and β_1 is the independent variable's coefficient, α_i is the unknown intercept for each entity and u_{it} represents the error term.

The first equation explores the influence of the following independent variables, namely: the level of governance (FH), investor protection (INPR), financial system (FS), contributions to post-secondary education (EEXP), trade union density (TUD) and economic development (GDP) on the level of sustainability reporting (SR) observed collectively across the 3 countries. Company size (log(ASSETS)), industry (IND) are used as control variables yield the following equation:

$$(1) \quad SR_{it} = \alpha + FH_{it} + INPR_{it} + FS_{it} + EEXP_{it} + TUD_{it} + \log(GDP)_{it} + \log(ASSETS)_{it} + IND_i + fixed\ year\ effects + fixed\ country\ effects + u_{it}$$

[847] cf. Kolk & Perego (2010), p. 187.

Next, another model specification was made to proxy the level of sustainability reporting with a company's adoption of international sustainability reporting guidelines to gauge the influence of the predictor variables on the likelihood that corporations would adopt international SR guidelines. Similar adaptations have been used in prior studies on the determinants of SR for example DE KLERK and DE VILLIERS (2012) used both the extent of SR and corporate adoption of GRI guidelines as proxies for the prevalence of SR in South Africa.[848] Since a corporation's adoption of GRI guidelines is a dichotomous variable that takes a value of 1 if the entity refers to the use of GRI and 0 if not, a logistic regression model was specified as follows:

$$(2) \quad GRI_{it} = \alpha + FH_{it} + INPR_{it} + FS_{it} + EEXP_{it} + TUD_{it} + \log(GDP)_{it} + \log(ASSETS)_{it} + IND_i + fixed\ year\ effects + fixed\ country\ effects + u_{it}$$

The next model specifications are based on what I loosely term as an *Africapitalism* and *Ubuntuism* model. While all the hypothesised determinants are based on MATTEN and MOON (2008)'s institutional framework for SR, precepts drawn primarily from both *Africapitalism* and *Ubuntuism* have been used to explore their effect on the level of SR in South Africa, Mauritius and Kenya. Therefore, national levels of inequality (GIN), societal perceptions (SP) on the role of corporations in social and environmental well-being, the extent of private domestic investment (PRV) and holistic development (HD) are used as independent variables to explore the level of SR in the following fixed effects and logistic regression models respectively:

$$(3) \quad SR_{it} = \alpha + GIN_{it} + SP_{it} + PRV_{it} + HD_{it} + \log(ASSETS)_{it} + IND_i + fixed\ year\ effects + fixed\ country\ effects + u_{it}$$

$$(4) \quad GRI_{it} = \alpha + GIN_{it} + SP_{it} + PRV_{it} + HD_{it} + \log(ASSETS)_{it} + IND_i + fixed\ year\ effects + fixed\ country\ effects + u_{it}$$

The next model specifications were based on the organizational context a firm operated in, specifically, the influence of coercive, normative and mimetic processes on SR. Firm specific variables such as size (SIZE), environmental sensitivity of industries (ENV),

[848] cf. DE KLERK & DE VILLIERS (2012). Other studies that have also used the GRI or company affiliation to international sustainability reporting guidelines to investigate the determinants of SR are HAHN & LÜLFS (2013) and KUEHN ET AL. (2018).

the adoption of international guidelines of SR (GRI) and international listing status (INTL) were placed as independent variables to explore their effect on the level of SR across the three countries and per country.

$$(5) \quad SR_{it} = \alpha + \log(ASSETS)_{it} + ENV_t + GRI_{it} + INTL_{it} + LIQ_{it} + LEV_{it} + PROF_{it} + fixed\ year\ effects + fixed\ country\ effects + u_{it}$$

The next three equations apply the same model but are context specific to each of the three countries. Country prefixes SA, MA and KE are used to denote South Africa, Mauritius and Kenya respectively.

$$(6) \quad SRSA_{it} = \alpha + \log(ASSETS)_{it} + ENV_{it} + GRI_{it} + INTL_{it} + LIQ_{it} + LEV_{it} + PROF_{it} + fixed\ year\ effects + u_{it}$$

$$(7) \quad SRMA_{it} = \alpha + \log(ASSETS)_{it} + ENV_t + GRI_{it} + INTL_{it} + LIQ_{it} + LEV_{it} + PROF_{it} + fixed\ year\ effects + u_{it}$$

$$(8) \quad SRKE_{it} = \alpha + \log(ASSETS)_{it} + ENV_t + GRI_{it} + INTL_{it} + LIQ_{it} + LEV_{it} + PROF_{it} + fixed\ year\ effects + u_{it}$$

The final equation explores another unique aspect of the South African setting by including Broad-Based Black Economic Empowerment (B-BBEE) scores (see Chapter 3.2.1.2) as an independent variable that could potentially explain the level of SR among South African corporations. The equation is estimated as follows:

$$(9) \quad SRSA_{it} = \alpha + \log(ASSETS)_{it} + ENV_{it} + GRI_{it} + INTL_{it} + BEE_{it} + LIQ_{it} + LEV_{it} + PROF_{it} + fixed\ year\ effects + u_{it}$$

5.6 Description of Sample

The sample for the study was derived from a population of listed companies on the Johannesburg Securities Exchange (351), the Securities Exchange of Mauritius (47) and the Nairobi Securities Exchange (62) observed over a period of 3 years (2013-2015). The reason for choosing listed entities was because several prior studies have provided convincing evidence that listing on security exchanges has a positive effect on the degree of SR among such companies in both developed and developing contexts.[849] Notably, the compilation of the final sample was based on the availability of data from annual reports, sustainability reports, integrated reports (among other forms of corporate communication), Thomson Reuters Datastream, upon request from the JSE, SEM, NSE and individual companies.[850] The list of companies analysed is shown in Appendix E.

Table 24: Sample of companies by industry

Industry composition	South Africa	Mauritius	Kenya
Telecommunications	6	-	1
Technology	8	-	-
Consumer Goods	16	5	12
Consumer Services	32	7	8
Financials	9	8	18
Basic Materials	39	2	1
Health Care	5	-	-
Industrials	59	2	5
Utilities	-	-	3
Oil & Gas	-	1	2
Total no. of firms	174	25	50
Total no. of firm year observations	522	75	150

Firm year observations were calculated by the total number of firm observations multiplied by 3 represented the financial years 2013-2015. Companies that were suspended during this period were excluded for analysis.

849 cf. KUEHN ET AL. (2018); RAHAMAN (2000); STANNY & ELY (2008).

850 A major challenge of analysing data from African corporations is that there is no comprehensive database of information readily available. Researchers are often obliged to collect information manually (as was primarily the case in this dissertation) and to request necessary information from security exchanges and/or other national statistical bodies which is often an arduous and expensive task.

Chapter summary

In this chapter the chosen research methodology applied in this dissertation is presented. At the onset, the paradigmatic rationale of the chosen methods and analysis for the study are discussed. The ontological and epistemological assumptions made by the research provided a foundational basis for the choice of content analysis and regression models applied to answer the first and second research questions respectively. The choice and appropriateness of a descripto-explanatory research design is described, closely followed by a detailed account of the two sequential phases of data collection and analysis. A descripto-explanatory research design is applied when descriptive findings are used as precursors to examine or predict the nature of relationships between variables. Consequently, the steps taken to answer the first research question which entailed choosing a framework for SR, identifying forms of corporate communication to serve as units for analysis and addressing reliability concerns due to the subjective nature of content analysis are described. The next section of the chapter goes on to describe the mode of analysis for the second research question which entailed the application of various multiple regression models. The operationalization of the institutional determinants and data sources are described in depth. The last part of the chapter provides an overview of the final research sample used in the study.

Chapter 6

Presentation of Findings

6.1 Overview of Research Findings

This chapter is divided into two main parts, that is, Chapter 6.2 and 6.3 based on the two overarching research questions posed by this dissertation: (1) What is the level of SR among publicly listed companies in South Africa, Mauritius and Kenya? (2) What are the factors that influence the level of SR among publicly listed companies in South Africa, Mauritius and Kenya? Chapter 6.2 discusses the results obtained for the first research question, regarding the level of SR observed among South African, Mauritian and Kenyan corporations. The extent of sustainability reporting observed and the focus of SR disclosures in the three countries between 2013 to 2015, is extensively discussed from section 6.2.1 to 6.2.5 to illustrate common and divergent patterns of SR disclosure across industries and countries. First, a general overview of the total SR scores observed within the sample is provided and elaborated on in section 6.2.1. Next, section 6.2.2 expounds on the results based on industry categorization to illustrate and compare which industries displayed high and/or low aggregate SR scores across the three countries. The most prominent forms of SR disclosures observed are also discussed and compared in tandem with findings from prior studies in section 6.2.3.

Chapter 6.3 presents the findings pertaining to the second research question posed by this thesis regarding the determinants of SR. The results are obtained from testing the hypotheses developed in Chapter 4.5 using a combination of ordinary least squares, weighted least squares, fixed effects and logit models to thoroughly explore if there is

sufficient support for proposed hypotheses. Chapters 6.3.1, 6.3.2 and 6.3.3 provide results pertaining to (1) country specific determinants of SR based on institutional theory, (2) country specific determinants of SR based on precepts of *Africapitalism* and *Ubuntuism* and (3) company specific determinants of SR respectively. Finally, Chapter 6.4 offers a comprehensive discussion of the empirical analysis based on both research questions respectively.

6.2 Descriptive Statistics: Research Question 1

6.2.1 Aggregated SR Scores

The first research question addressed by this dissertation was to establish the level or degree of sustainability reporting observed by listed corporations in South Africa, Kenya and Mauritius. This section begins by providing an overall analysis of the aggregated SR scores observed among the sample followed by an industry to industry comparison of the scores. Next, the most prominent individual SR items are disclosed and compared across the three countries. First, sustainability disclosures were grouped and categorised using the EPRF framework for SR developed by YONGVANICH and GUTHRIE (2006).[851] Table 25 provides the descriptive statistics of the total SR scores between 2013 and 2015 for each of the three countries. The full collection of calculated SR scores is provided in Appendix F.

Table 25: SR Scores between 2013 and 2015

Country	Year	Mean (%)	Median (%)	Std. Dev (%)	Min (%)	Max (%)
South Africa	2013	0.4765	0.4448	0.1480	0.1552	0.7586
	2014	0.5529	0.5138	0.1625	0.1552	0.8276
	2015	0.5208	0.4966	0.1811	0.1724	0.9310
Mauritius	2013	0.4152	0.3621	0.3041	0.0690	0.8966
	2014	0.4086	0.3838	0.2997	0.0690	0.9138
	2015	0.3634	0.3917	0.3011	0.0517	0.8966
Kenya	2013	0.2610	0.2552	0.0726	0.0517	0.6539
	2014	0.2384	0.2125	0.0679	0.0517	0.3269
	2015	0.2462	0.2293	0.0702	0.0517	0.5351

The figures provided here pertain to the total aggregated sustainability reporting disclosure scores derived from the EPRF.

851 cf. YONGVANICH & GUTHRIE (2006), p. 315.

The highest aggregated SR score of 93.1% observed is from South Africa in 2015. Interestingly, comparably high scores were also observed in Mauritius between 2013 and 2015. However, Mauritius' minimum scores were considerably lower than South Africa's, ranging from 5.17%-6.9% which also explains the relatively high standard deviation observed in the period of analysis. The SR scores from Kenyan companies are the lowest on average ranging between 23%-26% approximately. Furthermore, the highest aggregate score(s) observed from Kenyan firms was 65.39%, in comparison to the highest scores of 93.1% and 89.7% garnered by South African and Mauritian firms respectively.

6.2.2 Industry-to-Industry Comparison of SR Scores

A further breakdown of the results is provided based on the industrial sector corporations are based in. The findings are presented in Table 26 below.

Table 26: Industry Specific SR Scores between 2013 and 2015

Industry	**2013**			**2014**			**2015**		
	SA	**MA**	**KE**	**SA**	**MA**	**KE**	**SA**	**MA**	**KE**
Telecomm.	54.48%	-	37.93%	52.53%	-	28.97%	39.94%	-	31.04%
Technology	38.66%	-	-	35.56%	-	-	30.39%	-	-
Consumer Gds.	50.3%	47.47%	27.39%	51.94%	39.67%	22.07%	50.65%	45.52%	22.22%
Consumer Serv.	44.86%	56.9%	21.85%	42.46%	48.97%	20.84%	37.5%	52.83%	21.11%
Financials	25.29%	17.98%	16.38%	29.01%	13.45%	25.11%	25.56%	24.14%	25.82%
Basic Materials	53.3%	42.24%	28.97%	52.79%	44.83%	18.62%	51.77%	39.74%	27.62%
Health Care	45.17%	-	-	46.22%	-	-	43.79%	-	-
Industrials	57.8%	40.52%	23.84%	41.94%	31.03%	25.86%	39.42%	49.14%	24.66%
Utilities	-	-	27.82%	-	-	20.35%	-	-	18.62%
Oil & Gas	-	82.76%	20.56%	-	74.14	22.42%	-	72.41%	24.32%

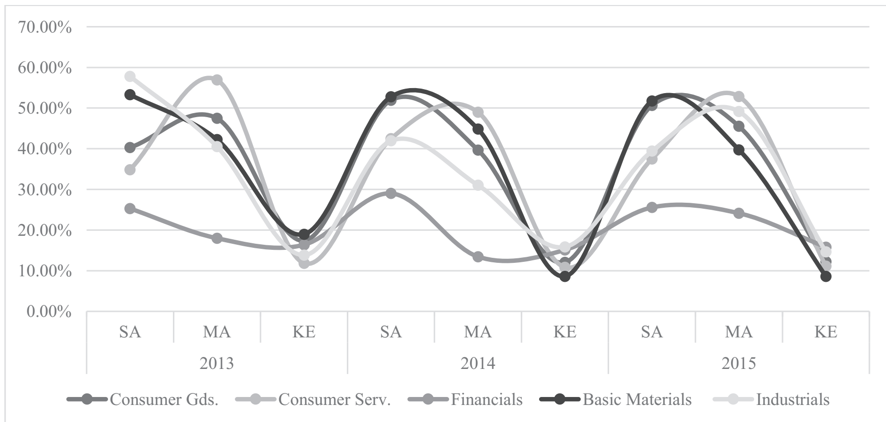
The abbreviations SA, MA and KE refer to South Africa, Mauritius and Kenya respectively. The percentages are based on the average scores per industry

The results per industry categorization provide a further illustration of the schism between the significantly lower SR scores garnered by Kenyan firms in relation to the higher SR scores of Mauritian and South African entities. This result further affirms why a dominant portion of SR research in Africa has been focused in South Africa.[852] In 2013 however, Kenya's telecommunications industry yielded a higher average SR score of 65.93% in comparison to South Africa's aggregate score of 44.48% in the same year. Another unique observation is the high SR score for Mauritius' oil and gas sector

[852] cf. ATKINS & MAROUN (2014); DAWKINS & NGUNJIRI (2008b); MANGENA & CHAMISA (2008); DE VILLIERS & BARNARD (2000).

which was at its highest point in 2013 averaging at 82.76%. While it is expected that corporations that operate in environmentally sensitive industries such as oil and gas will display high SR scores, the Mauritian sample had only one representative firm from this sector. Across the three countries, the financial services sector displayed comparatively low SR scores, for example in the case of South African corporations ranging from 25.29% in 2013 to 25.56% in 2015, or among Kenyan firms ranging from 16%-25% approximately. Prior research has also yielded similar results regarding low levels of environmental and social disclosures generally observed within the financial sector across various contexts.[853] The results are also presented diagrammatically in Figure 14. Notably, the graph only compares common industries represented in the research sample, namely: consumer goods, consumer services, financials, basic materials and industrials.

Figure 14: Industry Specific SR scores between 2013 and 2015 (select industries)



Source: Own illustration.

Across the three years, South African companies tend to have higher SR scores with some noteworthy exceptions. For example, in 2013, Mauritian entities based in consumer goods and consumer services had SR scores of 47.47% and 56.9% in comparison to the scores of South African companies of 40.30% and 34.86% respectively. Additionally, extant literature presumes environmentally sensitive sectors such as industrials and basic materials would be more likely to display higher SR

853 cf. KOLK (2003), p. 281.

disclosures due to the nature of their businesses.[854] Yet in 2014, SR scores from South African corporations classified as industrials scored an average of 41.94% in comparison to higher scores of 51.94% observed from firms categorised as consumer goods. Another unique observation is the sharp decline of SR scores of South African corporations in the industrials sector by more than 15 percentage points between 2013 and 2015.

6.2.3 Focus of SR disclosures

6.2.3.1 Prominently featured SR disclosures

A more detailed analysis of sustainability disclosures based on the categories and sub-categories of EPRF is provided in Table 27 and consequently discussed. Following CHAPPLE and MOON (2005), the most prominently presented SR disclosure items are illustrated in tandem with the frequency of firms that disclosed such items.[855] Notably prominent disclosure was present when 40% or more corporations had provided the specific disclosure item(s).

Table 27: SR Categories and sub-Categories

Country	**Category**	**Sub-category**	**(% of firms)**		
			2013	2014	2015
South Africa	External capital	Customer satisfaction	72 (41.4%)	-	-
		Brand	173 (99.4%)	174 (100%)	174 (100%)
		Pursuit of new market opportunities	101 (58.1%)	125 (71.8%)	111 (63.8%)
		Distribution channel	76 (43.7%)	-	72 (41.4%)
		Good customer relationships	98 (56.3%)	80 (45.9%)	87 (50%)
		Non-discrimination	129 (74.1%)	135 (77.6%)	111 (63.8%)
		Suppliers	-	-	73 (41.9%)
		Emissions, effluents and waste	-	-	72 (41.4%)
		Community	173 (99.4%)	172 (98.9%)	173 (99.4%)
	Internal structure	Efficiency, Safety and Health	-	-	70 (40.2%)
		Risk assessment	165 (94.8%)	160 (91.9%)	163 (93.7%)
		Research and development	-	-	81 (46.6%)
		Board responsibility	174 (100%)	173 (99.4%)	172 (98.9%)
		Board independence	172 (98.9%)	172 (98.9%)	171 (98.3%)
		Board compensation	160 (91.9%)	165 (94.8%)	163 (93.7%)

854 cf. SHABANA ET AL. (2017), p. 1112.

855 cf. CHAPPLE and MOON (2005), p. 431.

Country	Category	Sub-category	(% of firms)		
		Commitment to high standards of corporate governance	171 (98.3%)	169 (97.1%)	172 (98.9%)
	Human capital	Employee productivity	-	71 (40.8%)	75 (43.1%)
		Training and education	70 (40.2%)	78 (44.8%)	84 (48.3%)
		Diversity and opportunity	91 (52.3%)	94 (54.0%)	101 (58.1%)
		Rewards, performance measurement	70 (40.2%)	-	-
		Labour/management relations	81 (46.6%)	85 (48.9%)	86 (49.4%)
Mauritius	External capital	Customer satisfaction	11 (44%)	-	10 (40%)
		Brand	25 (100%)	24 (96%)	25 (100%)
		Pursuit of new market opportunities	19 (76%)	16 (64%)	18 (72%)
		Joint ventures and alliances	12 (48%)	-	-
		Community	24 (96%)	23 (92%)	22 (88%)
	Internal structure	Efficiency, Safety and Health	-	10 (40%)	11 (44%)
		Research and development	13 (52%)	15 (60%)	-
		Board responsibility	25 (100%)	24 (96%)	23 (92%)
		Independence of the board	-	21 (82%)	20 (80%)
		Performance based executive compensation	18 (72%)	15 (60%)	19 (76%)
	Human capital	Training and education	15 (60%)	16 (64%)	-
		Health and safety	14 (56%)	17 (68%)	-
		Labour relations	-	10 (40%)	-
Kenya	External capital	Brand	49 (98%)	45 (90%)	46 (92%)
		Pursuit of new market opportunities	21 (42%)	-	-
		Joint ventures and alliances	20 (40%)	-	21 (42%)
		Bribery avoidance	20 (40%)	-	-
		Community	40 (80%)	41 (82%)	36 (72%)
		Environment	31 (62%)	25 (50%)	-
	Internal structure	Database of information	23 (46%)	-	20 (40%)
		Risk assessment	48 (96%)	49 (98%)	44 (88%)
		Board responsibility	48 (96%)	44 (88%)	45 (90%)
		Board independence	-	21 (42%)	22 (44%)

Country	Category	Sub-category	(% of firms)		
		Board compensation	47 (94%)	44 (88%)	45 (90%)
	Human capital	Employee training	25 (50%)	-	22 (44%)
		Employee rewards	21 (42%)	-	-

Some of the sections of the table are blank to indicate that in some years, certain SR disclosures fell below the threshold of 40%, and were therefore excluded.

A common observation across the three countries is that sub-categories of external capital, specifically disclosures relating to corporate branding and communication on potential opportunities for expansion or partnerships were generally disclosed by more than 90% of all firms in the research sample. Another shared observation pertained to disclosures regarding societal impacts, specifically, disclosures on community engagement which were also prominently disclosed. While a significant portion of the corporations used philanthropic means e.g. donations to engage with local communities, the issues addressed and the ways in which they were dealt with was found to differ across the three countries.

Mauritian corporations tended to engage with the society by focusing on health and safety, supporting community initiatives (e.g. through sports), and educational sponsorship on an ad-hoc basis. Similarly, Kenyan corporations were also inclined to focus on health and safety and education initiatives in addition to environmental preservation. The results are consistent with MUTHURI and GILBERT (2011)'s analysis of the SR disclosures made by firms in Kenya, particularly the emphasis laid on community well-being.[856] Though the authors argued that the nature of sustainability disclosures was of an altruistic nature, they also noted a slight shift towards a more concerted and planned form of philanthropy which is also evident in the findings in this dissertation.

While Kenyan companies had the lowest overall SR scores owing primarily to little or no disclosure on several sub-components of external, internal and human capital, in many cases community involvement was comprehensively discussed and linked to overall corporate strategy unlike Mauritian companies.[857] Kenyan firms also tended to describe social engagement as a central component of the country's social and economic

[856] cf. MUTHURI & GILBERT (2011), p. 476.
[857] Similar findings have been discussed in MUTHURI & GILBERT (2011) and also in VISSER & TOLHURST (2010).

development which provides evidence for the arguments raised in Chapter 2.6.3, on how businesses in Africa can act as agents of development in the regions they operate in.[858] Another observation was disclosures related to bribery avoidance made by 40% of Kenyan firms in 2013. Though there is local legislation in place outlawing corrupt business practices, bribery, asset misappropriation and mismanagement of funds are commonplace in Kenya's business environment.[859] Notably, this form of disclosure on irresponsible corporate actions did not feature prominently in 2014 and 2015.

South African companies prioritized matters of health, particularly HIV/AIDS prevention and mitigation in tandem with educational initiatives aimed at developing skills and creating jobs in local communities. This focus on health initiatives is a direct outcome of a policy made by the JSE that requires corporations to engage in HIV/AIDS mitigation and prevention as a pre-requisite to listing on the exchange.[860] Most importantly, community engagement was often termed as a corporate social investment (CSI) which as quoted in FIG (2005) refers to "outward looking projects undertaken for the purpose of uplifting communities in general and those which have a strong developmental approach," and which also connote some degree of strategic planning.[861]

6.2.3.2 Extracts from corporate reports on community engagement

In this section, extracts from corporate reports are given to illustrate the statements used by companies in South Africa, Mauritius and Kenya to express their commitment to social responsibility primarily through community engagement initiatives. Table 28 illustrates the main areas of focus on community development with extracts drawn from annual, sustainability and/or integrated reports in the research sample. The table also elaborates on the channels employed by firms to engage with communities e.g. in the form of donations, volunteering, etc. It is apparent that across the three countries, companies are cognizant that societal responsibility and engagement with local communities is a pre-requisite to securing their right to operate. The common patterns

[858] cf. IDEMUDIA (2014), p. 424.
[859] cf. NYAMORI, ABDUL-RAHAMAN, & SAMKIN (2017), p. 1211.
[860] cf. DAWKINS & NGUNJIRI (2008), p. 299.
[861] cf. FIG (2005), p. 601.

of disclosure in this aspect of SR also reflects "the strong community mentality and the *ubuntu* philosophy instilled in African societies."[862]

Table 28: Issues, Channels and Examples of Community Engagement Activities/Initiatives

Country	Issues	Channels	Extracts
South Africa	Healthcare, Education, Skills, Energy, Infrastructure	Donations, foundations, partnerships, investments, community	"The socio-economic challenges faced by communities in which we operate typically include issues such as unemployment, low economic growth, inadequate infrastructure and lack of access to services including education and healthcare"-*Anglo Gold Ashanti, 2015* "The Group continues to play an active role in supporting the communities in which it operates through various philanthropic activities […] total investment in our communities: R118,456,338."-*Shoprite Holdings, 2014* "Our corporate social investment initiatives are managed through the Spur Foundation […] which plans to provide financial assistance for educational bursaries and general community upliftment."-*Spur Corporation, 2013*
Mauritius	Education, Healthcare, Training	Donations, foundations, employee volunteering, partnerships	"Through the Amedee Maingard Foundation, Air Mauritius supports high potential Mauritian students […] offers discounted airfares for citizens travelling overseas for medical assistance"-*Air Mauritius, 2015* "As part of its responsibilities to the community and its social implications in the activities of the country, the company makes donations"-*Gamma Civic, 2014* "The sectors we have prioritized include health for the needy, the alleviation of poverty, the re-establishment of human dignity and the importance of education and training at different levels"- *Lux Resorts, 2013*
Kenya	Healthcare, Education, Training, Environment, Development initiatives	Donations, foundations, partnerships, employee volunteering	"Centum has engaged with the community in various ventures to build capacity, enhance knowledge and learning, and invest in our society through the Greenhorn Mentorship programme and Kianda Endowment Fund."-*Centum, 2013* "Our two foundations […] are aligned with Kenya's vision 2030 and the UN Millennium Development Goals."-*Safaricom, 2014* "Equity Group Foundation serves as the non-profit, social impact arm of Equity Group established to

862 cf. LUTZ (2009), p. 313.

Country	Issues	Channels	Extracts
			champion the social and economic transformation of the people of Africa. The foundation delivers high impact social development programmes across […] education financial inclusion and literacy, […] health and environment."-*Equity Bank, 2015*

Source: Own illustration.

Other prominently disclosed SR sub-categories observed across the 3 regions hinged on corporate governance, specifically disclosures on board responsibility and compensation. Unsurprisingly, over 90% of South African companies addressed various components of corporate governance as espoused by the EPRF framework, including disclosures pertaining to board independence and commitments to high standards of corporate governance among other disclosures falling under this category. Additionally, a significant portion of South African firms displayed disclosures pertaining to diversity, non-discrimination and supplier engagement (as shown in Table 27) at an increasing rate between 2013 and 2015, which is arguably a direct outcome of B-BBEE legislation as discussed in Chapter 3.2.1.2. Issues pertaining to diversity were generally split based on gender and racial categorization.

Prior content analysis studies based in African regions have also discussed gender and racial diversity in corporate leadership positions, particularly board directorships.[863] However, South Africa's case was slightly different as 28.74% of (50) companies went further to describe the racial and gender dispersion of employees at all levels of the organization in 2015.[864] Arguably, the propensity for South African companies to focus their reporting on diversity and inclusion in the work place, in addition to other prominent disclosure items such as affirmative action, health and safety and the environment, is a direct outcome of mandatory regulation which can be traced from the onset of Reconstruction and Development Programme (RDP) to the King Reports on Corporate Governance and B-BBEE as elaborated on in Chapter 3.2.2 and 3.2.3 respectively. While South African companies attached considerable importance to addressing equitable representation in the workplace which is largely a result of the country's history, Mauritius and Kenya did not exhibit a similar pattern.

863 cf. BARAKO, HANCOCK, & IZAN (2006); MAHADEO & SOOBAROYEN (2016); NTIM ET AL. (2012).

864 In 2013, 23.56% (41) of South African firms provided metrics pertaining to the racial and gender dispersion of all employees and in 2014 22.41% (39) firms provided this information.

This is an interesting finding for two reasons: (1) in the case of Mauritius, the private sector does not reflect the racial diversity of the country, particularly within corporate leadership positions;[865] (2) Kenya is ethnically diverse which presents a managerial challenge in addressing different stakeholder interests indubitably linked to diverse ethno-cultural groups.[866] Ethnic and racial tensions and inequalities are present and pressing issues in both Kenya and Mauritius,[867] yet this is not prominently featured within corporate communication. Additionally, SR disclosures pertaining to human rights e.g. issues on child labour or forced labour were poorly addressed by companies in all three countries, which is also a similar observation made by a prior study on the focus of corporate responsibility among South African companies.[868]

6.2.4 Correlations between SR Categories

Correlations between the scores on each separate category of sustainability reporting e.g. aggregate corporate governance scores or customer relations scores, were also conducted to observe if providing information on one dimension was highly and significantly correlated to all the other dimensions. As indicated in Table 29, significant correlations ($p<0.01$) are present between each of the SR dimensions with some exceptions. For instance, sustainability disclosures related to community relations are not significantly correlated with disclosures related to the environment, or information technology. Additionally, the community relations scores, social indicators and corporate governance scores are strongly correlated to the overall SR scores. This finding illustrates that disclosures pertaining to how organizations interact with the society are the central focus of SR in South Africa, Mauritius and Kenya. Notably, aggregate SR scores were also not significantly correlated to environmental indicators and other sub-disclosure items related to information technology (IT) and internal processes. This observation is reflective of the socially oriented focus of sustainability reporting in Africa.[869]

865 cf. LAVILLE (2000), p. 279.
866 cf. GRAY, SHRESTHA, & NKANSAH (2008), p. 52.
867 cf. ENGLAND (2015); NGARE (2006).
868 cf. DAWKINS & NGUNJIRI (2008).
869 cf. VISSER (2008), p. 479.

Table 29: Correlation matrix of SR categories

Categories	**SR scores**	**CR**	**ENV**	**SI**	**COM**	**IT**	**IP**	**CG**	**CAP**	**QW**
SR scores (aggregate)	1.000									
Customer relations	0.457	1.000								
Env. Indicators	0.440	0.578	1.000							
Social indicators	0.806*	0.648*	0.383*	1.000						
Community relations	0.883*	0.582	0.259	0.536*	1.000					
Information Tech.	0.415	0.489	0.596*	0.578	0.478	1.000				
Internal processes	0.404	0.597*	0.683*	0.460	0.590*	0.494*	1.000			
Corporate governance	0.658*	0.699*	0.382*	0.348*	0.480*	0.691*	0.597*	1.000		
Capacity	0.515*	0.391*	0.570*	0.544*	0.557*	0.577*	0.683*	0.487*	1.000	
Quality of workplace	0.439*	0.498*	0.573*	0.434*	0.781*	0.585*	0.695*	0.598*	0.588*	1.000

The abbreviations in the first row connote the following dimensions of SR: CR=Customer relations, EPI=Environmental performance indicators, SPI=Social performance indicators, COM=Community relations, IT=Information Technology, IWP=Internal work processes, CG=Corporate Governance, CAP=Capacity and willingness to act and QWP=Quality of workplace; * shows significance at the 0.01 level.

A Kruskall-Wallis test was subsequently carried out to further examine if differences in the total level of SR scores (and SR scores per dimension) were statistically different based on country of origin, i.e. South Africa, Kenya and Mauritius. The Kruskal Wallis test is a non-parametric test that is used to compare two or more independent samples based on some pre-established criterion.[870] In this case, a comparison was made between the SR scores of South African, Kenyan and Mauritian corporations to establish if South Africa's SR scores were significantly higher than both Kenya and Mauritius' scores. The results of the statistical analyses pertaining to the differences in the mean ranks of the total SR scores based on the country group was significant: $X^2(2, N=747) = 96.144$, asymptotic significance <0.001. The findings per category of SR disclosure are presented in Table 30.

Table 30: Results of Kruskal-Wallis Rank Test

	CR	EPI	SPI	COM	IT	IWP	CG	CAP	QWP
X^2	93.65	93.31	78.57	96.21	72.83	81.25	93.6	90.27	86.48
Significance	0.06*	0.005***	0.1072	0.272	0.015**	0.1001	0.001***	0.074*	0.081*

The abbreviations in the first row connote the following dimensions of SR: CR=Customer relations, EPI=Environmental performance indicators, SPI=Social performance indicators, COM=Community relations, IT=Information Technology, IWP=Internal work processes, CG=Corporate Governance, CAP=Capacity and willingness to act and QWP=Quality of workplace; Asymptotic significance (X^2) ***p<0.01, **p<0.05, *p<0.1.

The mean differences in the ranks of the main SR categories of customer relations, environmental indicators, information technology, corporate governance, capacity and willingness to act and quality of workplace were significantly different. The findings illustrate that for other non-significant forms of disclosure, namely community relations and social indicators, the level of disclosure observed across the three countries does not differ significantly. It is also interesting to observe that while all three countries have locally developed codes of corporate governance, there is still a significant difference observed in the level of SR observed for this specific dimension of disclosure which is an indicator of differences in South Africa's legislation on corporate governance. Therefore, there is support for hypothesis 6 which stated that South African companies are more likely to display higher levels of SR than Mauritian and Kenyan firms.

[870] cf. KRUSKAL & WALLIS (1952), p. 583.

6.2.5 Aggregated SR Scores for Matched Sub-Sample of Companies

To explore further differences in the level of SR observed between the three countries a matched sub-sample of corporations (10 companies per country) was created based on their membership in sustainable stock indices, their overall SR scores[871] and corporations that have received awards based on the quality of their sustainability reporting. Both South Africa and Mauritius have instituted sustainability indices (i.e. the JSE-SRI and SEMSI respectively) which are comprised of public corporations that exhibit strong sustainability reporting practices.[872] As Kenya does not yet have a sustainability index, corporations that had won the local East African FiRe award between 2013 and 2015 were considered comparable.[873] The final sample of 30 firms consisted of firms from these groups that had the highest relative SR scores in each country group. The sample is illustrated in Table 31 below.

Table 31: Matched Sample of Companies

Industry composition	South Africa	Mauritius	Kenya
Telecommunications	-	-	1
Technology	1	-	-
Consumer Goods	-	3	3
Consumer Services	1	3	-
Financials	2	2	3
Basic Materials	2	-	-
Health Care	-	-	-
Industrials	4	1	1
Utilities	-	-	2
Oil & Gas	-	1	-
Total no. of firms	10	10	10
Total no. of firm year observations	30	30	30

Firm year observations were calculated by the total number of firm observations multiplied by 3 represented the financial years 2013-2015.

A summary of the descriptive statistics of the matched sample are provided in Table 32 followed by a second Kruskall Wallis test to explore if significant differences are still observed between the SR scores of companies based on country of origin.

871 The overall SR scores refers to companies that were attributed high SR scores based on content analysis procedures described in Chapter 5.4.4.

872 See Chapters 3.2.4 and 3.3.3 for a description of the JSE-SRI and SEMSI respectively.

873 The Financial Reporting (FiRe) award is a prestigious award aimed at encouraging the accountability, transparency and quality of financial reporting in East Africa.

Table 32: SR Scores between 2013 and 2015 (matched sample)

Country	Year	Mean	Median	Std. Dev	Min	Max
		(%)	(%)	(%)	(%)	(%)
South Africa	2013	0.4328	0.4483	0.1530	0.2069	0.6552
	2014	0.5372	0.5259	0.1679	0.2586	0.8966
	2015	0.5121	0.4828	0.2022	0.2586	0.8621
Mauritius	2013	0.4931	0.6069	0.2855	0.0862	0.8966
	2014	0.5035	0.5810	0.2793	0.0689	0.9138
	2015	0.5259	0.5069	0.2632	0.1207	0.8966
Kenya	2013	0.3954	0.4013	0.1539	0.1486	0.6539
	2014	0.1992	0.1486	0.0787	0.1189	0.3269
	2015	0.2202	0.1632	0.1240	0.1189	0.5351

The figures provided here pertain to the total aggregated sustainability reporting disclosure scores derived from the EPRF.

As shown in Table 32, both South Africa and Mauritius have comparably high scores as illustrated by the maximum SR scores in the sub-sample; South Africa's highest score was 89.66% while Mauritius' highest score of 91.38% was garnered in 2014. Interestingly, SR scores of Kenyan companies were markedly higher in 2013 with a mean of 39.54% and a maximum SR score of 65.39% in the same year. Additionally, Kenya's minimum SR scores in 2013 and 2014 (14.86% and 11.89% respectively) are higher than Mauritius' minimum scores in the same period of 8.62% and 6.89% respectively.

Next, a second -Wallis test was carried out to explore if significant differences could still be observed in the SR scores between companies from the three countries. The results of the statistical analyses pertaining to the differences in the mean ranks of the total SR scores based on the country group was significant: $X^2(2, N=90) = 26.342$, asymptotic significance <0.001. This result indicates that even though the group of selected companies in the sub-sample have similar characteristics, i.e. listed on sustainability stock indices and have exhibited exceptional reporting practices (which are all indicative of a relatively higher proclivity to SR), groups remain statistically different from each other. Interestingly, in terms of size as measured by log of total assets, the test indicated that there were no significant differences in the level of SR: $X^2(87, N=90) = 88.812$, asymptotic significance $p>0.1$. This result suggests that company size for the matched sample, may not be significant in predicting corporate levels of sustainability reporting.

6.3 Empirical Findings on the Determinants of SR

6.3.1 Descriptive Statistics: Research Question 2

In this section of the dissertation, the results obtained from testing the hypotheses proposed in Chapter 4.5 are presented. First, the descriptive statistics for the dependent and independent variables are provided in Table 33. As the method used to analyse the hypotheses is regression analyses, a correlation matrix is also provided in the table. Next the testing of the stated hypotheses begins with exploring the effect country-specific drivers have on SR based on institutional theory, followed by the determinants drawn from *Africapitalism* and *Ubuntuism*. Next, hypotheses on the company specific determinants of SR are tested with the chapter culminating in a summary of the results obtained from testing the hypotheses.

Summary statistics of the independent and control variables considered for the analysis are provided in Table 33. The table is split into 3 panels. Panel A connotes the country specific independent variables based on institutional theory as discussed in Chapter 4.2. Panel B and C represent the independent variables drawn from *Africapitalism* and *Ubuntuism* and company specific characteristics respectively drawn from chapter 4.3 and 4.5 respectively. The control variables are also provided in the table. The descriptive findings provide some insightful observations. For example, the BEE scores for the sub-set of South African firms appears higher on average than the SR scores illustrated in Section 6.2.1. Values range from a maximum of 98.39% to 58.11% which is a slight indicator of the importance attached by companies to achieving good BEE ratings.

Table 33: Descriptive Statistics for Independent and Control Variables

Variable	Obs.	Mean	Std.Dev.	Min	Max
Panel A: Country specific independent variables (drawn from institutional theory)					
FH	747	80.462	9.799	51	90
INPR	747	7.021	1.199	4.6	8
FS	747	0.910	0.301	0	1
EEXP	747	0.489	0.502	0	1
TUD	747	0.245	0.076	0.081	0.290
Log(GDP)	747	11.238	0.491	10.067	11.564
Panel B: Country specific independent variables (drawn from Africapitalism and Ubuntuism)					
GIN	747	0.546	0.168	0.197	0.680
SP	747	4.429	0.341	3.700	4.700
PRV	747	0.171	0.015	0.126	0.211
HDI	747	0.652	0.061	0.546	0.781
Panel C: Company specific independent variables					
Log(ASSETS)	747	6.635	0.924	4.434	9.082
ENV	747	0.510	0.500	0	1
GRI	748	0.317	0.466	0	1
INTL	747	0.474	0.499	0	1
BEE (%)	98	79.120	8.786	58.114	98.309
Control variables					
LIQ	747	2.408	8.465	0.051	147.143
LEV	747	37.175	88.944	-708.920	1040.342
PROF	747	0	1	-5.238	16.757

Variables are defined as follows: FH=Freedom House score, INPR=Investor protection, FS=Financial system categorization, EEXP=Educational expenditure, TUD=Trade union density, log(GDP)=Log of Gross Domestic Product, GIN=Inequality level, SP=Societal perception, PRV=Private investment, log(ASSETS)=Log of Total Assets, ENV=Environmental sensitivity, GRI=International SR guidelines, INTL=International listing, BEE=Black Economic Empowerment score (note this score applies only to a sub-sample of South African companies in the study), LIQ=Liquidity, LEV=Leverage and PROF=Profitability

As hypotheses are tested using regression analyses, multicollinearity of the independent variables could pose a problem. Generally, if correlations exceed the value of 0.7 multicollinearity is considered harmful.[874] Table 34 provides a summary of pairwise correlations to establish whether multicollinearity is problematic for the specified regression models. The correlation matrix illustrates highly significant relationships between country level variables for example between GDP and the Gini index of 0.877 and between societal perceptions and investor protection of 0.793. However, since these variables are used in different model specifications, multicollinearity does not pose major risk. Since the panel is unbalanced and has a small number of yearly observations relative to firm observations serial correlation was anticipated. To correct for this, clustered standard errors were incorporated into the regression models.[875]

874 cf. TABACHNICK & FIDELL (2007), p. 90.
875 cf. CAMERON & MILLER (2015), pp. 5-6.

Table 34: Pairwise Correlations

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
(1) SR	1.000																	
(2) FH	0.137*	1.000																
(3) INPR	0.210*	-0.353*	1.000															
(4) FS	0.116*	0.415*	0.629*	1.000														
(5) EEXP	-0.039	0.162*	-0.222*	-0.110*	1.000													
(6) TUD	0.229*	-0.460*	0.620*	0.605*	-0.248*	1.000												
(7) log (GDP)	0.085	0.537*	0.504*	0.685*	-0.078	0.497*	1.000											
(8) GIN	0.115*	0.404*	0.549*	0.982*	-0.110*	0.594*	0.877*	1.000										
(9) SP	0.214*	-0.360*	0.793*	0.647*	-0.228*	0.743*	0.525*	0.578*	1.000									
(10) PRV	-0.114*	0.724*	-0.185*	0.302*	0.120*	-0.357*	0.366*	0.268*	-0.182*	1.000								
(11) HDI	0.207*	-0.686*	0.699*	0.046	-0.235*	0.516*	-0.089	0.052	0.516*	-0.650*	1.000							
(12) log (A)	0.225*	0.140*	-0.325*	-0.230*	0.020	-0.346*	-0.191*	-0.225*	-0.332*	0.106*	-0.272*	1.000						
(13) ENV	0.134*	0.081	0.092	0.169*	-0.073	0.094	0.169*	0.169*	0.096*	0.053	-0.003	-0.048	1.000					
(14) GRI	0.284*	0.121*	0.231*	0.354*	-0.110*	0.240*	0.349*	0.354*	0.240*	0.076	0.048	0.258*	0.133*	1.000				
(15) INTL	0.241*	0.145*	0.253*	0.398*	-0.045	0.262*	0.394*	0.398*	0.263*	0.093	0.043	0.284*	0.126*	0.476*	1.000			
(16) LIQ	-0.029	-0.001	0.027	0.035	0.059	0.034	0.033	0.037	0.030	-0.009	0.018	-0.140*	0.052	-0.053	0.038	1.000		
(17) LEV	0.032	-0.064	0.188*	0.149*	-0.119*	0.207*	0.132*	0.147*	0.194*	-0.058	0.152*	-0.010	0.056	0.021	0.083	-0.047	1.000	
(18) PROF	0.060	0.111*	-0.121*	-0.049	0.072	-0.145*	-0.030	-0.053	-0.126*	0.090	-0.151*	0.367*	-0.036	0.170*	0.093	-0.031	-0.035	1.000

* Denotes correlations are significant at the 1% level. Variables are defined as follows: FH=Freedom House score, INPR=Investor protection, FS=Financial system categorization, EEXP=Educational expenditure, TUD=Trade union density, log(GDP)=Log of Gross Domestic Product, GIN=Inequality level, SP=Societal perception, PRV=Private investment, log(A)=Log of Total Assets, ENV=Environmental sensitivity, GRI=International SR guidelines, INTL=International listing, LIQ=Liquidity, LEV=Leverage and PROF=Profitability

6.3.2 Country Specific Determinants of SR

6.3.2.1 Country Specific Determinants of SR Drawn from Institutional Theory

Tables 35 and 36 present the results of multiple regression analyses on the country level determinants of sustainability reporting drawn from institutional theory, *Africapitalism* and *Ubuntuism* respectively. Given the panel nature of the data, country fixed effects models were specified to control for potential unobserved country-specific heterogeneity. The models also controlled for unobserved yearly effects to help reduce heteroscedasticity and autocorrelation.[876] The second and third columns present pooled ordinary least squares (OLS) and weighted ordinary least squares (WLS) regression models respectively. Given that the number of observations made varied across the three countries resulting in an unbalanced panel, WLS models were used to weight countries equally.[877] Table 37 presents the matched sample of companies which have exhibited a comparable level of SR based on their reporting practices and/or their listing status on sustainability indices as a further step to confirm the results obtained from the initial analysis on the determinants of SR.

Hypothesis 1a proposed that companies based in countries with a high level of governance are more likely to provide a high degree of SR disclosures. Based on the findings from Table 34, governance is positively and significantly related to the level of SR observed ($p<0.01$). As both Mauritius and South Africa have comparably similar freedom house scores and relatively higher SR scores in comparison to Kenya, this result was expected. Similarly, a country's political system also proxied by the strength of its investor protection laws (H1b), was found to be positively and weakly significant in predicting the level of SR observed ($p<0.1$). This finding suggests that corporations in countries with stronger investor protection laws tend to be characterised by higher standards of SR which is contrary to what was expected. The prior proposition was that companies that operated in countries with weaker investor protection laws, in this case Kenyan entities, would compensate by issuing more sustainability disclosures in a bid to encourage investment. Comparable findings on the influence of a country's political system on the extent of sustainability reporting have been reported in previous studies

[876] cf. KOLK & PEREGO (2010), p. 189.
[877] cf. COHEN ET AL. (2003), p. 328.

exploring the determinants of SR.[878] Specifically, the strength of a country's investor protection laws and governance level have been cited as having a positive effect on the level of sustainability reporting.[879] Empirical support for hypothesis 2a was also garnered ($p<0.05$) which suggests that firms operating in market-based economies are more likely to be characterised by higher levels of SR.

Hypotheses pertaining to educational expenditure (H3a) and trade union density (H3b) were insignificant in predicting the level of SR. A potential reason for this result is that commitment to educational initiatives (as shown in Table 28) is a prominent disclosure item observed across the three countries regardless of the extent of SR observed. In regard to trade union density, this observation is contrary to the results obtained from a prior study which found that trade union density was a significant factor in explaining the extent of both integrated and sustainability reporting observed by corporations.[880] Notably, their conclusions were based on firms located in predominantly European settings though they included companies based in Asia and Latin America.[881] With respect to hypotheses 5a, a country's measure of economic wealth positively and significantly affects the extent of SR among corporations ($p<0.1$). Since South Africa's GDP is much higher than Kenya's and Mauritius' combined values, this result suggests that higher degrees of wealth (as proxied by GDP) enable corporations to direct resources towards sustainability reporting.[882]

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878 cf. HAHN & KÜHNEN (2013); KUEHN ET AL. (2018).

879 cf. JENSEN & BERG (2012), p. 309; KUEHN ET AL. (2018), p. 464.

880 cf. JENSEN & BERG (2012), p. 307.

881 The only African country represented in their multi-country analysis was South Africa and the variable representing trade union density was excluded from their analysis.

882 cf. KUEHN ET AL. (2018), p. 465.

Table 35: Country Specific Determinants of SR Based on Institutional Theorys

Variables	Predicted outcome	(1) Fixed effects model		(2) OLS model		(3) W. OLS model	
Independent variables		Coef.	p values	Coef.	p values	Coef.	p values
H1a Governance (FH)	+	2.213 (0.741)	0.003***	2.345 (0.539)	0.000***	0.631 (0.075)	0.000***
H1b Inv. Protection (INPR)	-	3.330 (0.523)	0.073*	3.539 (0.421)	0.097*	1.298 (0.767)	0.057*
H2a Financial System (FS)	+	(omitted)	-	11.013 (16.432)	0.001***	15.897 (6.331)	0.012**
H3a Educ. Exp. (EEXP)	+	0.279 (0.651)	0.669	0.276 (0.650)	0.672	0.599 (0.636)	0.347
H3b Trade Union (TUD)	+	-11.254 (8.524)	0.256	20.231 (18.213)	0.468	15.432 (9.343)	0.125
H5a GDP (log(GDP))	+	16.075 (0.043)	0.062*	12.543 (0.042)	0.054*	10.641 (0.012)	0.093*
Control variables							
Industry (IND)		(omitted)	-	2.067 (0.632)	0.001***	3.338 (0.724)	0.000***
Size (log(ASSETS))		6.484 (0.346)	0.000***	6.262 (0.365)	0.000***	6.427 (0.355)	0.000***
Constant		25.334 (3.540)	0.006**	11.335 (9.881)	0.040*	17.201 (2.808)	0.019**
Observations		747		747		747	
R-squared		0.309		0.391		0.409	
Year dummies		Yes		Yes		Yes	
Country dummies		Yes		Yes		Yes	

The standard errors are in parentheses. ***, **, and * denote levels of significance at 1, 5, and 10% respectively

A second iteration was conducted to observe the effect of country-specific determinants on the application of GRI guidelines among firms from the three countries. The adoption of international SR guidelines has been used in prior studies as a proxy for the extent to which companies engage in SR.[883] As a firm's adoption of GRI is a dichotomous variable, hypotheses were evaluated using multiple logistic regressions. The weighted logit models demonstrate that governance, investor protection (α=0.086) and economic development as proxied by GDP (α=0.041) yielded significant results. Additionally, the strength of investor protection laws was significantly and positively associated with a company's adoption of GRI. Markedly, the country's financial system was not significant in predicting the adoption of GRI.

[883] cf. HAHN & LUELFS (2014); LESZCZYNSKA (2012); O'DWYER & OWEN (2005).

This result suggests that adoption of international SR guidelines is not driven by a wide selection of market participants or stakeholders, as is characteristic of market-based economies.

Table 36: Country Specific Determinants of GRI adoption Based on Institutional Theory

Variables	Predicted outcome	(1) Fixed effects model		(2) Logit model		(3) W. Logit model	
Independent variables		Coef.	p values	Coef.	p values		p values
H1a Governance (FH)	+	0.049	0.062*	0.068	0.056*	0.005	0.063*
		(0.101)		(0.152)		(0.014)	
H1b Inv. Protection (INPR)	-	0.543	0.092*	0.021	0.065*	0.004	0.086*
		(2.25)		(1.703)		(0.097)	
H2a Financial System (FS)	+	(omitted)	-	0.255	0.214	0.176	0.298
		(2.370)		(8.288)		(0.386)	
H3a Educ. Exp. (EEXP)	+	-0.151	0.652	-0.152	0.432	-0.019	0.487
		(0.193)		(0.193)		(0.028)	
H3b Trade Union (TUD)	+	0.567	0.965	1.234	0.854	0.306	0.828
		(2.761)		(6.788)		(1.407)	
H5a GDP (log GDP)	+	1.100	0.073*	-1.350	0.041**	0.205	0.069*
		(1.070)		(0.994)		(0.720)	
Control variables							
Industry (IND)		(omitted)	-	0.439	0.022**	0.088	0.000***
				(0.192)		(0.025)	
Size (log(ASSETS))		1.238***	0.000***	1.234	0.000***	0.141	0.000***
		(0.129)		(0.129)		(0.015)	
Constant		12.37	0.007**	13.859	0.002**	2.613	0.056**
		(9.045)		(5.597)		(6.237)	
Observations		747		747		747	
Pseudo R Squared		0.189		0.2178		0.2065	
Year dummies		Yes		Yes		Yes	
Country dummies		Yes		Yes		Yes	

The standard errors are in parentheses. ***, **, and * denote levels of significance at 1, 5, and 10% respectively

Next, the matched sample (see Table 31) was also analysed to observe whether the regression analyses would yield similar results.[884] The observations illustrate that trade union density and corporate commitments to tertiary/post-secondary education both remain insignificant (p>0.1) as shown by the results in Table 37. Markedly, the control variables pertaining to the size and the industry categorization of firms in the sub-sample were also insignificant. This finding suggests that corporations that are listed in sustainability indices (as is the case for South Africa and Mauritius), and those that have

[884] Notably, the findings did not incorporate a weighted least squares model since the panel is equally balanced i.e. 10 observations per country spread over 3 years.

displayed exceptional sustainability reporting practices (as represented by Kenyan corporations) are comparative in terms of size and industry and that both these factors do not weigh in on the level of SR observed.

Table 37: Country Specific Determinants of SR Based on Institutional Theory (Matched Sample)

Variables	Predicted outcome	(1) Fixed effects model		(2) OLS Model	
Independent variables		Coef.	p values	Coef.	p values
H1a Governance (FH)	+	8.845	0.000***	-1.932	0.001***
		(1.674)		(0.714)	
H1b Inv. Protection (INPR)	-	8.833	0.009***	2.548	0.013**
		(0.632)		(0.894)	
H2a Financial System (FS)	+	(omitted)		12.164	0.015**
		-		(10.052)	
H3a Educ. Exp. (EEXP)	+	-2.177	0.829	-4.652	0.247
		(5.046)		(2.452)	
H3b Trade Union (TUD)	+	3.511	0.937	6.871	0.637
		(3.755)		(5.431)	
H5a (log(GDP))	+	-16.725	0.000***	-14.321	0.029**
		(15.342)		(25.856)	
Control variables					
Industry (IND)		(omitted)		7.982	0.109
		-		(2.414)	
Size (log(ASSETS))		6.336	0.113	7.099	0.763
		(7.560)		(3.339)	
Constant		6.379	0.000***	7.114	0.002***
		(0.121)		(0.096)	
Observations		90		90	
R-squared		0.472		0.598	
Year dummies		Yes		Yes	
Country dummies		Yes		Yes	

The standard errors are in parentheses. ***, **, and * denote levels of significance at 1, 5, and 10% respectively

6.3.2.2 Country specific determinants of SR based on Africapitalism

The determinants derived from precepts of *Ubuntuism* and *Africapitalism* were also tested against the level of SR. First, the level of inequality was found to be positively significant in explaining the level of SR observed ($p<0.1$). This finding was unexpected as the initial hypothesis proposed a negative relationship, that is, contexts characterised by high levels of inequality would not foster a culture of high level SR. Societal perceptions of corporate responsibility which represented *Africapitalism's* notion of peace and harmony was weakly and positively significant across the three models ($p<0.1$). Holistic development as a proxy for a sense of prosperity, was also positively

significant which was also expected ($p<0.05$). The degree of domestic investment as a percentage of GDP was not positively related to the extent of SR observed in the sample. This finding suggests that local investors do not rely excessively on sustainability disclosures for capital investment decisions. This result is also unexpected given the strides taken by the JSE and SEM, to encourage sustainability considerations in investment decisions through the introduction of sustainability indices.

Table 38: Country Specific Determinants of SR based on Africapitalism and Ubuntuism

Variables	Predicted outcome	(1) Fixed effects model		(2) OLS model		(3) W. OLS model	
Independent variables		Coef.	p values	Coef.	p values	Coef.	p values
H2b Inequality (GIN)	-	5.171 (0.162)	0.090*	7.117 (0.092)	0.018**	9.472 (0.073)	0.041**
H4a Social perc. (SP)	+	10.252 (7.293)	0.055*	13.351 (6.694)	0.092*	19.982 (6.002)	0.097*
H4b Local inv. (PRV)	+	-2.924 (0.541)	0.819	-5.322 (0.356)	0.614	-5.771 (0.360)	0.673
H5b Holistic dev. (HDI)	+	1.186 (0.481)	0.049**	2.513 (0.087)	0.006***	2.154 (0.042)	0.036**
Control variables							
Industry (IND)		(omitted)	-	2.178 (0.125)	0.000***	3.393 (0.611)	0.000***
Size (log(ASSETS))		6.458 (0.346)	0.000***	6.413 (0.334)	0.000***	6.457 (0.341)	0.000***
Constant		17.225 (13.542)	0.017**	11.284 (14.721)	0.001**	16.744 (11.220)	0.000***
Observations		747		747		747	
R Squared		0.395		0.453		0.403	
Year dummies		Yes		Yes		Yes	
Country dummies		Yes		Yes		Yes	

The standard errors are in parentheses. ***, **, and * denote levels of significance at 1, 5, and 10% respectively

Next, regarding a company's affiliation to international SR guidelines (as represented by GRI adoption), the findings depicted support for hypothesis H2b and H5b. H2b tested whether inequality (as measured by the Gini coefficient) affected the level of SR observed. From the logit models, it becomes evident that the likelihood that corporations will adopt GRI increases with a country's level of inequality ($p< 0.01$). This finding is possibly because South Africa's Gini index is the highest of the three countries and has relatively more firms that have subscribed to the GRI.[885] Notably, in

[885] Based on the World Bank's last recorded estimate of income inequality for South Africa in 2014, South Africa is ranked as the most unequal country in the world. See WORLD BANK (2016b).

respect to H4a, it appears that societal perception on corporate responsibility has an insignificant bearing on the likelihood that a company will adopt GRI. This result also suggests that adoption of international SR guidelines does not lend credibility at a local stakeholder level. H4b which represents domestic investment do not appear to have a significant association with a company's affiliation to GRI, therefore, this hypothesis cannot be confirmed.

Table 39: Country Specific Determinants of GRI Adoption Based on Africapitalism and Ubuntuism

Variables	Predicted outcome	(1) Fixed effects Model		(2) Logit model		(3) W. Logit model	
Independent variables		Coef.	p values	Coef.	p values	Coef.	p values
H2b Inequality (GIN)	-	10.694	0.002***	11.171	0.000***	0.751	0.000***
		(3.792)		(3.342)		(0.282)	
H4a Societal perc. (SP)	+	2.007	0.193	1.234	0.265*	0.311	0.183
		(0.778)		(0.871)		(0.233)	
H4b Local inv. (PRV)	+	-2.827	0.953	-3.582	0.815	-0.103	0.932
		(15.232)		(15.339)		(1.215)	
H5b Holistic dev. (HDI)	+	15.051	0.081*	10.924	0.061*	0.426	0.077*
		(13.37)		(11.961)		(0.960)	
Control variables							
Industry (IND)		(omitted)	-	0.457	0.017**	0.0887	0.001**
				(0.191)		(0.026)	
Size (log(ASSETS))		1.246	0.000***	1.244	0.000***	0.142	0.000***
		(0.129)		(0.129)		(0.016)	
Constant		14.314**	0.01**	13.863	0.013**	2.123	0.000***
		(6.110)		(5.596)		(0.434)	
Pseudo R Squared		0.267		0.312		0.308	
Observations		747		747		747	
Year dummies		Yes		Yes		Yes	
Country dummies		Yes		Yes		Yes	

The standard errors are in parentheses. ***, **, and * denote levels of significance at 1, 5, and 10% respectively

Finally, the matched sample of companies was also used to test the hypotheses espoused by *Africapitalism* and *Ubuntuism* on the level of SR. The results provide further evidence for H2b, H4a and H5b. Regardless of comparable levels of SR across the three countries, there is still some evidence that illustrates the influence of inequality levels, societal perceptions and holistic development on the levels of SR observed between countries. An interesting observation observed across all three iterations on the regression models based on *Ubuntuism* and *Africapitalism* is the insignificance of local investments on the extent of SR.

Table 40: Country Specific Determinants of SR based on Africapitalism and Ubuntuism (Matched Sample)

Variables	Predicted outcome	(1) Fixed effects model		(2) OLS Model	
Independent variables		Coef.	p values	Coef.	p values
H2b Inequality (GIN)	-	2.566	0.025**	0.790	0.002***
		(1.109)		(0.345)	
H4a Social perc. (SP)	+	1.448	0.053**	1.049	0.017**
		(1.197)		(0.524)	
H4b Local inv. (PRV)	+	-0.671	0.232	-0.291	0.137
		(0.216)		(0.156)	
H5b Holistic dev. (HDI)	+	6.331	0.099*	1.678	0.086*
		(0.150)		(0.544)	
Control variables					
Industry (IND)		(omitted)	-	0.422	0.986
				(0.173)	
Size (log(ASSETS))		0.252	0.403	0.473	0.624
		(0.299)		(0.149)	
Constant		-2.635	0.024**	-3.301	0.005***
		(2.139)		(1.130)	
Observations		90		90	
R-squared		0.471		0.455	
Year dummies		Yes		Yes	
Country dummies		Yes		Yes	

The standard errors are in parentheses. ***, **, and * denote levels of significance at 1, 5, and 10% respectively

6.3.3. Company Specific Determinants of SR

In this chapter, the organizational field of the company (see Chapter 4.5.2, Figure 7) is examined regarding its influence on sustainability reporting across the three countries. Institutional isomorphisms represented by coercive, normative and mimetic pressures were tested to establish their effect on the level of SR in the sample. The analysis was carried out in four iterations; First, company specific determinants were tested against the level of SR (see Table 41); next GRI affiliation as a proxy for SR was tested against organizational level hypotheses (see Table 42); and finally, the last two iterations analysed company specific determinants by country and against the matched sample (see Table 43 and 44 respectively).

As shown by Table 41, company size, environmental sensitivity and international affiliation, that is, H8a, H8b and H8c, have a positive effect on the level of SR observed across the three countries ($p<0.1$). Expectedly, there is evidence in support of the influence of mimetic pressures on SR practices, as the regression models suggest that

larger and more profitable corporations are well placed to direct resources towards advanced forms of SR.[886] A company's interaction with the environment as proxied by environmental sensitivity also has a positive and significant bearing on the extent of SR observed. Markedly, cross-listing or international listing is not significant in explaining the level of SR which is contrary to evidence provided by prior studies ($p>0.1$).[887] Normative pressures as presented by a company's affiliation to GRI also indicate a significantly positive relationship with SR ($p<0.1$).

Table 41: Company Specific Determinants of SR

Variables	Predicted Outcome	(1) Fixed effects model		(2) OLS model		(3) W. OLS Model	
Independent variables		Coef.	p values	Coef.	p values	Coef.	p values
H7 International SR (GRI)	+	5.540	0.092*	3.656	0.051**	4.776	0.078*
		(0.862)		(0.805)		(0.754)	
H8a Size (log(ASSETS))	+	3.630	0.000***	5.484	0.000***	4.394	0.000***
		(0.404)		(0.424)		(0.402)	
H8b Env. Sensitivity (ENV)	+	(omitted)	-	3.119	0.000***	2.661	0.000***
				(0.628)		(0.641)	
H8c Int. listing (INTL)	+	2.302	0.893	0.701	0.087*	2.023	0.913
		(0.837)		(0.781)		(0.751)	
Control variables							
Liquidity (LIQ)		-0.002	0.796	-0.009	0.973	-0.007	0.834
		(0.055)		(0.036)		(0.035)	
Leverage (LEV)		-0.001	0.194	-0.004	0.077*	-0.009	0.087*
		(0.004)		(0.036)		(0.003)	
Profitability (PROF)		2.287	0.067*	1.621	0.011**	1.987	0.009***
		(0.341)		(0.636)		(0.477)	
Constant		4.991	0.025**	16.129	0.001***	11.375	0.000***
		(2.463)		(2.732)		(2.559)	
Observations		747		747		747	
R-squared		0.273		0.321		0.342	
Year dummies		Yes		Yes		Yes	
Country dummies		Yes		Yes		Yes	

The standard errors are in parentheses. ***, **, and * denote levels of significance at 1, 5, and 10% respectively

Next, the hypotheses were evaluated against GRI adoption. While support remained for hypotheses 8a and 8b, hypothesis 8c pertaining to international listing became significant ($p<0.01$). This finding suggests that international listing status has a significant effect on the probability of a company adopting GRI guidelines. Once again,

886 cf. DE VILLIERS & ALEXANDER (2014), p. 202.

887 cf. LOURENÇO & CASTELO (2013), p. 139; NTIM ET AL. (2012), p. 138.

these findings suggest differences between factors that influence the extent of SR and the adoption of international SR guidelines. Additionally, the control variables pertaining to leverage and profitability, are positively and more strongly associated to GRI adoption than the extent of SR observed ($p<0.05$ and $p<0.01$ respectively). Additionally, the negative association between a high degree of indebtedness as (represented by leverage) and a firm's affiliation to the GRI, implies that highly leveraged companies are less likely to bear the costs of issuing sustainability reports or measuring sustainability disclosures and as a result would be less likely to be affiliated to the GRI or to display a high level of SR.[888] This finding is contrary to other studies that have shown that suggest highly geared firms would use sustainability reporting as a way of securing legitimacy and lowering monitoring costs of stakeholders.[889]

Table 42: Company Specific Determinants of GRI Adoption

Variables	Predicted outcome	(1) Fixed effects model		(2) Logit model		(3) W. OLS model	
Independent variables		Coef.	p values	Coef.	p values	Coef.	p values
H8a Size (log(ASSETS))	+	0.908 (0.144)	0.000***	0.421 (0.116)	0.000***	0.025 (0.017)	0.000***
H8b Env. sensitivity (ENV)	+	(omitted)	-	0.501 (0.185)	0.007**	0.098 (0.028)	0.001***
H8c Int. listing (INTL)	+	1.271 (0.229)	0.000***	2.164 (0.204)	0.000***	0.411 (0.029)	0.000***
Control variables							
Liquidity (LIQ)		-0.025 (0.029)	0.400	-0.022 (0.020)	0.283	-0.003 (0.001)	0.103
Leverage (LEV)		-0.003 (0.001)	0.029**	-0.009 (0.001)	0.012**	-0.004 (0.001)	0.003***
Profitability (PROF)		0.350 (0.122)	0.004**	0.035 (0.085)	0.023*	0.0254 (0.011)	0.003**
Constant		0.740 (0.784)	0.000***	0.503 (0.807)	0.000***	0.134 (0.115)	0.000***
Observations		747		747		747	
Pseud R-squared		0.433		0.521		0.492	
Year dummies		Yes		Yes		Yes	
Country dummies		Yes		Yes		Yes	

The standard errors are in parentheses. ***, **, and * denote levels of significance at 1, 5, and 10% respectively

888 cf. CORMIER & MAGNAN (2003), p. 49.

889 cf. HAHN & KUEHNEN (2013), p. 10; STANNY & ELY (2008), p. 338.

In an additional step, the discrete changes in coefficients, were also computed to provide further interpretation of the results provided in Table 42. The findings are presented in Table 43 which demonstrates that if all independent variables are centred at their means, a firm's international listing status increases the probability of its affiliation to the GRI by 0.497 which provides further evidence of the significant role international listing plays in affiliation to international SR guidelines.

Table 43: Discrete Change in Coefficients

	Size (log(ASSETS))	Env. Sensitivity (ENV)	Int. listing (INTL)	Liquidity (LIQ)	Leverage (LEV)	Profitability (PROF)
Change	0.063	0.116	0.497	0.004	0.013	0.065
p-value	0.015**	0.008***	0.000***	0.258	0.018**	0.019**

Standard errors in parentheses*** p<0.01, ** p<0.05, * p<0.1

Consequently, a cross country comparison was conducted to compare whether institutional isomorphisms differed substantially in explaining the observed levels of sustainability reporting between the three countries. The multiple regression models indicate that environmental sensitivity and corporate size were still strong determinants of SR across the three countries and thus provide support for hypotheses H8a and H8b respectively ($p<0.1$), regarding the influence of mimetic pressures. Affiliation to global guidelines for SR, yield mixed findings and only appear to be positively and significantly associated with the level of SR among firms in Mauritius and in South Africa. International listing status is only significant for South African companies ($p<0.05$). Additionally, profitability is positively and significantly associated with the levels of SR observed in Kenya and Mauritius but is insignificant for South African companies. This suggests that the more sophisticated and varied SR disclosures become, the less likely profitability counts as a determining factor.

On the other hand, leverage is very weakly significant for Mauritian companies ($\propto$=0.094) and insignificant for Kenyan firms ($\propto$=0.217) though in both cases the direction of the association is negative. A stronger negative relationship is shown between the degree of leverage and the level of SR observed ($\propto$=0.031) among South African entities. The dichotomization of the three countries gives an indication of how the development of sustainability reporting may vary depending on context. As discussed in Chapter 4.4, sustainability reporting at an organizational level begins with

coercive isomorphism followed by normative and mimetic isomorphism.[890] Alternatively, other scholars have contended that mimetic and coercive isomorphisms present the formative stages of SR and normative isomorphism represents maturity within the field.[891] In Kenya's case, mimetic pressures as proxied by corporate size and environmental sensitivity of industrial affiliation are significant, yet normative pressures as proxied by affiliation to international SR guidelines (GRI) do not explain the level of SR. Mauritius and South Africa which arguably have stronger legislative items on corporate governance and by extension sustainability reporting demonstrate a more mature phase of SR as proxied by the positively significant effect of GRI affiliation in both groups of companies, that is, p=0.088 and p=0.000 for Mauritian and South African companies respectively.

Table 44: Company Specific Determinants of SR (Cross-Country Comparisons)

Variables	Predicted outcome	(1) OLS model (KE)		(2) OLS model (MA)		(3) OLS model (SA)	
Independent variables		Coef.	p values	Coef.	p values	Coef.	p values
H7 Int. standards (GRI)	+	1.773	0.123	2.796	0.088*	4.023	0.000***
		(2.679)		(0.321)		(0.826)	
H8a Size (log(ASSETS))	+	2.017	0.017**	3.002	0.069*	4.973	0.000***
		(0.806)		(0.051)		(0.462)	
H8b Env. sensitivity (ENV)	+	2.282	0.064*	5.424	0.027**	2.174	0.001***
		(1.172)		(3.483)		(0.647)	
H8c Int. listing (INTL)	+	1.477	0.302	2.552	0.345	1.731	0.031**
		(1.328)		(2.658)		(0.838)	
Control variables							
Liquidity (LIQ)		-0.190	0.436	-0.128	0.655	-0.022	0.518
		(0.142)		(0.074)		(0.057)	
Leverage (LEV)		-0.627	0.217	-0.049	0.094*	-0.006	0.030**
		(0.762)		(0.035)		(0.003)	
Profitability (PROF)		0.812	0.015**	0.739	0.047**	0.212	0.531
		(0.390)		(0.236)		(0.422)	
Constant		0.260	0.007***	0.146	0.006***	0.2949	0.000***
		(0.937)		(0.588)		(0.425)	
Observations		150		75		522	
R-squared		0.372		0.505		0.442	
Year dummies		Yes		Yes		Yes	

The standard errors are in parentheses. ***, **, and * denote levels of significance at 1, 5, and 10% respectively

[890] cf. SHABANA et al. (2017), p. 1109.
[891] cf. DE VILLIERS & ALEXANDER (2014b), p. 202.

Next, the hypothesised company specific determinants were also tested against the SR scores obtained by the matched sample of companies. Notably, company size and environmental sensitivity were no longer significant determinants of the level of SR as shown in the prior model specifications. Apart from international listing status ($p<0.05$), it appears normative and to a large extent mimetic pressures were not relevant in explaining the extent of SR for the matched sample. Leverage was significantly and negatively associated with SR in both the fixed effects and OLS models ($p<0.1$) while profitability was insignificant.

Table 45: Company Specific Determinants of SR (Matched Sample)

Variables	Predicted outcome	(1) Fixed effects model		(2) OLS Model	
Independent variables		Coef.	p values	Coef.	p values
H7 Int. guidelines (GRI)	+	(omitted)	-	19.572 (5.325)	0.000***
H8a Size (log(ASSETS))	+	1.785 (1.412)	0.855	0.270 (4.836)	0.956
H8b Env. sensitivity (ENV)	+	(omitted)	-	5.274 (5.911)	0.375
H8c Int. listing (INTL)	+	(omitted)	-	-13.873 (6.953)	0.049**
Control variables					
Liquidity (LIQ)		-4.987 (4.336)	0.155	-3.444 (1.876)	0.070*
Leverage (LEV)		-1.459 (1.805)	0.062*	-7.453 (6.397)	0.024**
Profitability (PROF)		8.707 (4.862)	0.279	7.476 (3.667)	0.145
Constant		0.168 (0.211)	0.019**	0.113 (0.104)	0.022**
Observations		90		90	
R-squared		0.125		0.183	
Year dummies		Yes		Yes	
Country dummies		Yes		Yes	

The standard errors are in parentheses. ***, **, and * denote levels of significance at 1, 5, and 10% respectively

Finally, a subset of South African companies was analysed to establish if BEE scores were associated with the extent of corporate sustainability disclosures observed. Ultimately, analysis could only be carried out on a sample of 49 companies between 2014 and 2015, leading to a total of 98 firm year observations, since corporations are

not yet mandated with disclosing their BEE status.[892] The findings are provided in Table 43. The results show that BEE scores are positively and significantly correlated to the extent of SR. As some of the requirements of B-BBEE legislation intersect with disclosure items on diversity as one of the components of a desirable workplace under the EPRF framework, the results are precedented. Notably, international listing was not significant for the sub-sample of South African entities. This finding can possibly be due to a mismatch between the individual companies comprising the sample and their international listing status.

Table 46: Company Specific Determinants of SR (South African Sub-Sample)

Variables	Predicted outcome	(1) Fixed effects model		(2) OLS model	
Independent variables		Coef.	p values	Coef.	p values
H6 BEE score (BEE)	+	0.493 (0.240)	0.053*	0.903 (0.127)	0.018**
H7 Int. guidelines (GRI)	+	(omitted)	-	1.426 (3.580)	0.691
H8a Size (log(ASSETS))	+	2.943 (0.351)	0.066*	4.273 (2.210)	0.000***
H8b Env. sensitivity (ENV)	+	(omitted)	-	2.477 (2.229)	0.027**
H8c Int. listing (INTL)	+	(omitted)	-	0.441 (2.453)	0.858
Control variables					
Liquidity (LIQ)		-0.490 (4.439)	0.452	-1.096 (2.535)	0.249
Leverage (LEV)		0.0234 (0.029)	0.068*	0.013 (0.028)	0.015**
Profitability (PROF)		0.031 (0.623)	0.099*	0.999 (0.567)	0.082*
Constant		6.252 (5.323)	0.089*	5.42 (6.38)	0.059*
Observations		98		98	
R-squared		0.358		0.450	
Year dummies		Yes		Yes	

The standard errors are in parentheses. ***, **, and * denote levels of significance at 1, 5, and 10% respectively

[892] The BEE scores were retrieved from an organization called Empowerdex that provides consultation on implementation of B-BBEE codes to companies based in South Africa.

A summary of the hypotheses posed, and the results obtained in the chapter are summarised in Table 47, followed by Chapter 6.4 which discusses the empirical findings presented in this chapter.

Table 47: Summary of Findings from Multiple Regressions

Hypotheses	Confirmation	Finding
H1a: The degree of a country's standard of governance is positively associated with the level of corporate sustainability reporting	Yes	Significant and positive relationship
H1b: The strength of a country's investor protection laws has a positive association with the level of corporate sustainability reporting	Yes	Significant and positive relationship
H2a: Corporations operating in a predominantly market-based economy are more likely to display a higher level of sustainability reporting	Partial	Significant and positive relationship for the extent of SR but insignificant when GRI adoption is used as a proxy for SR
H2b: The level of inequality in a country has a positive association with the degree of corporate sustainability reporting	Yes	Significant and positive relationship
H3a: A corporation's commitment to post-secondary/tertiary education is associated with higher levels of corporate sustainability reporting	No	Insignificant and negative relationship
H3b: Trade union density is positively associated with the level of corporate sustainability reporting	No	Insignificant and positive relationship
H4a: The societal perception of corporate responsibility has an influence on the level of corporate sustainability reporting	Partial	Significant and positive relationship for the level of SR but insignificant in predicting GRI adoption
H4b: The level of private investment in a country has a positive association with the level of corporate sustainability reporting	No	Insignificant and negative relationship
H5a: A country's economic development has a positive association with the level of corporate sustainability reporting	Yes	Significant and positive relationship
H5b: A country's social development has a positive association with the level of sustainability reporting.	Yes	Significant and positive relationship
H6: The level of corporate sustainability reporting among South African corporations is higher than in Kenya and Mauritius	Yes	South African corporations consistently displayed higher SR scores
H7: The level of corporate sustainability reporting is influenced by a corporation's affiliation to international guidance on SR.	Partial	Significant and positive relationship observed for the complete sample but not for cross-country comparisons
H8a: The level of sustainability reporting is positively associated with a company's size.	Yes	Significant and positive relationship
H8b: Companies from environmentally sensitive industries are likely to display higher levels of sustainability reporting.	Yes	Significant and positive relationship

Hypotheses	Confirmation	Finding
H8c Companies that are internationally listed are likely to display higher levels of sustainability reporting.	Partial	Insignificant and positive relationship in explaining the level of SR but significantly positive in predicting a firm's adoption of GRI

Source: Own illustration.

6.4 Discussion of Empirical Findings

6.4.1 On the level of SR

The findings on the level of reporting strongly demonstrate that corporations in South Africa, Mauritius and Kenya disclose widely on matters pertaining to local community engagement. More specifically, this means that SR disclosure is related to education and training of such communities, health initiatives, socio-economic development and ultimately the well-being of young and vulnerable groups in society. This finding matches the results of previous studies focusing on disclosure patterns of companies in sub-Saharan Africa and other emerging and developing nations.[893]

While prior studies have illustrated there is a paucity of sustainability disclosures provided by companies operating in the global south, the findings from this study suggest otherwise. Disclosures provided by corporations tend to lean on the social dimensions of sustainability reporting, but the results indicate that a select group of African firms appear to take a more strategic form of philanthropy particularly in form of corporate social investments. Many of these investments are geared at promoting education, health and overall socio-economic development among local communities (See Chapter 6.2.3). Also, contrary to prior studies that have demonstrated that community initiatives (mostly introduced as an aspect of CSR) among African companies tend to be of an ad-hoc nature, the findings from this study strongly suggest that such initiatives are deeply value-driven and confirm what MUTHURI and GILBERT (2011) described as "part of the company's culture or [an] expression of its core values."[894]

[893] cf. DAWKINS & NGUNJIRI (2008); KUEHN AT AL. (2018); SCHMIDHEINY (2006).
[894] cf. MUTHURI & GILBERT (2011), p. 479.

The reason for these findings is that a focus on societal issues is emblematic of the strong community mentality present in several African countries. Companies operating in emerging markets show higher levels of disclosures on community social investments than their counterparts in more developed countries.[895] Arguably, social-economic issues surrounding inadequate healthcare, poor systems of education, unemployment, poverty etc. are more acutely felt by emerging markets in comparison to ecological concerns which tend to appear to be disproportional in significance and urgency.[896] Another line of argumentation that has been presented in research is that community engagement initiated by corporations may not be due to the necessity for public accountability but may stem from managerial discretion.[897] Nevertheless, taking into account the wording extracted from statements from corporate communication as discussed in section 6.2.3, does not speak in favour for managerial discretion. The findings rather suggest that companies are beginning to contend with what kinds of societal responsibility they should assume given the pressing needs for socio-economic development in these settings.[898]

As shown in Chapter 6.2.1 and 6.2.2, in general, South African companies exhibited higher SR scores than firms in Mauritius and Kenya. This disparity can be attributed largely to the mandatory reporting measures put in place in form of the King Reports on Corporate Governance and the B-BEE legislation in the country (See Chapter 3.2.2).[899] Regulatory measures often mirror the expectations societies place on institutions to outline and monitor the legitimacy of corporations.[900] As has been explained in Chapter 2.5, SR can be manifested by mandate, solicitation or on a voluntary basis.[901] In the case of the countries analysed by this thesis, SR is mostly

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895 cf. BASKIN (2006), p. 35. This study also discussed the prevalence of corporate involvement in community projects, particularly healthcare and education. MUTHURI & GILBERT (2011)'s study also found that Kenyan companies tended to engage in CSR on a value-driven basis in contrast to foreign corporations that tended to be performance-driven i.e. a tool to improve a firm's economic performance. For more detailed distinctions between value-driven and performance-driven approaches to corporate social responsibility see MAIGNAN & RALSTON (2002), p. 501.

896 cf. SCHMIDHEINY (2006), p. 21.

897 cf. JAMALI & MIRSHAK (2007), p. 258.

898 See Chapter 2.4.3 for the discussion on the developmental role of corporations in sub-Saharan Africa.

899 This statement is also corroborated by findings from DAWKINS & NGUNJIRI (2008), p. 298 who state South Africa is characterised by a mandatory reporting environment.

900 cf. WOODWARD, EDWARDS, & BIRKIN (1996), p. 30.

901 cf. VAN DER LAAN (2009), p. 25.

manifested by mandate and on a voluntary basis. SR in South Africa is primarily driven by mandate whereas Kenya and Mauritius take on a hybrid form of SR which is implicitly driven by mandate but operates largely on a voluntary basis (see Chapter 3.3.2 and Chapter 3.4.3).

Indeed, all three countries have some form of regulation that both explicitly and implicitly encourage the issuance of sustainability disclosures (see Chapter 3.2). South Africa, however, stands out as unique in its application of mandatory reporting from the onset.[902] It is clear that regulation of SR in South Africa is a state responsibility with the aim of protecting the public and ensuring corporate accountability.[903] There has thus been some critique on the viability of mandatory requirements of SR in emerging and developing nations as such measures are occasionally perceived as a form of 'window dressing'.[904] The weaknesses of the socio-political frameworks that characterise several emerging nations e.g. low product quality, irresponsible business practices and weak implementation of legislation among other factors, lend credence to the 'window dressing' argument. However, the evidence presented in this thesis illustrates that mandatory requirements do not only foster SR within emerging markets, but they also aid in bridging the gap between wider socio-economic development goals and corporate actions. Researchers studying China have also argued that mandatory SR regulation decreases information asymmetry and allows for the development of a more comprehensive form of SR.[905]

Although mandatory regulation has led to high levels of SR in South Africa, the development of SR in Kenya has taken a different path from business best practices to implicit legislative action. Kenya has a code of corporate governance which is applicable for all listed entities. SR is nevertheless only implicitly encouraged which makes the issuance of sustainability disclosures a largely voluntary activity (See Chapter 3.4.2). This study confirms previous research in demonstrating that most Kenyan corporations focused on community engagement primarily through philanthropy.[906] A select number of businesses also discussed how community

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[902] Legislation mandating sustainability disclosures can be traced back from 1994 to present day. See Chapter 3 for further elaboration.

[903] cf. DOANE (2002), pp. 3-6.

[904] cf. LIN (2010), p. 65. The term "window dressing" assumes that the information provided in such settings lacks credibility and relevance.

[905] cf. HUNG, SHI, & WANG (2015); LIN (2010).

[906] cf. MUTHURI & GILBERT (2011), p. 479.

development was linked to wider national and global ideals of socio-economic transformation and sustainable development respectively (see Table 28, Chapter 6.2.3.1).

Mauritius also displayed relatively high SR scores which in some instances were at par with the scores garnered by South African companies (see Chapter 6.2.2). Possibly the reason for this observation is that, first, because Mauritius' code of corporate governance is closely modelled on South Africa's King II and III.[907] Second, Mauritius (like South Africa) has a sustainability index comprised of companies that continuously exhibit high degrees of SR (see Chapter 3.3.3). These findings tie in with a similar study conducted by the ACCA that demonstrated how security exchanges and their listing requirements in sub-Saharan Africa can influence, improve and standardize SR practice.[908]

With regard to corporate governance disclosure, all three countries provided on average a high level of related disclosures which was an expected outcome due to their extant codes South Africa's corporate governance disclosure items were the most comprehensive (See Table 27, Chapter 6.2.3). Specifically, sub-component disclosure items of corporate governance on gender, ethnic and racial diversity were far less prominently disclosed by Mauritian and Kenyan companies. While South African companies attached significantly more attention to describing gender and racial dispersion of employees and board directors, Mauritian and Kenyan entities did not exhibit a similar pattern. According to VISSER (2005) the Reconstruction and Development Plan (RDP) introduced in 1994 by the African National Congress, laid the foundation for affirmative action policies legislated by B-BBEE, which explains the high level of disclosures on diversity policies and programs in South Africa.[909] Additionally, since South Africa's business environment is characterised by structural and racial imbalances in corporate leadership and ownership, B-BBEE legislation and implementation is more pressing.[910] When it came to the matched sample of companies however, differences in the level and focus of sustainability disclosures became homogenous (See Table 31, Chapter 6.2.5).

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907 See section 3.3 of this thesis.
908 cf. ACCA (2014), p. 6.
909 cf. VISSER (2005), p. 31.
910 cf. JACKSON III ET AL. (2005); NTIM & SOOBAROYEN (2013); SOUTHALL (2007).

The observations garnered on the level of reporting affirm that the meaning, relevance, orientation and applicability of sustainability reporting varies with different contexts. Corporate sustainability reporting reflects commonly held societal values, that is to say, organizational behaviour is determined by the interactions between the society, markets and firms.[911] It is therefore reasonable to conclude that emerging countries share more similarities in their approach to SR for three core reasons: (1) emerging economies represent some of the fastest growing economies in the global landscape; (2) social and environmental crises are experienced acutely in these regions; (3) the nature of these crises are collectively quite different to those faced in developed countries.

Thus, what corporations choose to highlight in their reports tends to reflect these differences. Though there is a convergence towards international standards of reporting evidenced by an increasing uptake of IFRS by security exchanges in Africa, the adoption of global standards of SR, specifically GRI guidelines, seems more nuanced and selective. Kenyan and Mauritian companies pick and choose what sustainability disclosures to provide, which on the one hand reflects the needs of their immediate environment. On the other hand, this approach leaves the decision of what information to disclose primarily in the hands of corporations. In South Africa's case, mandating specific disclosure items has and is being used as a tool to create social and environmental change through corporate activity on a locally relevant basis.

6.4.2 On the Institutional Determinants of SR

First, it is clear from the multiple regression models that company specific determinants of SR which characterise the organizational field of reporting have larger explanatory power on the level of SR in comparison to the country specific factors used in this study. The country-specific determinants drawn from institutional theory yielded some expected findings. The influence of financial, economic and political systems on the level of SR observed was precedented. Good governance and strong investor protection for example, which are crucial aspects for most sub-Saharan countries, are more likely to foster corporate accountability through SR. Other streams of research have also argued for governance but in the opposite direction by stating that companies in such

911 cf. AMAESHI ET AL. (2006), p. 16.

countries may adopt a higher standard of reporting to compensate for the weak institutional environment they report in.[912] However, the evidence provided in this dissertation shows that weak political systems do not create a viable environment for SR in sub-Saharan environments. In a similar vein, the strength of a country's economic system as proxied by its GDP supports the incidence and advancement of SR practices. In relation to a country's financial system, the findings garnered from the multiple regression models support MATTEN and MOON (2008)'s institutional framework for SR (see Chapter 4.4). Marked based economies in sub-Sharan Africa are more likely to be characterised by corporations that engage in extensive SR, in comparison to systems that are bank-based. Therefore, the empirical findings indicate that institutional theory provides a viable lens to comprehending the influence of a country's historical national framework on the level of SR.

Nevertheless, not all country specific determinants yielded significant findings in relation to the level of SR observed among the three countries. Investments or contributions towards tertiary/post-secondary institutions, for instance, did not significantly correlate with the level of SR. Given that contributions to education were conducted extensively across most corporations in the research sample regardless of the degree of SR, gives another indication of the significance attached to promoting education in these regions. This finding is indicative of a contextual difference in how SR manifests in sub-Saharan Africa. Since contributions to educational initiatives is standard for most corporations across the three countries (see Table 28, Chapter 6.2.3.2), it is not significant in predicting the extent of SR observed. Commitment to educating the society is a given regardless of a firm's level of SR.

Trade union density was also insignificant in explaining the extent of sustainability reporting observed which is contrary to results from other studies.[913] Trade union membership and representation did not vary significantly across the three countries which is why it remained insignificant in predicting the level of SR. There are two possible reasons for this lack of variation: (1) trade unionism is an active component of

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[912] cf. KLAPPER & LOVE (2004), p. 704. In this case, the relationship between the legitimacy of a country's political system and the level of SR could have been an inverted one. SR would be used as a tool to legitimize businesses operating in weaker political frameworks.

[913] cf. JENSEN & BERG (2012), p. 312.

public life in several African countries,[914] (2) trade union activism has traditionally leaned on addressing issues of "political liberalization and democratization" in contrast to the activities of the private sector which is possibly why the demand for SR is not a core component of trade unionism in Africa.[915] Additionally, the discussion on corporate governance reform in Chapter 3 also indicates that sustainability reporting information is not yet a solicited form of reporting in these three countries.

When it came to the variables drawn from notions of *Africapitalism* and *Ubuntuism*, the regression results provided some insightful results. For instance, financial parity as measured by the Gini index, suggests that higher levels of inequality in South Africa have spurred on a higher level of SR in comparison to countries like Kenya and Mauritius that have comparably lower levels of income inequality. Deeply embedded economic inequality in South Africa has historical roots; inequality at the corporate level expresses itself through racially skewed participation in business leadership and ownership.[916] This situation has placed immense pressure on corporate society for more transparency and accountability which explains the high level of SR observed in the country.[917] Societal expectations on the responsibility of corporations and holistic development had an expected and positive effect on the level of SR illustrating that public expectations and overall social and economic progress are associated with the extent of SR in this subset of African countries. Markedly, the quantity of domestic investments did not significantly explain the incidence of SR which is potentially because of low variances in the level of domestic investment across the 3 countries.

The adoption of GRI guidelines is also indicative of a convergence towards international standards of SR on a regional level. Notably, while there appears to be a slow convergence towards international best practices of SR represented by GRI adoption, the driving forces behind that convergence are unclear. This thesis has not studied the adoption of GRI guidelines in detail, though some steps were taken to empirically explore the determinants of the GRI's application among firms in the sample. The reason is that the GRI SR guidelines have been developed for Western countries. They do not necessarily reflect the characteristics of companies in Sub-

914 cf. KRAUS (2007), p. 255.
915 cf. ILO (2013); KRAUS (2007).
916 cf. HAMANN ET AL. (2005), p. 4.
917 cf. WEST (2006), p. 442.

Saharan Africa and their historic context. Furthermore, their application among local African corporations is still at a low level (see Table 33, Chapter 6.2.3). To gauge the incidence and extent of SR in sub-Saharan Africa, GRI adoption does not offer a full picture of the SR disclosures provided by firms in these regions.

While extant SR research indicates that international best practices are driven by societal pressures, represented by various lobby groups, media, investors, environmentalists, or consumers,[918] this is not the case for sub-Saharan territories. The findings from the logistic regressions indicate that public perceptions on corporate responsibility are not significantly associated with the adoption of GRI SR guidelines. A plausible explanation could be that the adoption of international SR guidelines in sub-Saharan Africa is influenced more by powerful external stakeholders, such as, international regulatory bodies, foreign investors or international media.[919]

Generally, it is apparent that historically grown national frameworks are linked to a proclivity or paucity of SR, whether they are viewed through the lens of institutional theory or Afro-centric concepts of *Ubuntuism* and *Africapitalism*. As previously discussed in this thesis, though there is convergence towards globally accepted standards and practices of accounting (and by extension SR), contexts define and shape corporate actions and disclosures. For example, a preceding study on the social responsibility activities of Indian pharmaceutical companies also concluded that that corporate responsibility in India was a product of societal needs and Gandhian social trusteeship akin to *Ubuntu* philosophy in sub-Saharan Africa or Islamic trusteeship in the Middle East.[920] The author argued that there was a pressing need to formulate a context specific approach to CSR with "the inherent adaptability to respond to global standards of practice." This statement is further affirmed by the findings garnered from the sub-sample of South African firms and the positive and significant correlation between their B-BBEE scores and the level of SR. Once again, the results suggest that SR can be framed in response to the local needs of environment and society, and still be valid within the global sphere of accounting practice.

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918 cf. ALI ET AL. (2017), p. 273.

919 As discussed by ALI ET AL. (2017), p. 289 sustainability reporting in emerging and developing markets is driven by a select group of powerful external agencies, for instance the World Bank.

920 cf. KHAN (2008), pp. 207-208.

International listing and its association to the level of SR yielded mixed results. When GRI was used as a proxy for SR, the listing status was positively significant. Arguably, corporations that are cross-listed are more likely to adopt GRI since foreign exchanges may necessitate their implementation as a pre-listing requirement.[921] However, while a few companies in the three countries subscribe to the GRI (see Table 33, Chapter 6.3.1) ultimately, corporations pick and choose what SR items are relevant for disclosure focusing more on items of corporate governance and community engagement activities and other forms of philanthropy (see Chapter 6.2.3). Therefore, unlike the widespread application of IFRS's in South Africa, Kenya and Mauritius (and other parts of Africa), the adoption of GRI's international guidelines has not taken a similar route. Companies do not typically subscribe to GRI's guidelines. However, their lack of subscription does not equate to a lack of engagement in SR, as has been shown by this dissertation. This finding also demonstrates that research in African settings cannot use GRI adoption solely as an indication of the presence or absence of SR.

In terms of what institutional isomorphisms apply in these settings, in general, coercive and mimetic isomorphisms seem to play a crucial role in how SR is emerging in these 3 countries. B-BBEE legislation and the codes of corporate governance guiding the disclosure patterns of listed entities strongly illustrate the influence regulatory pressures play in contextualizing SR practices in South Africa, Mauritius and Kenya (see Chapter 3.1). Additionally, mimetic pressures proxied by company size and environmental sensitivity were significantly associated with the level of SR among Kenyan, South African and Mauritian corporations.

This dissertation did not explicitly explore the association between financial performance and the degree of SR. However, the control variable pertaining to corporate profitability was positively and significantly correlated with the level of SR observed across the three countries. There are two possible reasons for this finding: (1) profitable firms may be more likely to provide high levels of SR in a bid to justify or legitimize their level of reported profits,[922] or (2) companies that have limited financial resources are less likely to have extensive SR disclosures due to the high operational

[921] cf. The listing requirements for the London Stock Exchange for instance, state that legal due diligence on 'environmental issues' is a necessary condition prior to listing. See LSE (2010), p. 28.

[922] cf. WACHIRA (2017), p. 122.

cost of measuring SR disclosures.[923] The second point is more likely, since a lack of sufficient financial resources has been shown to be a hindering factor to the advancement of sustainability reporting and corporate social responsibility initiatives in sub-Saharan Africa (see Chapter 2.6.3).[924]

923 cf. NYUUR, OFORI, & DEBRAH (2014), pp. 105, 110.
924 Ibid., p. 108.

Chapter summary

Chapter 6 summarised and presented the findings obtained regarding the overarching research questions posed in this dissertation:

Research Question 1: What is the level of SR among publicly listed corporations in South Africa, Mauritius and Kenya?

Research Question 2: What factors influence the level of SR among publicly listed corporation in South Africa, Mauritius and Kenya?

The chapter consisted of two main parts based on the results garnered for the two research questions respectively. Section 6.2 provides a detailed analysis of the extent, form and focus of SR in the three contexts. Industry-to-industry comparisons were made to observe common and unexpected patterns of SR disclosures across the three countries. Generally, disclosures relating to community engagement, corporate governance and human capital were prominent features in corporate communication between 2013 and 2015 across companies from South Africa, Mauritius and Kenya. SR disclosures pertaining to the environment e.g. disclosure of carbon emissions, waste, recycling etc. are not prominently discussed items in corporate communication. Concerning the second research question, Chapter 6.3 presents the results on both country-level and company-level determinants of SR using precepts drawn from Institutional theory, *Africapitalism* and *Ubuntuism*. There is empirical support for the influence of economic development, political governance and investor protection of SR. Additionally, societal perceptions and overall development also play a role in explaining the extent of SR in the three countries. The company-level determinants also illustrate the influence of mimetic and normative pressures on the extent of SR though in varying degrees across the three countries. The chapter concludes with a detailed discussion of the results obtained from the empirical analysis.

Chapter 7

Implications and Recommendations

7.1 Implications

7.1.1 Theoretical Contributions

The current state of research on corporate SR has been skewed in favour of corporations that function in relatively developed and stable economies.[925] Research in African settings has remained fragmented due to their relatively small financial markets and difficulties associated with obtaining data on African corporations (see Chapter 1.1, Chapter 2.6). What has been found is that general concepts of sustainability and sustainable development are universal and cut across regions, localities and continents (see Chapter 2.3, Chapter 2.5). This means that global ideals of intergenerational and intragenerational equity as well as, ecological preservation are valued both in stable and emerging economies. What differs, however, is their interpretation and how such goals are prioritized.

For example, the findings on the categories of SR items disclosed illustrates that environmental facets of SR were barely provided, which is contrary to Western based studies of SR.[926] The reason is that most governments in sub-Saharan Africa do not fulfil their mandate in providing social goods for their citizens. This task, therefore,

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[925] cf. Kolk & Lenfant (2010), p. 242; Rahaman (2010), p. 421.

[926] cf. Farneti & Guthrie (2009); Jensen & Berg (2012); Kolk & Perego (2010); Kolk (2003).

accrues to companies, which is why the focus of SR is skewed towards community engagement. Another example of this schism between Western and African approaches to SR is that philanthropic actions are tied to an organization's legitimacy. Therefore, corporate responsibility in Africa, does not begin with economic and legal duties, but with philanthropic contributions. Specifically, CARROLL (1991)'s pyramid of social responsibility that suggests economic and legal responsibilities surpass philanthropic contributions is decidedly contentious in an African setting.[927]

A compelling case is thus made in this thesis for comprehending the multi-faceted notions of sustainability and sustainable development and how they intersect with accounting practice. Distinctions are drawn between sustainability and sustainable development due to their misinterpretation and misapplication in the extant literature on SR (see Chapter 2.3). Sustainability and sustainable development are interlinked concepts, but the main difference between them is that sustainable development presents the sum of activities (or processes of change) undertaken to achieve the overarching goal of sustainability. This thesis therefore placed, SR in a wider and more complex debate on how organizations are positioned to addressing both social and environmental justice, essentially sustainability. As deliberated on in this thesis, corporations, particularly those working in emerging markets, must be part of a wider discursive struggle towards social and environmental justice (See Chapter 2.2), because they play a developmental role in these regions.

The theoretical grounding applied by researchers in the past to explain how and why businesses choose to engage in SR has tended to revolve around precepts from shareholder, stakeholder and institutional theories (see Chapter 4.1, Chapter 4.2). These theories, however, were developed in Western contexts and must be enriched by African based theories to understand why certain topics are prioritised by companies operating in these regions in a certain way. While the findings of this dissertation do provide some evidence in favour of institutional theory, particularly when analysing company specific determinants of SR (see Chapter 4.2), they also suggest that a 'one size fits all' approach to theorizing SR is not applicable across different contexts.

927 For further elaboration on the applicability of CARROLL (1991)'s pyramid in African setting, consider VISSER (2006b), pp. 2, 6-8.

In fact, conceptualizations of *Ubuntuism* and *Africapitalism*, provide an alternative and probably a more adequate lens for understanding how and why sustainability reporting manifests among companies operating in sub-Saharan Africa. In several African cultures, leadership is rooted in moral duties and values (see Figure 3, Chapter 3.2.3), yet few attempts have been made to concretely integrate these values into the operations and reporting practices of corporations.[928] This study therefore, not only explores how Afrocentric notions of *Africapitalism* and *Ubuntuism* are connected to corporate responsibility in Africa, but also lays a foundational basis for their theorization in management research.

Additionally, the findings pertaining to the influencing factors of SR for example the political, financial, cultural and economic systems, provide a starting point for the exploration of how diverse contextual environments influence SR. While several studies in the past have documented differences between SR disclosures across countries,[929] statistical analysis exploring the contextual determinants of SR have been few and far between.[930] It can be surmised from the study that an exploration of country-specific determinants is necessary in exploring the prevalence of SR. Furthermore, the study also contributes to SR research in a sub-Saharan setting which is of importance, given the potential transformative role SR can play in such countries. In a similar vein, the study illustrates the unique way corporations are viewed as agents of social and economic development in the region and how SR reflects their commitment to this goal.

7.1.2 Practical Contributions

7.1.2.1 SR International Standard Setting Bodies

First, while this dissertation provides evidence of the implementation of SR (though at varying levels) in sub-Saharan Africa, there is still the overarching question concerning how to link broad goals of sustainable development, and by extension the continent's developmental challenges to corporate sustainability disclosure items. The present formulation of SR, represented by international SR standards and guidance,[931] is rooted

928 cf. GSTRAUNTHALER (2010), p. 148.
929 cf. JONES (1999); WHITLEY (1999).
930 cf. BASKIN (2006); HARTMAN, RUBIN, & DHANDA (2007); WELFORD (2004).
931 Examples include but are not limited to GRI SR guidelines, UNGC principles, ISO standards etc. Consider Chapter 3.5 of this dissertation.

in a hegemonic European and North American perspective (see Chapter 2.5), that often does not reflect the reality of other emergent or developing economies. For instance, excessive SR disclosures focused on contributions to local communities is often cited in research as indicative of the unsophisticated nature of corporate accountability in developing regions.[932] Research of this type summarizes all community related activities under "philanthropic" actions. Yet, for African countries, such disclosures are essential and indeed reflective of an organization's commitment and contribution to sustainable development. Hence, the problem is that international reporting bodies fall short in taking account of these differences in interpretation. As this dissertation has highlighted, businesses tend to be involved in the provision of social goods that traditionally fall under governmental mandate, e.g., educational facilities, healthcare services, etc. International standard setting bodies should reconsider developing context specific approaches to SR. For example, SR disclosure items are needed that are related to community engagement in the sense that they consider what actions can contribute to structural and institutional development, rather than on obscure and singular contributions, such as building a primary school, donating school supplies, etc.

In a similar strand, other items that are relevant for an African environment, for example, issues pertaining to diversity are discussed by international standards for SR.[933] However, they are often framed in terms of gender and/or racial diversity in leadership, whereas for most African countries, ethnic identity is what counts. Additionally, their implication and implementation are not discussed in detail which is evidenced by South Africa's creation and enforcement of B-BBEE legislation (see Chapter 3.2.1.2). In Africa especially, ethnic divisions and tensions are often not reflected in corporate communication or action, as was the case among Kenyan and Mauritian organizations in this study. International standard setting bodies should grapple with how African corporations can deter tribalism and nepotism through SR. For example, B-BBEE tackles diversity from various vantage points, e.g. leadership positions, company ownership, employment equity and preferential procurement among other channels. Matters pertaining to diversity in African settings are thus,

932 cf. KUEHN ET AL. (2018), p. 461.

933 For example, GRI's SR disclosure item 405-1 on diversity and equality of opportunity. See (GRI, 2016b).

multifaceted and should not be solely reflected in corporate leadership, but rather integrated at various levels of organizational activity.

The findings from the multiple regressions show that larger and more profitable organizations are more likely to be characterised by higher levels of SR (see Table 41, Chapter 6.3.3). While this finding is also reflected by prior studies,[934] it provides a compelling case for a context sensitive approach to SR, which is flexible enough to allow for the participation of smaller corporations that may not have the resources to spend on complex SR disclosure items. A large facet of Africa's economy is driven by small and medium enterprises (SMEs) which contribute to approximately 80% of the continent's employment.[935] Since such a large portion of the region's economy is driven by the informal sector, it is imperative that SR guidelines that are applicable to smaller businesses are developed as has also been the case with the development of an IFRS track for SME's.[936] Standard setting bodies must grapple with how global standards are applicable within diverse local settings. This is not unprecedented as such efforts have already been undertaken in context specific adaptations of IFRS seen in China and India.[937]

7.1.2.2 Companies

Companies operating in Africa should assign the highest priority in inculcating strong modes of corporate governance. As has been conferred in several chapters of this dissertation, good corporate governance supports and fosters SR. I contend that good corporate governance is the solution to improvements in all other facets of SR and can ultimately create an enabling environment for responsible corporate citizenship in Africa. As the results from the study illustrate, South Africa's state of SR exceeds that of Mauritius and Kenya primarily because of a joint concerted effort by business and government to encourage corporate governance reform.

For most developed countries that are predominantly market-based economies characterised by strong institutional environments, SR connotes adopting policies and

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[934] cf. DE VILLIERS & MARQUES (2016), p. 179; NYUUR, OFORI, & DEBRAH (2014), pp. 105, 110.
[935] cf. WEF (2015).
[936] cf. IFRS (2015).
[937] cf. NOBES (2011), p. 35; UZMA (2016), p. 199.

practices that extend beyond economic and regulatory requirements.[938] The case is different for most African countries that have weak regulatory institutions that encourage incidences of corporate fraud, tax evasion and non-compliance. An added layer of complexity is that corporate corruption is often intertwined with tribalism, nepotism and political cronyism, which further makes a case for a context specific approach to addressing this aspect of SR (see Chapter 2.6.5.1). Thus, abiding by regulations in an African context is arguably a manifestation of a responsible and sustainable corporation. The findings from the Kenyan sample for instance, indicated that incidences pertaining to asset misappropriation and bribery were not prominently disclosed despite regulatory measures in place (see Chapter 6.2.3.2). It is therefore imperative, for companies to consider what proposed policies can deter and/or detect cases of corruption and to encourage the communication of such issues within sustainability reports and/or other forms of corporate communication.

Moreover, the low levels of disclosure on the environmental dimension of SR raises concern on the irreparable effects of ecological degradation on the continent. As stated previously, social and environmental crises are most acutely felt in emerging and developing nations.[939] Yet, social issues are given a higher priority by businesses as shown by the results in chapter 6.2.3, which has clear implications for practice. There is an urgent need to manage scarce natural resources and address challenges of global warming and climate change, which ultimately intersects with food security and political stability in the region.[940] Deliberate steps must be taken by local businesses to provide an account for their interactions with the environment, to adopt cleaner technologies and overall reduction and recycling of waste and by-products of industrial production respectively.[941]

Considering issues of ecological degradation is not only important for African "owned" businesses. For multinational companies, it is important to consider how their global reach can also contribute towards addressing sustainable development in the region. Not only must MNC's be cognizant that community engagement and development are pre-requisites for the social license to operate, MNC's in the past have been at the forefront

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[938] cf. DOBERS & HALME (2009), p. 461.
[939] cf. SCHMIDHEINY (2006), p. 21.
[940] cf. MOYO (2018), p. 48.
[941] cf. KHAN (2008), p. 209.

of labour exploitation, natural resource depletion and fuelling of conflicts in Africa (see Chapter 2.6.3). Large Chinese state-owned enterprises have heavily invested in infrastructural areas across the continent in recent years. However, in what way do these investments contribute to sustainable development if they result in human rights violations and the depletion of natural resources?[942] They are therefore expected to provide a contextually relevant, transparent and comprehensive account of their impacts on local communities and the environment. While there is much critique on the viability of their contribution to Africa's development agenda,[943] MNC's have the potential to significantly improve the societal and ecological conditions of several countries and positively impact on the wider legislative and administrative context. Though the findings from this study gave some indication of community engagement by MNC's particularly those based in environmentally sensitive sectors, e.g., mining, strategic partnerships with non-governmental and governmental institutions should be considered. Such partnerships can possibly aid in countering the unbalanced power dynamic MNC's wield over host countries in sub-Saharan Africa.

7.1.2.3 Investors

While the results show that the extent of local investment does not tie in with the degree of SR across the three countries, the presence of sustainability indexes in South Africa and Mauritius (See Chapter 3.2.4 and Chapter 3.3.3) are indicative of a slow but gradual shift towards socially responsible or impact investing in Africa. There is the need therefore, for African investors to consider how broader goals of sustainable development and sustainability inform their decision making. As documented by researchers in the past, an overall lack of awareness and/or concern for the integration of social and environmental matters into investment decisions has hindered the development of SR and SRI in the region.[944] Therefore, this dissertation offers a frame of reference as to which SR disclosures could be pertinent for investment decisions in

[942] For example, the construction of the Standard Gauge Railway (SGR) as a joint infrastructural project between Kenya and China has raised some controversy. Concerns on the project's cost and long-term debt repercussions on Kenyan tax payers, and instances of racism instigated by Chinese employees on Kenyan staff has led to scepticism on the viability of such projects. See DE FREYTAS-TAMURA (2017) and WAFULA (2018) for the full story.

[943] cf. AFRAM (2014), p. 423.

[944] cf. ATKINS & MAROUN (2012), p. 214; HEESE (2005), p. 738.

these three countries. Additionally, since shareholder activism in Africa is relatively underdeveloped,[945] there is some leeway for African investors to actively define locally relevant SR disclosures which are tailored to their investment needs.

7.2 Research Limitations and Recommendations for Future Research

This study has demonstrated that there is the necessity to link corporate SR to social and economic developmental outcomes. An investigation of corporate initiatives and their impact on community well-being can be a potential research stream. Impact studies are complex, however, a mixed method approach comprised of surveys, interviews and focus groups could provide some insightful findings. In addition, incorporating the experiences local African communities have with corporate SR initiatives would allow for a more holistic picture of the impact of such initiatives over time. Bottom up analysis of the societal impacts of corporate actions can shed light into some of the contradictions inherent within the discourse on sustainability and the responsibility of companies. For example, what forms of corporate interventions lead to the autonomy and empowerment of communities? Such questions are of relevance especially for foreign companies operating in resource-rich sectors on the continent. Ultimately, researchers should consider the intersections between contextual relevance, stakeholder responsibility and the benefactors of SR to trace the link between SR and development.

As mentioned previously, Africa's informal economy is approximately 41% of the continent's GDP (see Chapter 1.3). Therefore, research on SR needs to be extended towards exploring what types of SME's engage in SR, what SR items they disclose and why they choose to do so. Possibly, website reporting could be used a base for analysis as it is unlikely that such organizations will have a printed report. Additionally, this study considered only three countries with advanced codes of corporate governance. Future research could consider integrating countries that are taking steps towards institutionalising more inclusive forms of governance, e.g., Uganda, Ghana, etc. It would also be interesting to compare the emergence of SR between companies based in sub-Saharan and North African territories, because cultural differences in these contexts are present.

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945 cf. Atkins & Maroun (2012), p. 214; Sonnenberg & Hamann (2006), p. 318.

This dissertation has illustrated that the societal component of sustainability reporting features more prominently than the ecological one. Corporations in developed economies tend to provide extensive and sophisticated ecological disclosures (see Chapter 2.5), whereas social concerns take precedence in emerging and developing countries (see Chapter 2.6.5.1). There is need for further inquiry into why environmental concerns feature more prominently among multi-national corporations and organizations based in developed countries. Furthermore, from a theoretical point of view, there needs to be a candid debate on whether the social aspects of sustainability, e.g., education, poverty alleviation, healthcare and infrastructure among other components should be prioritized over environmental issues.

The operationalization of sustainability in corporate reporting is largely contextual and varied. Future research can delve deeper into investigating how the term sustainability is understood by various corporate organizations in Africa and in other emerging settings. Finally, concepts of *Ubuntuism* and *Africapitalism* were discussed and transformed into empirical constructs within this study. Both worldviews have the potential to contribute towards the development of managerial research and theory on Africa. This dissertation, therefore, lays the foundation for other streams of research focusing on corporate responsibility in Africa to test precepts of both *Ubuntuism* and *Africapitalism* which can potentially lead to their theorization in management research.

7.3 Thesis Based Summary

1. Sustainability reporting presents a shift towards a holistic form corporate communication that encompasses global ideals of sustainability and sustainable development. Both sustainability and sustainable development are universal precepts, however, their understanding and application are contextual. The main impetus for SR in sub-Saharan Africa is geared at addressing deeply embedded developmental issues on the continent. This is because the region's post-colonial history continues to shape the way in which companies in the region operate and ultimately how SR emerges. Corporations in sub-Saharan Africa, therefore, must not only contend with weak governance structures and local societal expectations, but also align their activities towards resolving some of the continent's developmental challenges.

2. Locally developed codes of corporate governance and industry-led best practices have instigated the emergence of SR in South Africa, Kenya and Mauritius. South Africa's political history of inequality has prompted the development of the King Reports on Corporate Governance (King I-IV) and the Broad-based Black Economic Empowerment (B-BBEE) Act. Both streams of regulation work to promote corporate SR in South Africa. Mauritius' status as a small island developing state (SIDS) has contributed to the integration of sustainability issues in the country's National Code of Corporate Governance. In Kenya, industry-led best practices have encouraged the development of a Code of Corporate Governance Practices for Issuers of Securities to the Public. Thus, the central proposition of this thesis is that SR in sub-Saharan Africa can only emerge in countries that have institutionalised inclusive codes of corporate governance.

3. This thesis applies institutional theory as the prevailing theoretical paradigm to comprehending SR in South Africa, Kenya and Mauritius. Institutional theory is appropriate because it posits that companies are embedded in diverse socio-political and economic frameworks which influence the extent of SR. In parallel, concepts of *Africapitalism* and *Ubuntuism* are presented as locally relevant and alternative approaches to framing corporate SR in Africa. The dissertation underscores the necessity for an Afrocentric perspective in exploring corporate

accountability through SR. The thesis also lays a foundational basis for exploring how Africapitalism and Ubuntuism contribute to understanding the emergence of SR in sub-Sharan Africa.

4. Corporate annual reports provide a viable base for exploring the extent of SR disclosures reported by businesses over time. Since several African corporations do not feature in financial disclosure databases, this study developed a content index for coding SR disclosures based on a research-based framework for SR. The study demonstrates the utility of content analysis as a method of gauging the extent of SR. In addition, as is common in emerging and developing contexts, the thesis illustrates the difficulties of retrieving secondary data on a regular basis. One of the possible ways of overcoming this challenge is to seek credible sources manually and to cross check information from different sources to ensure reliability.

5. The empirical findings show that South African, Mauritian and Kenyan companies prioritise SR disclosures pertaining to community development. More specifically, corporate initiatives centred on educational sponsorship, training and health care featured prominently in company reports. This emphasis on addressing the societal facet of SR, is due to the shortcomings of African governments and the strong community mentality in these countries that prioritises community well-being over ecological preservation. In addition, this dissertation contributes to contextualizing SR in sub-Saharan Africa by illustrating how country specific and company specific factors contribute to or hinder the emergence of SR. Specifically, a country's Gross Domestic Product, Freedom House status, societal perceptions on corporate responsibility and the nature of its financial system are positively and significantly associated with the level of SR in the three countries. Company specific factors represented by corporate size, industry affiliation and international listing status are also significantly and positively associated with the extent of SR. The study therefore, demonstrates what institutional factors shape the incidence of SR in South Africa, Mauritius and Kenya.

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List of Appendices

Appendix A: Coverage of African Topics in 3 Major Accounting Journals

Journals		
Accounting, Auditing and Accountability Journal	Accounting. Organizations and Society	Critical Perspectives on Accounting
2 (of 196)	0 (of 311)	5 (of 279)
1988-1998	1976-1986	1990-2000
5 (of 367)	2 (of 409)	5 (of 372)
1999-2009	1987-1997	2001-2009
14 (of 617)	3 (of 529)	11 of (675)
2010-2018	1998-2008	2010-2018
	3 (of 516)	
	2009-2018	

Source: Adapted from RAHAMAN (2010), p. 426.

Appendix B: SR Content Index

General category	Sub-category	
External capital	CUSTOMER RELATIONS	Guiding questions for coding SR disclosures
	Customer satisfaction	Does the company have measures to rate levels of customer satisfaction? /Do they provide the results of customer satisfaction surveys?
	Customer longevity	Does the company have any loyalty programs/special offers for loyal/long-term clients?
	Customer retention	Does the company report on its customer retention rate? E.g. customer lifetime value (CLV)?
	Brand	Does the company report on its primary brands, products, and services?
	Distribution channel	Does the company provide information regarding its distribution strategy?
	Good product quality	Does the company have processes and/or policies that ensure quality of products and/or service offering?
	Customer base	Does the company describe their customer base i.e. target consumers, e.g. women, adolescents, etc.
	Additional services	Does the company have any new or improved services or product offerings?
	Market share	Does the company provide information regarding its current share of the market?
	Sales volume	Does the company give a detailed analysis of its sales volume? E.g. volume per region/area or according to consumer type? N.B. should go beyond IFRS requirements
	Pursuit of new market opportunities	Does the company provide information regarding future opportunities it plans to leverage? E.g. planning to expand to new markets/territories?
	Joint venture and alliances	Does the company report on any strategic alliances or partnerships it has presently?
	Good customer relationships	Does the company report on processes and/or policies in place to improve customer satisfaction?
	SOCIETY RELATIONS	
	Environmental Indicators	
	Materials	Does the company distinguish between renewable/recyclable and non-recyclable materials used to produce and/or package products and services?
	Energy	Does the company distinguish between renewable and non-renewable sources of energy it utilizes e.g. solar power, energy saving bulbs etc.

General category	Sub-category	
	Water	Does the company report on the extent of its water usage? Are there any processes in place to recycle/reuse water?
	Biodiversity	Does the company report on its impact on biodiversity? Does it have any policies or processes to reduce its impact on biodiversity?
	Emissions, effluents and waste	Does the company report on its emissions (e.g. CO2/SO2 emissions), effluents and/or waste? Does it have any policies or processes to reduce them?
External capital	SOCIETY RELATIONS	Guiding questions for coding SR disclosures
	Environmental indicators	
	Suppliers	Does the company use specific environmental criteria in the selection process of its suppliers?
	Products and services	Does the company report on initiatives to reduce the environmental impact of its products/services offering?
	Compliance	Does the organization provide a statement stating its compliance to local environmental regulations (NEMA)/Does the organization report on any fines/fees associated with non-compliance?
	Transport	Does the company report on initiatives to reduce the environmental impact of the transportation of its products/employees etc.?
	Social Indicators	
	Human rights	Does the company have a policy to ensure the respect of human rights? Or Does the company claim to comply with the human rights convention of ILO? Or support the UN declaration of human rights
	Strategy and management	Does senior management/the board commit to integrating social issues/CSR issues/EG issues into the company's strategy?
	Non-discrimination	Does the company promote positive discrimination? E.g. They have policies/targets aimed at promoting diversity in the workplace
	Freedom of association	Does the company have policies and/or processes that guarantee the freedom of association universally applied (Independent of local laws)
	Child labour	Does the company have a policy to guarantee the exclusion of child labour? E.g. fair-trade products
	Forced and compulsory labour	Does the company have a policies and/or processes to guarantee the exclusion of forced or compulsory labour?
	Disciplinary practices	Does the company describe any disciplinary actions/practices and/or penalties against directors, employees, management etc.?
	Security practices	Does the company have a sound security policy and processes (such as training of personnel) that respects and upholds universal human rights?
	Society/Community	
	Community	Does the company make donations to the local community? Or Do they have initiatives that promote the well-being of the society in general e.g. scholarship programs, investments in post-secondary education programs?
	Bribery and corruption	Does the company have a policy to avoid bribery and corruption at all its operations?

General category	Sub-category	
	Indigenous rights	Does the company have policies and/or processes that guarantee the protection of indigenous peoples/communities?
	Political contributions	Does the company have a policy to comply with local regulations regarding political contributions?
	Competition and pricing	Does the company have a policy to engage only in fair competition e.g. statement made against practices such as price-fixing or kick-backs?
	Product responsibility	
	Customer health and safety	Does the company have a policy to protect customer health & safety?
	Products and services	Does the company have a products and services quality policy?
	Advertising	Does the company have a policy to ensure responsible marketing practices?
	Product responsibility	
	Respect for privacy	Does the company have a policy to protect customer AND public privacy and integrity?
Internal structure	INFORMATION TECHNOLOGY	
	Database, networking, internet etc.	Does the company describe the extent to which it leverages various sources of information technology e.g. internet, communication systems?
	INTERNAL WORK PROCESSES	
	Risk management	Does the company report on the various risks (e.g. internal vs. external risks) it faces?
	Internal processes	Does the company report on an internal management system/framework in place to identify, assess and control hazards in the work place?
	INNOVATIVE PROCESS	
	Research and development	Does the company describe its research and development initiatives?
	New products/services	Does the company aim to develop new products and/or services that take environmental and/or social considerations into account e.g. products produced using clean sources of energy?
	Trademarks, patents, copyright	Does the company state that it does not infringe on intellectual property of any kind (e.g. trademarks, patents etc.)
	CORPORATE GOVERNANCE STRUCTURE	
	Board responsibility	Does the company describe the duties and responsibilities of the board of directors?
	Independence of the board	Does the company comply with regulations regarding board independence? (look for a statement affirming that they do comply)

General category	Sub-category	
	Monitoring of board functions	Does the company monitor the board functions through the establishment of a corporate governance committee?
	Compensation	Does the company describe the implementation of its compensation policy to senior executives and board members?
Human capital	CAPACITY AND WILLINGNESS TO ACT	
	Employee competence	Does the company have a policy to support the skills training/career development of its employees?
	Employee satisfaction	Does the company describe how they ensure employee satisfaction e.g. gathering feedback through surveys/employee stock options?
Human capital	CAPACITY AND WILLINGNESS TO ACT	Guiding questions for coding SR disclosures
	Employee retention and turnover	Does the company disclose the rate/percentage of employee turnover?
	QUALITY OF WORKPLACE	
	Organizational culture	Does the company describe their culture in their report (e.g. core values, principles etc.)
	Rewards, performance measurement	Does the company describe the various ways in which they reward their employees e.g. stock options plans, insurance etc.
	Training and education	Does the company describe various training programs and/or education initiatives for employee development?
	Labour/management relations	Does the company have a trade union relations policy?
	Health and safety	Does the company have a health and safety management system? E.g. OHSAS 18001
	Diversity and opportunity	Does the company make any statement in the support of promoting diversity e.g. gender diversity/religious diversity etc. in its employee base (specifically middle and upper management?

Appendix C: Results from First Round of Coding SR Disclosures

Country	Year	Company	Coder 1	Coder 2	Coder 3	Coder 4	Coder 5	Coder 6	Coder 7	Coder 8	Coder 9
South Africa	2013	SA1	36.21	25.86	36.21	36.21	27.59	32.76	36.21	32.76	32.76
South Africa	2013	SA2	20.69	20.69	20.69	18.97	20.69	17.24	20.69	20.69	22.41
South Africa	2013	SA3	39.66	39.66	39.66	24.14	24.14	24.14	24.14	0.31	0.31
South Africa	2013	SA4	51.72	51.72	48.28	50.00	60.34	51.72	51.72	51.72	51.72
South Africa	2013	SA5	17.24	17.24	17.24	17.24	15.52	17.24	17.24	13.79	17.24
Kenya	2013	KE1	17.84	17.84	17.84	15.52	13.79	13.79	17.84	17.84	17.84
Kenya	2013	KE2	23.78	25.86	23.78	23.78	23.78	23.78	23.78	23.78	25.86
Kenya	2013	KE3	11.89	11.89	11.89	11.89	11.89	11.89	13.79	13.79	11.89
Kenya	2013	KE4	32.70	32.70	32.70	32.70	29.31	32.70	32.70	32.70	29.31
Kenya	2013	KE5	29.73	27.59	27.59	29.73	36.21	29.73	29.73	29.73	31.03
Mauritius	2013	MA1	36.21	36.21	36.21	36.21	36.21	36.21	36.21	36.21	32.76
Mauritius	2013	MA2	63.79	65.52	60.33	70.69	68.96	68.96	68.96	58.66	70.69
Mauritius	2013	MA3	51.72	41.38	41.38	46.55	51.72	29.31	34.48	51.72	29.31
Mauritius	2013	MA4	15.52	18.97	17.84	17.84	15.52	17.84	17.84	17.84	18.97
Mauritius	2013	MA5	11.89	8.62	11.89	13.79	10.34	8.62	13.79	11.89	13.79

Figures are presented as percentages; Source: Own illustration.

Appendix D: Results from Second Round of Coding SR Disclosures

Country	Year	Company	Coder 1	Coder 2	Coder 3	Coder 4	Coder 5	Coder 6	Coder 7	Coder 8	Coder 9
South Africa	2013	SA1	41.38	39.66	39.66	39.66	22.41	29.31	41.38	41.38	39.66
South Africa	2013	SA2	37.93	37.93	37.93	37.93	37.93	37.93	34.48	34.48	37.93
South Africa	2013	SA3	29.31	29.31	29.31	24.14	22.41	29.31	29.31	29.31	29.31
South Africa	2013	SA4	37.93	37.93	37.93	37.93	37.93	37.93	31.03	36.21	36.21
South Africa	2013	SA5	65.52	72.41	65.52	65.52	68.97	60.34	65.52	65.52	67.24
Kenya	2013	KE1	26.75	26.75	26.75	26.75	27.59	26.75	34.48	31.03	27.59
Kenya	2013	KE2	35.67	35.67	35.67	35.67	43.10	44.83	35.67	35.67	35.67
Kenya	2013	KE3	35.67	35.67	35.67	35.67	29.31	31.03	35.67	35.67	35.67
Kenya	2013	KE4	26.75	25.86	29.31	26.75	27.59	27.59	26.75	26.75	26.75
Kenya	2013	KE5	32.70	32.70	25.86	32.70	32.70	31.03	29.31	32.70	32.70
Mauritius	2013	MA1	32.76	32.76	32.76	32.76	32.76	32.76	32.76	32.76	32.76
Mauritius	2013	MA2	6.90	6.90	5.17	5.17	3.45	5.17	6.90	6.90	6.90
Mauritius	2013	MA3	72.41	72.41	72.41	72.41	68.97	74.14	68.97	72.41	72.41
Mauritius	2013	MA4	89.66	89.66	89.66	89.66	89.66	86.21	86.21	87.93	89.66
Mauritius	2013	MA5	46.55	46.55	46.55	46.55	43.10	46.55	41.38	48.28	46.55

Figures are presented as percentages; Source: Own illustration.

Appendix E: Sample of Publicly Listed Companies from South Africa, Mauritius and Kenya

Company	Company
Blue Label Telecoms Limited	Rex Trueform Clothing Company
Huge Group Limited	Shoprite Holdings Limited
MTN Group Limited	The SPAR Group Limited
Telkom SA SOC Limited	Sun International Limited
Telemasters Holdings Limited	Spur Corporation Limited
Vodacom Group Limited	Taste Holdings Limited
Adapt It Holdings Limited	Truworths International Limited
Datatec Limited	Tsogo Sun Holdings Limited
EOH Holdings Limited	Verimark Holdings Limited
ISA Holdings Limited	Woolworths Holdings Limited
Jasco Electronics Holdings Limited	Andulela Investment Holdings
Mustek Limited	Brimstone Investment Corporation Ld
Pinnacle Holdings	Ecsponent Limited
Silverbridge Holdings Limited	Global Asset Management
AH-Vest Limited	Grand Parade Investments Limited
Astral Foods Limited	Hosken Consolidated Investments
AVI Limited	Niveus Investments
Crookes Brothers Limited	Prescient Limited
Clover Industries Limited	Tradehold Limited
Distell Group Limited	AECI Limited
Illovo Sugar Limited	African Oxygen Limited
Metair Investments Limited	Anglo American Platinium
Nu-World Holdings Limited	Anglogold Ashanti Limited
Oceana Group Limited	African Rainbow Minerals Limited
Pioneer Food Group Limited	Assore Limited
RBA Holdings Limited	Atlatsa Resources Corporation
RCL Foods Limited	Bauba Platinum Limited
Sovereign Food Investments Limited	Buildmax Limited
Tiger Brands Limited	BSI Steel Limited
Tongaat Hulett Limited	Chrometco Limited
Advtech Limited	Drdgold Limited
African Media Entertainment	Delta EMD Limited
African And Overseas Ent. Limited	Exxaro Resources Limited
Caxton CTP Publishers & Printers	Gold Fields Limited
City Lodge Hotels Limited	Goliath Goldmining Ltd
Clicks Group Limited	Harmony Gold Mining Company
Combined Motor Holdings Limited	Hulamin Limited
Curro Holdings Limited	Impala Platinum Holdings Limited
Comair Limited	Insimbi Refractory & Alloy Sup
Cashbuild Limited	Keaton Energy Holdings Limited
Cullinan Holdings Limited	Kumba Iron Ore Limited
Famous Brands Limited	Mondi Limited

Company	Company
Gooderson Leisure Corporation	Merafe Resources Limited
Holdsport Limited	Northam Platinum Limited
Italtile Limited	Omnia Holdings Limited
Lewis Group Limited	Petmin Limited
Moneyweb Holdings Limited	Royal Bafokeng Platinum Limited
Massmart Holdings Limited	Rolfes Holdings Limited
Mr Price Group Limited	Randgold & Exploration Company
Nictus Beperk	Sappi Limited
Phumelela Gaming & Leis. Limited	Sibanye Gold Limited
Pick N Pay Holdings Limited	Sentula Mining Limited
Sasol Limited	Primeserv Group Limited
Spanjaard Limited	PSV Holdings Limited
Trans Hex Group Limited	Rare Holdings Limited
Wesizwe Platinum Limited	Raubex Group Limited
Wescoal Holdings Limited	Remgro Limited
York Timber Holdings Limited	Reunert Limited
Afrocentric Investment Corp Limited	Sephaku Holdings Limited
Adcock Ingram Holdings Limited	Santova Limited
Aspen Pharmacare Holdings Limited	South Ocean Holdings Limited
Netcare Limited	Super Group Limited
Nutritional Holdings Limited	Stefanutti Stocks Holdings
Accentuate Limited	Transpaco Limited
Adcorp Holdings Limited	Trencor Limited
Aveng Limited	Value Group Limited
Amalgamated Electronic Corp	Wilson Bayly Holmes-Ovcon Limited
Afrimat Limited	W G Wearne Limited
Ansys Limited	Workforce Holdings Limited
Astrapak Limited	Winhold Limited
ARB Holdings Limited	Distribution and Warehousing Network
Argent Industrial Limited	ELB Group Limited
Barloworld Limited	Eqstra Holdings Limited
Bowler Metcalf Limited	Esor Limited
Bell Equipment Limited	Grindrod Limited
Basil Read Holdings Limited	Group Five Limited
Calgro M3 Holdings Limited	Hudaco Industries Limited
Consolidated Infrastructure Grp	Howden Africa Holdings Limited
Cargo Carriers Limited	Imperial Holdings Limited
Chemical Specialities Limited	Invicta Holdings Limited
Interwaste Holdings Limited	Mpact Limited
KAP Industrial Holdings Limited	Mine Restoration Investments
Kaydav Group Limited	Murray & Roberts Holdings Limited
Masonite (Africa) Limited	Mazor Group Limited
Master Drilling Group	Nampak Limited
Metrofile Holdings Limited	Onelogix Group Limited
Mix Telematics Limited	Protech Khuthele Holdings Limited
Kakuzi Plc	TPS East Africa Limited
Kapchorua Tea Kenya Plc	Uchumi Supermarkets Limited
Limuru Tea Company Limited	Athi River Mining Cement Plc
Rea Vipingo Plantations Limited	Bamburi Cement Limited

Company	Company
Sasini Tea and Coffee Limited	Crown Paints Kenya Limited
William T.	East African Cables Limited
Car and G.	East African Portland Limited
Sameer	Kenya Elec. Gen. Company Limited
Barclays	Kenol Kobil Limited
Stanbic Holdings	Kenya Power and Lighting Company
Co-operative Bank of Kenya	Total Kenya Limited
Diamond Trust Bank	Jubilee Holdings Limited
Equity Bank Limited	Kenya Reinsurance Corp. Limited
HF Group Plc	Liberty Kenya Limited
I&M Holdings Limited	Pan African Life Insurance
Kenya Commercial Bank Group Plc	Centum Investment Company Plc
National Bank of Kenya Limited	Olympia Capital Holdings Limited
NIC Bank Limited	BAT Kenya Limited
Standard Chartered Bank Limited	BOC Kenya Limited
Express Kenya Limited	Carbacid Investments Limited
Kenya Airways Limited	East African Breweries Limited
Longhorn Publishers Limited	Eveready East Africa Limited
Nation Media Group Limited	Mumias Sugar Limited
Scan Group Limited	Unga Group Plc
The Standard Group	Safaricom Plc
Air Mauritius Limited	The Mauritius Dev. & Inv. Trust
Alteo Ltd	Mauritius Oil Refineries Limited
Automatic Systems Limited	National Investment Trust Ltd.
Belle Mare Holding Limited	New Mauritius Hotels Limited
Caudan Development Limited	Omnicane Ltd
Compagnie Des M. Populaires Ltee	Phoenix Beverages Ltd
Enl Commercial Limited	Plastic Industry (Mauritius) Limited
Enl Land Ltd	Rogers & Company Ltd
Fincorp Investment Limited	Terra Mauricia Limited
Gamma Civic Ltd.	United Basalt Products Limited
Harel Mallac And Company Limited	United Docks Ltd.
Lux Island Resorts Limited	Vivo Energy Mauritius Limited
The Mauritius Ch. & Fertilizer Ind.	

Appendix F: SR scores from South African, Mauritian and Kenyan Listed Companies

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
South Africa	2013	SA1	36.2069	2015	SA17	43.1034	2014	SA34	25.8621	2013	SA51	44.8276
South Africa	2014	SA1	41.3793	2013	SA18	37.9310	2015	SA34	18.9655	2014	SA51	60.3448
South Africa	2015	SA1	34.4828	2014	SA18	34.4828	2013	SA35	43.1034	2015	SA51	44.8276
South Africa	2013	SA2	20.6897	2015	SA18	29.3103	2014	SA35	56.8966	2013	SA52	50.0000
South Africa	2014	SA2	24.1379	2013	SA19	29.3103	2015	SA35	51.7241	2014	SA52	44.8276
South Africa	2015	SA2	18.9655	2014	SA19	39.6552	2013	SA36	44.8276	2015	SA52	46.5517
South Africa	2013	SA3	39.6552	2015	SA19	39.6552	2014	SA36	53.4483	2013	SA53	24.1379
South Africa	2014	SA3	48.2759	2013	SA20	37.9310	2015	SA36	43.1034	2014	SA53	31.0345
South Africa	2015	SA3	48.2759	2014	SA20	62.0690	2013	SA37	22.4138	2015	SA53	22.4138
South Africa	2013	SA4	51.7241	2015	SA20	55.1724	2014	SA37	29.3103	2013	SA54	29.3103
South Africa	2014	SA4	63.7931	2013	SA21	65.5172	2015	SA37	25.8621	2014	SA54	44.8276
South Africa	2015	SA4	62.0690	2014	SA21	77.5862	2013	SA38	24.1379	2015	SA54	29.3103
South Africa	2013	SA5	17.2414	2015	SA21	86.2069	2014	SA38	29.3103	2013	SA55	34.4828
South Africa	2014	SA5	22.4138	2013	SA22	44.8276	2015	SA38	31.0345	2014	SA55	39.6552
South Africa	2015	SA5	18.9655	2014	SA22	81.0345	2013	SA39	48.2759	2015	SA55	48.2759
South Africa	2013	SA6	41.3793	2015	SA22	86.2069	2014	SA39	55.1724	2013	SA56	60.3448
South Africa	2014	SA6	46.5517	2013	SA23	20.6897	2015	SA39	55.1724	2014	SA56	68.9655
South Africa	2015	SA6	51.7241	2014	SA23	22.4138	2013	SA40	27.5862	2015	SA56	72.4138
South Africa	2013	SA1	36.2069	2015	SA17	43.1034	2014	SA34	25.8621	2013	SA51	44.8276
South Africa	2014	SA1	41.3793	2013	SA18	37.9310	2015	SA34	18.9655	2014	SA51	60.3448
South Africa	2015	SA1	34.4828	2014	SA18	34.4828	2013	SA35	43.1034	2015	SA51	44.8276
South Africa	2013	SA2	20.6897	2015	SA18	29.3103	2014	SA35	56.8966	2013	SA52	50.0000
South Africa	2014	SA2	24.1379	2013	SA19	29.3103	2015	SA35	51.7241	2014	SA52	44.8276

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
South Africa	2015	SA2	18.9655	2014	SA19	39.6552	2013	SA36	44.8276	2015	SA52	46.5517
South Africa	2013	SA3	39.6552	2015	SA19	39.6552	2014	SA36	53.4483	2013	SA53	24.1379
South Africa	2014	SA3	48.2759	2013	SA20	37.9310	2015	SA36	43.1034	2014	SA53	31.0345
South Africa	2015	SA3	48.2759	2014	SA20	62.0690	2013	SA37	22.4138	2015	SA53	22.4138
South Africa	2013	SA4	51.7241	2015	SA20	55.1724	2014	SA37	29.3103	2013	SA54	29.3103
South Africa	2014	SA4	63.7931	2013	SA21	65.5172	2015	SA37	25.8621	2014	SA54	44.8276
South Africa	2015	SA4	62.0690	2014	SA21	77.5862	2013	SA38	24.1379	2015	SA54	29.3103
South Africa	2013	SA5	17.2414	2015	SA21	86.2069	2014	SA38	29.3103	2013	SA55	34.4828
South Africa	2014	SA5	22.4138	2013	SA22	44.8276	2015	SA38	31.0345	2014	SA55	39.6552
South Africa	2015	SA5	18.9655	2014	SA22	81.0345	2013	SA39	48.2759	2015	SA55	48.2759
South Africa	2013	SA6	41.3793	2015	SA22	86.2069	2014	SA39	55.1724	2013	SA56	60.3448
South Africa	2014	SA6	46.5517	2013	SA23	20.6897	2015	SA39	55.1724	2014	SA56	68.9655
South Africa	2015	SA6	51.7241	2014	SA23	22.4138	2013	SA40	27.5862	2015	SA56	72.4138
South Africa	2013	SA1	36.2069	2015	SA17	43.1034	2014	SA34	25.8621	2013	SA51	44.8276
South Africa	2014	SA1	41.3793	2013	SA18	37.9310	2015	SA34	18.9655	2014	SA51	60.3448
South Africa	2015	SA1	34.4828	2014	SA18	34.4828	2013	SA35	43.1034	2015	SA51	44.8276
South Africa	2013	SA2	20.6897	2015	SA18	29.3103	2014	SA35	56.8966	2013	SA52	50.0000
South Africa	2014	SA2	24.1379	2013	SA19	29.3103	2015	SA35	51.7241	2014	SA52	44.8276
South Africa	2015	SA2	18.9655	2014	SA19	39.6552	2013	SA36	44.8276	2015	SA52	46.5517
South Africa	2013	SA3	39.6552	2015	SA19	39.6552	2014	SA36	53.4483	2013	SA53	24.1379
South Africa	2014	SA3	48.2759	2013	SA20	37.9310	2015	SA36	43.1034	2014	SA53	31.0345
South Africa	2015	SA3	48.2759	2014	SA20	62.0690	2013	SA37	22.4138	2015	SA53	22.4138
South Africa	2013	SA4	51.7241	2015	SA20	55.1724	2014	SA37	29.3103	2013	SA54	29.3103
South Africa	2014	SA4	63.7931	2013	SA21	65.5172	2015	SA37	25.8621	2014	SA54	44.8276
South Africa	2015	SA4	62.0690	2014	SA21	77.5862	2013	SA38	24.1379	2015	SA54	29.3103
South Africa	2013	SA5	17.2414	2015	SA21	86.2069	2014	SA38	29.3103	2013	SA55	34.4828
South Africa	2014	SA5	22.4138	2013	SA22	44.8276	2015	SA38	31.0345	2014	SA55	39.6552
South Africa	2015	SA5	18.9655	2014	SA22	81.0345	2013	SA39	48.2759	2015	SA55	48.2759

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
South Africa	2013	SA6	41.3793	2015	SA22	86.2069	2014	SA39	55.1724	2013	SA56	60.3448
South Africa	2014	SA6	46.5517	2013	SA23	20.6897	2015	SA39	55.1724	2014	SA56	68.9655
South Africa	2015	SA6	51.7241	2014	SA23	22.4138	2013	SA40	27.5862	2015	SA56	72.4138
South Africa	2013	SA1	36.2069	2015	SA17	43.1034	2014	SA34	25.8621	2013	SA51	44.8276
South Africa	2014	SA1	41.3793	2013	SA18	37.9310	2015	SA34	18.9655	2014	SA51	60.3448
South Africa	2015	SA1	34.4828	2014	SA18	34.4828	2013	SA35	43.1034	2015	SA51	44.8276
South Africa	2013	SA2	20.6897	2015	SA18	29.3103	2014	SA35	56.8966	2013	SA52	50.0000
South Africa	2014	SA2	24.1379	2013	SA19	29.3103	2015	SA35	51.7241	2014	SA52	44.8276
South Africa	2015	SA2	18.9655	2014	SA19	39.6552	2013	SA36	44.8276	2015	SA52	46.5517
South Africa	2013	SA3	39.6552	2015	SA19	39.6552	2014	SA36	53.4483	2013	SA53	24.1379
South Africa	2014	SA3	48.2759	2013	SA20	37.9310	2015	SA36	43.1034	2014	SA53	31.0345
South Africa	2015	SA3	48.2759	2014	SA20	62.0690	2013	SA37	22.4138	2015	SA53	22.4138
South Africa	2013	SA4	51.7241	2015	SA20	55.1724	2014	SA37	29.3103	2013	SA54	29.3103
South Africa	2014	SA4	63.7931	2013	SA21	65.5172	2015	SA37	25.8621	2014	SA54	44.8276
South Africa	2015	SA4	62.0690	2014	SA21	77.5862	2013	SA38	24.1379	2015	SA54	29.3103
South Africa	2013	SA5	17.2414	2015	SA21	86.2069	2014	SA38	29.3103	2013	SA55	34.4828
South Africa	2014	SA5	22.4138	2013	SA22	44.8276	2015	SA38	31.0345	2014	SA55	39.6552
South Africa	2015	SA5	18.9655	2014	SA22	81.0345	2013	SA39	48.2759	2015	SA55	48.2759
South Africa	2013	SA6	41.3793	2015	SA22	86.2069	2014	SA39	55.1724	2013	SA56	60.3448
South Africa	2014	SA6	46.5517	2013	SA23	20.6897	2015	SA39	55.1724	2014	SA56	68.9655
South Africa	2015	SA6	51.7241	2014	SA23	22.4138	2013	SA40	27.5862	2015	SA56	72.4138
South Africa	2013	SA1	36.2069	2015	SA17	43.1034	2014	SA34	25.8621	2013	SA51	44.8276
South Africa	2014	SA1	41.3793	2013	SA18	37.9310	2015	SA34	18.9655	2014	SA51	60.3448
South Africa	2015	SA1	34.4828	2014	SA18	34.4828	2013	SA35	43.1034	2015	SA51	44.8276
South Africa	2013	SA2	20.6897	2015	SA18	29.3103	2014	SA35	56.8966	2013	SA52	50.0000
South Africa	2014	SA2	24.1379	2013	SA19	29.3103	2015	SA35	51.7241	2014	SA52	44.8276
South Africa	2015	SA2	18.9655	2014	SA19	39.6552	2013	SA36	44.8276	2015	SA52	46.5517
South Africa	2013	SA3	39.6552	2015	SA19	39.6552	2014	SA36	53.4483	2013	SA53	24.1379

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
South Africa	2014	SA3	48.2759	2013	SA20	37.9310	2015	SA36	43.1034	2014	SA53	31.0345
South Africa	2015	SA3	48.2759	2014	SA20	62.0690	2013	SA37	22.4138	2015	SA53	22.4138
South Africa	2013	SA4	51.7241	2015	SA20	55.1724	2014	SA37	29.3103	2013	SA54	29.3103
South Africa	2014	SA4	63.7931	2013	SA21	65.5172	2015	SA37	25.8621	2014	SA54	44.8276
South Africa	2015	SA4	62.0690	2014	SA21	77.5862	2013	SA38	24.1379	2015	SA54	29.3103
South Africa	2013	SA5	17.2414	2015	SA21	86.2069	2014	SA38	29.3103	2013	SA55	34.4828
South Africa	2014	SA5	22.4138	2013	SA22	44.8276	2015	SA38	31.0345	2014	SA55	39.6552
South Africa	2015	SA5	18.9655	2014	SA22	81.0345	2013	SA39	48.2759	2015	SA55	48.2759
South Africa	2013	SA6	41.3793	2015	SA22	86.2069	2014	SA39	55.1724	2013	SA56	60.3448
South Africa	2014	SA6	46.5517	2013	SA23	20.6897	2015	SA39	55.1724	2014	SA56	68.9655
South Africa	2015	SA6	51.7241	2014	SA23	22.4138	2013	SA40	27.5862	2015	SA56	72.4138
South Africa	2013	SA7	29.3103	2015	SA23	17.2414	2014	SA40	48.2759	2013	SA57	32.7586
South Africa	2014	SA7	34.4828	2013	SA24	55.1724	2015	SA40	46.5517	2014	SA57	44.8276
South Africa	2015	SA7	31.0345	2014	SA24	60.3448	2013	SA41	20.6897	2015	SA57	44.8276
South Africa	2013	SA8	20.6897	2015	SA24	68.9655	2014	SA41	34.4828	2013	SA58	24.1379
South Africa	2014	SA8	31.0345	2013	SA25	41.3793	2015	SA41	22.4138	2014	SA58	43.1034
South Africa	2015	SA8	27.5862	2014	SA25	56.8966	2013	SA42	17.2414	2015	SA58	29.3103
South Africa	2013	SA9	31.0345	2015	SA25	51.7241	2014	SA42	27.5862	2013	SA59	50.0000
South Africa	2014	SA9	39.6552	2013	SA26	22.4138	2015	SA42	22.4138	2014	SA59	53.4483
South Africa	2015	SA9	32.7586	2014	SA26	24.1379	2013	SA43	24.1379	2015	SA59	43.1034
South Africa	2013	SA10	15.5172	2015	SA26	20.6897	2014	SA43	25.8621	2013	SA60	36.2069
South Africa	2014	SA10	24.1379	2013	SA27	44.8276	2015	SA43	20.6897	2014	SA60	41.3793
South Africa	2015	SA10	17.2414	2014	SA27	43.1034	2013	SA44	37.9310	2015	SA60	43.1034
South Africa	2013	SA11	32.7586	2015	SA27	44.8276	2014	SA44	37.9310	2013	SA61	29.3103
South Africa	2014	SA11	39.6552	2013	SA28	58.6207	2015	SA44	31.0345	2014	SA61	37.9310
South Africa	2015	SA11	31.0345	2014	SA28	58.6207	2013	SA45	27.5862	2015	SA61	25.8621
South Africa	2013	SA12	41.3793	2015	SA28	48.2759	2014	SA45	29.3103	2013	SA62	51.7241
South Africa	2014	SA12	39.6552	2013	SA29	36.2069	2015	SA45	24.1379	2014	SA62	55.1724

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
South Africa	2015	SA12	36.2069	2014	SA29	62.0690	2013	SA46	37.9310	2015	SA62	60.3448
South Africa	2013	SA13	27.5862	2015	SA29	60.3448	2014	SA46	41.3793	2013	SA63	29.3103
South Africa	2014	SA13	34.4828	2013	SA30	51.7241	2015	SA46	37.9310	2014	SA63	31.0345
South Africa	2015	SA13	34.4828	2014	SA30	68.9655	2013	SA47	17.2414	2015	SA63	27.5862
South Africa	2013	SA14	31.0345	2015	SA30	62.0690	2014	SA47	15.5172	2013	SA64	27.5862
South Africa	2014	SA14	32.7586	2013	SA31	27.5862	2015	SA47	17.2414	2014	SA64	44.8276
South Africa	2015	SA14	25.8621	2014	SA31	41.3793	2013	SA48	63.7931	2015	SA64	41.3793
South Africa	2013	SA15	15.5172	2015	SA31	31.0345	2014	SA48	68.9655	2013	SA65	18.9655
South Africa	2014	SA15	15.5172	2013	SA32	25.8621	2015	SA48	48.2759	2014	SA65	24.1379
South Africa	2015	SA15	17.2414	2014	SA32	25.8621	2013	SA49	46.5517	2015	SA65	25.8621
South Africa	2013	SA16	32.7586	2015	SA32	17.2414	2014	SA49	46.5517	2013	SA66	18.9655
South Africa	2014	SA16	63.7931	2013	SA33	17.2414	2015	SA49	43.1034	2014	SA66	29.3103
South Africa	2015	SA16	68.9655	2014	SA33	50.0000	2013	SA50	18.9655	2015	SA66	22.4138
South Africa	2013	SA17	41.3793	2015	SA33	50.0000	2014	SA50	24.1379	2013	SA67	22.4138
South Africa	2014	SA17	48.2759	2013	SA34	25.8621	2015	SA50	22.4138	2014	SA67	27.5862
South Africa	2013	SA7	29.3103	2015	SA23	17.2414	2014	SA40	48.2759	2013	SA57	32.7586
South Africa	2014	SA7	34.4828	2013	SA24	55.1724	2015	SA40	46.5517	2014	SA57	44.8276
South Africa	2015	SA7	31.0345	2014	SA24	60.3448	2013	SA41	20.6897	2015	SA57	44.8276
South Africa	2013	SA8	20.6897	2015	SA24	68.9655	2014	SA41	34.4828	2013	SA58	24.1379
South Africa	2014	SA8	31.0345	2013	SA25	41.3793	2015	SA41	22.4138	2014	SA58	43.1034
South Africa	2015	SA8	27.5862	2014	SA25	56.8966	2013	SA42	17.2414	2015	SA58	29.3103
South Africa	2013	SA9	31.0345	2015	SA25	51.7241	2014	SA42	27.5862	2013	SA59	50.0000
South Africa	2014	SA9	39.6552	2013	SA26	22.4138	2015	SA42	22.4138	2014	SA59	53.4483
South Africa	2015	SA9	32.7586	2014	SA26	24.1379	2013	SA43	24.1379	2015	SA59	43.1034
South Africa	2013	SA10	15.5172	2015	SA26	20.6897	2014	SA43	25.8621	2013	SA60	36.2069
South Africa	2014	SA10	24.1379	2013	SA27	44.8276	2015	SA43	20.6897	2014	SA60	41.3793
South Africa	2015	SA10	17.2414	2014	SA27	43.1034	2013	SA44	37.9310	2015	SA60	43.1034
South Africa	2013	SA11	32.7586	2015	SA27	44.8276	2014	SA44	37.9310	2013	SA61	29.3103

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
South Africa	2014	SA11	39.6552	2013	SA28	58.6207	2015	SA44	31.0345	2014	SA61	37.9310
South Africa	2015	SA11	31.0345	2014	SA28	58.6207	2013	SA45	27.5862	2015	SA61	25.8621
South Africa	2013	SA12	41.3793	2015	SA28	48.2759	2014	SA45	29.3103	2013	SA62	51.7241
South Africa	2014	SA12	39.6552	2013	SA29	36.2069	2015	SA45	24.1379	2014	SA62	55.1724
South Africa	2015	SA12	36.2069	2014	SA29	62.0690	2013	SA46	37.9310	2015	SA62	60.3448
South Africa	2013	SA13	27.5862	2015	SA29	60.3448	2014	SA46	41.3793	2013	SA63	29.3103
South Africa	2014	SA13	34.4828	2013	SA30	51.7241	2015	SA46	37.9310	2014	SA63	31.0345
South Africa	2015	SA13	34.4828	2014	SA30	68.9655	2013	SA47	17.2414	2015	SA63	27.5862
South Africa	2013	SA14	31.0345	2015	SA30	62.0690	2014	SA47	15.5172	2013	SA64	27.5862
South Africa	2014	SA14	32.7586	2013	SA31	27.5862	2015	SA47	17.2414	2014	SA64	44.8276
South Africa	2015	SA14	25.8621	2014	SA31	41.3793	2013	SA48	63.7931	2015	SA64	41.3793
South Africa	2013	SA15	15.5172	2015	SA31	31.0345	2014	SA48	68.9655	2013	SA65	18.9655
South Africa	2014	SA15	15.5172	2013	SA32	25.8621	2015	SA48	48.2759	2014	SA65	24.1379
South Africa	2015	SA15	17.2414	2014	SA32	25.8621	2013	SA49	46.5517	2015	SA65	25.8621
South Africa	2013	SA16	32.7586	2015	SA32	17.2414	2014	SA49	46.5517	2013	SA66	18.9655
South Africa	2014	SA16	63.7931	2013	SA33	17.2414	2015	SA49	43.1034	2014	SA66	29.3103
South Africa	2015	SA16	68.9655	2014	SA33	50.0000	2013	SA50	18.9655	2015	SA66	22.4138
South Africa	2013	SA17	41.3793	2015	SA33	50.0000	2014	SA50	24.1379	2013	SA67	22.4138
South Africa	2014	SA17	48.2759	2013	SA34	25.8621	2015	SA50	22.4138	2014	SA67	27.5862
South Africa	2013	SA7	29.3103	2015	SA23	17.2414	2014	SA40	48.2759	2013	SA57	32.7586
South Africa	2014	SA7	34.4828	2013	SA24	55.1724	2015	SA40	46.5517	2014	SA57	44.8276
South Africa	2015	SA7	31.0345	2014	SA24	60.3448	2013	SA41	20.6897	2015	SA57	44.8276
South Africa	2013	SA8	20.6897	2015	SA24	68.9655	2014	SA41	34.4828	2013	SA58	24.1379
South Africa	2014	SA8	31.0345	2013	SA25	41.3793	2015	SA41	22.4138	2014	SA58	43.1034
South Africa	2015	SA8	27.5862	2014	SA25	56.8966	2013	SA42	17.2414	2015	SA58	29.3103
South Africa	2013	SA9	31.0345	2015	SA25	51.7241	2014	SA42	27.5862	2013	SA59	50.0000
South Africa	2014	SA9	39.6552	2013	SA26	22.4138	2015	SA42	22.4138	2014	SA59	53.4483
South Africa	2015	SA9	32.7586	2014	SA26	24.1379	2013	SA43	24.1379	2015	SA59	43.1034

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
South Africa	2013	SA10	15.5172	2015	SA26	20.6897	2014	SA43	25.8621	2013	SA60	36.2069
South Africa	2014	SA10	24.1379	2013	SA27	44.8276	2015	SA43	20.6897	2014	SA60	41.3793
South Africa	2015	SA10	17.2414	2014	SA27	43.1034	2013	SA44	37.9310	2015	SA60	43.1034
South Africa	2013	SA11	32.7586	2015	SA27	44.8276	2014	SA44	37.9310	2013	SA61	29.3103
South Africa	2014	SA11	39.6552	2013	SA28	58.6207	2015	SA44	31.0345	2014	SA61	37.9310
South Africa	2015	SA11	31.0345	2014	SA28	58.6207	2013	SA45	27.5862	2015	SA61	25.8621
South Africa	2013	SA12	41.3793	2015	SA28	48.2759	2014	SA45	29.3103	2013	SA62	51.7241
South Africa	2014	SA12	39.6552	2013	SA29	36.2069	2015	SA45	24.1379	2014	SA62	55.1724
South Africa	2015	SA12	36.2069	2014	SA29	62.0690	2013	SA46	37.9310	2015	SA62	60.3448
South Africa	2013	SA13	27.5862	2015	SA29	60.3448	2014	SA46	41.3793	2013	SA63	29.3103
South Africa	2014	SA13	34.4828	2013	SA30	51.7241	2015	SA46	37.9310	2014	SA63	31.0345
South Africa	2015	SA13	34.4828	2014	SA30	68.9655	2013	SA47	17.2414	2015	SA63	27.5862
South Africa	2013	SA14	31.0345	2015	SA30	62.0690	2014	SA47	15.5172	2013	SA64	27.5862
South Africa	2014	SA14	32.7586	2013	SA31	27.5862	2015	SA47	17.2414	2014	SA64	44.8276
South Africa	2015	SA14	25.8621	2014	SA31	41.3793	2013	SA48	63.7931	2015	SA64	41.3793
South Africa	2013	SA15	15.5172	2015	SA31	31.0345	2014	SA48	68.9655	2013	SA65	18.9655
South Africa	2014	SA15	15.5172	2013	SA32	25.8621	2015	SA48	48.2759	2014	SA65	24.1379
South Africa	2015	SA15	17.2414	2014	SA32	25.8621	2013	SA49	46.5517	2015	SA65	25.8621
South Africa	2013	SA16	32.7586	2015	SA32	17.2414	2014	SA49	46.5517	2013	SA66	18.9655
South Africa	2014	SA16	63.7931	2013	SA33	17.2414	2015	SA49	43.1034	2014	SA66	29.3103
South Africa	2015	SA16	68.9655	2014	SA33	50.0000	2013	SA50	18.9655	2015	SA66	22.4138
South Africa	2013	SA17	41.3793	2015	SA33	50.0000	2014	SA50	24.1379	2013	SA67	22.4138
South Africa	2014	SA17	48.2759	2013	SA34	25.8621	2015	SA50	22.4138	2014	SA67	27.5862
South Africa	2013	SA7	29.3103	2015	SA23	17.2414	2014	SA40	48.2759	2013	SA57	32.7586
South Africa	2014	SA7	34.4828	2013	SA24	55.1724	2015	SA40	46.5517	2014	SA57	44.8276
South Africa	2015	SA7	31.0345	2014	SA24	60.3448	2013	SA41	20.6897	2015	SA57	44.8276
South Africa	2013	SA8	20.6897	2015	SA24	68.9655	2014	SA41	34.4828	2013	SA58	24.1379
South Africa	2014	SA8	31.0345	2013	SA25	41.3793	2015	SA41	22.4138	2014	SA58	43.1034

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
South Africa	2015	SA8	27.5862	2014	SA25	56.8966	2013	SA42	17.2414	2015	SA58	29.3103
South Africa	2013	SA9	31.0345	2015	SA25	51.7241	2014	SA42	27.5862	2013	SA59	50.0000
South Africa	2014	SA9	39.6552	2013	SA26	22.4138	2015	SA42	22.4138	2014	SA59	53.4483
South Africa	2015	SA9	32.7586	2014	SA26	24.1379	2013	SA43	24.1379	2015	SA59	43.1034
South Africa	2013	SA10	15.5172	2015	SA26	20.6897	2014	SA43	25.8621	2013	SA60	36.2069
South Africa	2014	SA10	24.1379	2013	SA27	44.8276	2015	SA43	20.6897	2014	SA60	41.3793
South Africa	2015	SA10	17.2414	2014	SA27	43.1034	2013	SA44	37.9310	2015	SA60	43.1034
South Africa	2013	SA11	32.7586	2015	SA27	44.8276	2014	SA44	37.9310	2013	SA61	29.3103
South Africa	2014	SA11	39.6552	2013	SA28	58.6207	2015	SA44	31.0345	2014	SA61	37.9310
South Africa	2015	SA11	31.0345	2014	SA28	58.6207	2013	SA45	27.5862	2015	SA61	25.8621
South Africa	2013	SA12	41.3793	2015	SA28	48.2759	2014	SA45	29.3103	2013	SA62	51.7241
South Africa	2014	SA12	39.6552	2013	SA29	36.2069	2015	SA45	24.1379	2014	SA62	55.1724
South Africa	2015	SA12	36.2069	2014	SA29	62.0690	2013	SA46	37.9310	2015	SA62	60.3448
South Africa	2013	SA13	27.5862	2015	SA29	60.3448	2014	SA46	41.3793	2013	SA63	29.3103
South Africa	2014	SA13	34.4828	2013	SA30	51.7241	2015	SA46	37.9310	2014	SA63	31.0345
South Africa	2015	SA13	34.4828	2014	SA30	68.9655	2013	SA47	17.2414	2015	SA63	27.5862
South Africa	2013	SA14	31.0345	2015	SA30	62.0690	2014	SA47	15.5172	2013	SA64	27.5862
South Africa	2014	SA14	32.7586	2013	SA31	27.5862	2015	SA47	17.2414	2014	SA64	44.8276
South Africa	2015	SA14	25.8621	2014	SA31	41.3793	2013	SA48	63.7931	2015	SA64	41.3793
South Africa	2013	SA15	15.5172	2015	SA31	31.0345	2014	SA48	68.9655	2013	SA65	18.9655
South Africa	2014	SA15	15.5172	2013	SA32	25.8621	2015	SA48	48.2759	2014	SA65	24.1379
South Africa	2015	SA15	17.2414	2014	SA32	25.8621	2013	SA49	46.5517	2015	SA65	25.8621
South Africa	2013	SA16	32.7586	2015	SA32	17.2414	2014	SA49	46.5517	2013	SA66	18.9655
South Africa	2014	SA16	63.7931	2013	SA33	17.2414	2015	SA49	43.1034	2014	SA66	29.3103
South Africa	2015	SA16	68.9655	2014	SA33	50.0000	2013	SA50	18.9655	2015	SA66	22.4138
South Africa	2013	SA17	41.3793	2015	SA33	50.0000	2014	SA50	24.1379	2013	SA67	22.4138
South Africa	2014	SA17	48.2759	2013	SA34	25.8621	2015	SA50	22.4138	2014	SA67	27.5862
South Africa	2013	SA7	29.3103	2015	SA23	17.2414	2014	SA40	48.2759	2013	SA57	32.7586

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
South Africa	2014	SA7	34.4828	2013	SA24	55.1724	2015	SA40	46.5517	2014	SA57	44.8276
South Africa	2015	SA7	31.0345	2014	SA24	60.3448	2013	SA41	20.6897	2015	SA57	44.8276
South Africa	2013	SA8	20.6897	2015	SA24	68.9655	2014	SA41	34.4828	2013	SA58	24.1379
South Africa	2014	SA8	31.0345	2013	SA25	41.3793	2015	SA41	22.4138	2014	SA58	43.1034
South Africa	2015	SA8	27.5862	2014	SA25	56.8966	2013	SA42	17.2414	2015	SA58	29.3103
South Africa	2013	SA9	31.0345	2015	SA25	51.7241	2014	SA42	27.5862	2013	SA59	50.0000
South Africa	2014	SA9	39.6552	2013	SA26	22.4138	2015	SA42	22.4138	2014	SA59	53.4483
South Africa	2015	SA9	32.7586	2014	SA26	24.1379	2013	SA43	24.1379	2015	SA59	43.1034
South Africa	2013	SA10	15.5172	2015	SA26	20.6897	2014	SA43	25.8621	2013	SA60	36.2069
South Africa	2014	SA10	24.1379	2013	SA27	44.8276	2015	SA43	20.6897	2014	SA60	41.3793
South Africa	2015	SA10	17.2414	2014	SA27	43.1034	2013	SA44	37.9310	2015	SA60	43.1034
South Africa	2013	SA11	32.7586	2015	SA27	44.8276	2014	SA44	37.9310	2013	SA61	29.3103
South Africa	2014	SA11	39.6552	2013	SA28	58.6207	2015	SA44	31.0345	2014	SA61	37.9310
South Africa	2015	SA11	31.0345	2014	SA28	58.6207	2013	SA45	27.5862	2015	SA61	25.8621
South Africa	2013	SA12	41.3793	2015	SA28	48.2759	2014	SA45	29.3103	2013	SA62	51.7241
South Africa	2014	SA12	39.6552	2013	SA29	36.2069	2015	SA45	24.1379	2014	SA62	55.1724
South Africa	2015	SA12	36.2069	2014	SA29	62.0690	2013	SA46	37.9310	2015	SA62	60.3448
South Africa	2013	SA13	27.5862	2015	SA29	60.3448	2014	SA46	41.3793	2013	SA63	29.3103
South Africa	2014	SA13	34.4828	2013	SA30	51.7241	2015	SA46	37.9310	2014	SA63	31.0345
South Africa	2015	SA13	34.4828	2014	SA30	68.9655	2013	SA47	17.2414	2015	SA63	27.5862
South Africa	2013	SA14	31.0345	2015	SA30	62.0690	2014	SA47	15.5172	2013	SA64	27.5862
South Africa	2014	SA14	32.7586	2013	SA31	27.5862	2015	SA47	17.2414	2014	SA64	44.8276
South Africa	2015	SA14	25.8621	2014	SA31	41.3793	2013	SA48	63.7931	2015	SA64	41.3793
South Africa	2013	SA15	15.5172	2015	SA31	31.0345	2014	SA48	68.9655	2013	SA65	18.9655
South Africa	2014	SA15	15.5172	2013	SA32	25.8621	2015	SA48	48.2759	2014	SA65	24.1379
South Africa	2015	SA15	17.2414	2014	SA32	25.8621	2013	SA49	46.5517	2015	SA65	25.8621
South Africa	2013	SA16	32.7586	2015	SA32	17.2414	2014	SA49	46.5517	2013	SA66	18.9655
South Africa	2014	SA16	63.7931	2013	SA33	17.2414	2015	SA49	43.1034	2014	SA66	29.3103

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
South Africa	2015	SA16	68.9655	2014	SA33	50.0000	2013	SA50	18.9655	2015	SA66	22.4138
South Africa	2013	SA17	41.3793	2015	SA33	50.0000	2014	SA50	24.1379	2013	SA67	22.4138
South Africa	2015	SA67	25.8621	2014	SA84	48.2759	2013	SA101	74.1379	2015	SA117	48.2759
South Africa	2013	SA68	41.3793	2015	SA84	32.7586	2014	SA101	24.1379	2013	SA118	48.2759
South Africa	2014	SA68	43.1034	2013	SA85	63.7931	2015	SA101	18.9655	2014	SA118	58.6207
South Africa	2015	SA68	48.2759	2014	SA85	72.4138	2013	SA102	39.6552	2015	SA118	44.8276
South Africa	2013	SA69	25.8621	2015	SA85	75.8621	2014	SA102	58.6207	2013	SA119	43.1034
South Africa	2014	SA69	25.8621	2013	SA86	68.9655	2015	SA102	56.8966	2014	SA119	41.3793
South Africa	2015	SA69	24.1379	2014	SA86	67.2414	2013	SA103	65.5172	2015	SA119	36.2069
South Africa	2013	SA70	25.8621	2015	SA86	75.8621	2014	SA103	72.4138	2013	SA120	31.0345
South Africa	2014	SA70	31.0345	2013	SA87	18.9655	2015	SA103	75.8621	2014	SA120	32.7586
South Africa	2015	SA70	24.1379	2014	SA87	36.2069	2013	SA104	37.9310	2015	SA120	27.5862
South Africa	2013	SA71	13.7931	2015	SA87	29.3103	2014	SA104	41.3793	2013	SA121	32.7586
South Africa	2014	SA71	20.6897	2013	SA88	55.1724	2015	SA104	39.6552	2014	SA121	44.8276
South Africa	2015	SA71	17.2414	2014	SA88	63.7931	2013	SA105	67.2414	2015	SA121	37.9310
South Africa	2013	SA72	37.9310	2015	SA88	60.3448	2014	SA105	81.0345	2013	SA122	32.7586
South Africa	2014	SA72	53.4483	2013	SA89	74.1379	2015	SA105	91.3793	2014	SA122	39.6552
South Africa	2015	SA72	48.2759	2014	SA89	77.5862	2013	SA106	20.6897	2015	SA122	39.6552
South Africa	2013	SA73	58.6207	2015	SA89	72.4138	2014	SA106	36.2069	2013	SA123	25.8621
South Africa	2014	SA73	68.9655	2013	SA90	65.5172	2015	SA106	29.3103	2014	SA123	31.0345
South Africa	2015	SA73	72.4138	2014	SA90	77.5862	2013	SA107	34.4828	2015	SA123	29.3103
South Africa	2013	SA74	75.8621	2015	SA90	77.5862	2014	SA107	39.6552	2013	SA124	18.9655
South Africa	2014	SA74	81.0345	2013	SA91	22.4138	2015	SA107	31.0345	2014	SA124	27.5862
South Africa	2015	SA74	81.0345	2014	SA91	29.3103	2013	SA108	43.1034	2015	SA124	20.6897
South Africa	2013	SA75	51.7241	2015	SA91	25.8621	2014	SA108	65.5172	2013	SA125	60.3448
South Africa	2014	SA75	58.6207	2013	SA92	39.6552	2015	SA108	74.1379	2014	SA125	63.7931
South Africa	2015	SA75	68.9655	2014	SA92	48.2759	2013	SA109	34.4828	2015	SA125	63.7931
South Africa	2013	SA76	68.9655	2015	SA92	44.8276	2014	SA109	31.0345	2013	SA126	27.5862

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
South Africa	2014	SA76	77.5862	2013	SA93	67.2414	2015	SA109	31.0345	2014	SA126	31.0345
South Africa	2015	SA76	70.6897	2014	SA93	77.5862	2013	SA110	34.4828	2015	SA126	24.1379
South Africa	2013	SA77	36.2069	2015	SA93	81.0345	2014	SA110	46.5517	2013	SA127	22.4138
South Africa	2014	SA77	37.9310	2013	SA94	60.3448	2015	SA110	41.3793	2014	SA127	41.3793
South Africa	2015	SA77	32.7586	2014	SA94	65.5172	2013	SA111	29.3103	2015	SA127	41.3793
South Africa	2013	SA78	24.1379	2015	SA94	68.9655	2014	SA111	34.4828	2013	SA128	658.6207
South Africa	2014	SA78	27.5862	2013	SA95	70.6897	2015	SA111	29.3103	2014	SA128	43.1034
South Africa	2015	SA78	22.4138	2014	SA95	65.5172	2013	SA112	37.9310	2015	SA128	39.6552
South Africa	2013	SA79	22.4138	2015	SA95	56.8966	2014	SA112	56.8966	2013	SA129	39.6552
South Africa	2014	SA79	34.4828	2013	SA96	53.4483	2015	SA112	48.2759	2014	SA129	37.9310
South Africa	2015	SA79	18.9655	2014	SA96	60.3448	2013	SA113	50.0000	2015	SA129	39.6552
South Africa	2013	SA80	31.0345	2015	SA96	55.1724	2014	SA113	67.2414	2013	SA130	31.0345
South Africa	2014	SA80	32.7586	2013	SA97	44.8276	2015	SA113	67.2414	2014	SA130	37.9310
South Africa	2015	SA80	25.8621	2014	SA97	46.5517	2013	SA114	37.9310	2015	SA130	22.4138
South Africa	2013	SA81	20.6897	2015	SA97	51.7241	2014	SA114	53.4483	2013	SA131	34.4828
South Africa	2014	SA81	32.7586	2013	SA98	27.5862	2015	SA114	51.7241	2014	SA131	37.9310
South Africa	2015	SA81	25.8621	2014	SA98	32.7586	2013	SA115	18.9655	2015	SA131	31.0345
South Africa	2013	SA82	25.8621	2015	SA98	51.7241	2014	SA115	18.9655	2013	SA132	34.4828
South Africa	2014	SA82	25.8621	2013	SA99	65.5172	2015	SA115	17.2414	2014	SA132	41.3793
South Africa	2015	SA82	20.6897	2014	SA99	72.4138	2013	SA116	22.4138	2015	SA132	39.6552
South Africa	2013	SA83	46.5517	2015	SA99	65.5172	2014	SA116	27.5862	2013	SA133	50.0000
South Africa	2014	SA83	58.6207	2013	SA100	29.3103	2015	SA116	34.4828	2014	SA133	63.7931
South Africa	2015	SA83	60.3448	2014	SA100	34.4828	2013	SA117	53.4483	2015	SA133	55.1724
South Africa	2013	SA84	36.2069	2015	SA100	24.1379	2014	SA117	55.1724	2013	SA134	17.2414
South Africa	2014	SA134	27.5862	2013	SA151	15.5172	2015	SA167	43.1034	2015	SA141	39.6552
South Africa	2015	SA134	22.4138	2014	SA151	15.5172	2013	SA168	31.0345	2013	SA142	25.8621
South Africa	2013	SA135	53.4483	2015	SA151	15.5172	2014	SA168	32.7586	2014	SA142	25.8621
South Africa	2014	SA135	50.0000	2013	SA152	53.4483	2015	SA168	27.5862	2015	SA142	31.0345

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
South Africa	2015	SA135	39.6552	2014	SA152	65.5172	2013	SA169	17.2414	2013	SA143	18.9655
South Africa	2013	SA136	32.7586	2015	SA152	67.2414	2014	SA169	25.8621	2014	SA143	24.1379
South Africa	2014	SA136	36.2069	2013	SA153	32.7586	2015	SA169	17.2414	2015	SA143	22.4138
South Africa	2015	SA136	36.2069	2014	SA153	34.4828	2013	SA170	34.4828	2013	SA144	31.0345
South Africa	2013	SA137	58.6207	2015	SA153	31.0345	2014	SA170	36.2069	2014	SA144	25.8621
South Africa	2014	SA137	53.4483	2013	SA154	46.5517	2015	SA170	32.7586	2015	SA144	25.8621
South Africa	2015	SA137	63.7931	2014	SA154	55.1724	2013	SA171	48.2759	2013	SA145	39.6552
South Africa	2013	SA138	50.0000	2015	SA154	51.7241	2014	SA171	58.6207	2014	SA145	43.1034
South Africa	2014	SA138	67.2414	2013	SA155	31.0345	2015	SA171	43.1034	2015	SA145	36.2069
South Africa	2015	SA138	68.9655	2014	SA155	36.2069	2013	SA172	25.8621	2013	SA146	22.4138
South Africa	2013	SA139	32.7586	2015	SA155	29.3103	2014	SA172	27.5862	2014	SA146	37.9310
South Africa	2014	SA139	50.0000	2013	SA156	53.4483	2015	SA172	27.5862	2015	SA146	37.9310
South Africa	2015	SA139	37.9310	2014	SA156	44.8276	2013	SA173	25.8621	2013	SA147	22.4138
South Africa	2013	SA140	50.0000	2015	SA156	43.1034	2014	SA173	36.2069	2014	SA147	25.8621
South Africa	2014	SA140	68.9655	2013	SA157	36.2069	2015	SA173	31.0345	2015	SA147	24.1379
South Africa	2015	SA140	70.6897	2014	SA157	36.2069	2013	SA174	34.4828	2013	SA148	27.5862
South Africa	2013	SA141	39.6552	2015	SA157	29.3103	2014	SA174	41.3793	2014	SA148	31.0345
South Africa	2014	SA141	53.4483	2013	SA158	34.4828	2015	SA174	37.9310	2015	SA148	24.1379
South Africa	2013	SA149	37.9310	2013	SA165	27.5862	2013	SA150	31.0345	2015	SA166	34.4828
South Africa	2014	SA149	31.0345	2014	SA165	51.7241	2014	SA150	60.3448	2013	SA167	58.6207
South Africa	2015	SA149	29.3103	2015	SA165	53.4483	2015	SA150	63.7931	2014	SA167	51.7241
South Africa	2014	SA158	29.3103	2013	SA166	22.4138	2013	SA162	55.1724	2013	SA159	18.9655
South Africa	2015	SA158	25.8621	2014	SA166	36.2069	2014	SA162	72.4138	2014	SA159	20.6897
South Africa	2013	SA163	27.5862	2013	SA160	22.4138	2015	SA162	70.6897	2015	SA159	17.2414
South Africa	2014	SA163	27.5862	2014	SA160	32.7586	2015	SA163	36.2069	2015	SA160	39.6552
South Africa	2014	SA164	82.7586	2014	SA161	48.2759	2013	SA164	22.4138	2013	SA161	46.5517
South Africa	2015	SA164	75.8621	2015	SA161	50.0000						
Kenya	2013	KE1	17.8359	2015	KE17	32.6991	2014	KE34	38.6445	2015	KE6	26.7538
Kenya	2014	KE1	23.7812	2013	KE18	38.6445	2015	KE34	38.6445	2013	KE7	20.8086
Kenya	2015	KE1	23.7812	2014	KE18	35.6719	2013	KE35	35.6719	2014	KE7	20.8086
Kenya	2013	KE2	23.7812	2015	KE18	35.6719	2014	KE35	23.7812	2015	KE7	20.8086

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
Kenya	2014	KE2	23.7812	2013	KE19	14.8633	2015	KE35	23.7812	2013	KE8	44.5898
Kenya	2015	KE2	20.8086	2014	KE19	26.7538	2013	KE36	35.6719	2014	KE8	11.8907
Kenya	2013	KE3	11.8907	2015	KE19	26.7538	2014	KE36	38.6445	2015	KE8	12.0631
Kenya	2014	KE3	11.8907	2013	KE20	11.8907	2015	KE36	38.6445	2013	KE9	53.5078
Kenya	2015	KE3	11.8907	2014	KE20	35.6719	2013	KE37	26.7538	2014	KE9	11.8907
Kenya	2013	KE4	32.6991	2015	KE20	35.6719	2014	KE37	14.8633	2015	KE9	11.8907
Kenya	2014	KE4	32.6991	2013	KE21	14.8633	2015	KE37	14.8633	2013	KE10	14.8633
Kenya	2015	KE4	32.6991	2014	KE21	14.8633	2013	KE38	32.6991	2014	KE10	14.8633
Kenya	2013	KE5	29.7266	2015	KE21	14.8633	2014	KE38	56.4803	2015	KE10	14.8633
Kenya	2014	KE5	29.7266	2013	KE22	11.8907	2015	KE38	56.4803	2013	KE11	50.5350
Kenya	2015	KE5	29.7266	2014	KE22	8.9179	2013	KE39	20.8086	2014	KE11	41.6171
Kenya	2013	KE6	14.8633	2015	KE22	8.9179	2014	KE39	14.8633	2015	KE11	41.6171
Kenya	2014	KE6	14.8633	2013	KE23	29.7266	2015	KE39	14.8633	2013	KE12	23.7812
Kenya	2014	KE23	26.7538	2013	KE40	29.7266	2014	KE12	32.6991	2013	KE29	38.6445
Kenya	2015	KE23	26.7538	2014	KE40	14.8633	2015	KE12	32.6991	2014	KE29	14.8633
Kenya	2013	KE24	29.7266	2015	KE40	14.8633	2013	KE13	23.7812	2015	KE29	14.8633
Kenya	2014	KE24	17.8359	2013	KE41	35.6719	2014	KE13	35.6719	2013	KE30	17.8359
Kenya	2015	KE24	17.8359	2014	KE41	35.6719	2015	KE13	32.6991	2014	KE30	14.8633
Kenya	2013	KE25	20.8086	2015	KE41	35.6719	2013	KE14	26.7538	2015	KE30	14.8633
Kenya	2014	KE25	29.7266	2013	KE42	8.9179	2014	KE14	26.7538	2013	KE31	32.6991
Kenya	2015	KE25	29.7266	2014	KE42	8.9179	2015	KE14	26.7538	2014	KE31	53.5078
Kenya	2013	KE26	23.7812	2015	KE42	8.9179	2013	KE15	23.7812	2015	KE31	53.5078
Kenya	2014	KE26	32.6991	2013	KE43	53.5078	2014	KE15	14.8633	2013	KE32	17.8359
Kenya	2015	KE26	32.6991	2014	KE43	14.8633	2015	KE15	44.5898	2014	KE32	17.8359
Kenya	2013	KE27	11.8907	2015	KE43	14.8633	2013	KE16	38.6445	2015	KE32	17.8359
Kenya	2014	KE27	20.8086	2013	KE44	14.8633	2014	KE16	17.8359	2013	KE33	41.6171
Kenya	2015	KE27	20.8086	2014	KE44	14.8633	2015	KE16	17.8359	2014	KE33	14.8633
Kenya	2013	KE28	32.6991	2015	KE44	14.8633	2013	KE17	26.7538	2015	KE33	14.8633
Kenya	2014	KE28	14.8633	2013	KE45	17.8359	2014	KE17	32.6991	2013	KE34	26.7538
Kenya	2015	KE28	14.8633	2014	KE45	14.8633	2015	KE47	14.8633	2013	KE49	14.8633
Kenya	2015	KE45	14.8633	2015	KE46	11.8907	2013	KE48	38.6445	2014	KE49	14.8633

COUNTRY	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR	YEAR	COMPANY	SR
Kenya	2013	KE46	38.6445	2013	KE47	23.7812	2014	KE48	38.6445	2015	KE49	14.8633
Kenya	2014	KE46	17.8359	2014	KE47	14.8633	2015	KE48	38.6445	2013	KE50	65.3983
Kenya	2014	KE50	32.6991	2015	KE50	53.5078						
Mauritius	2013	MA1	36.2069	2014	MA7	60.3448	2015	MA13	74.1379	2013	MA20	6.8966
Mauritius	2014	MA1	39.6552	2015	MA7	67.2414	2013	MA14	8.6207	2014	MA20	8.6207
Mauritius	2015	MA1	55.1724	2013	MA8	68.9655	2014	MA14	12.0690	2015	MA20	5.1724
Mauritius	2013	MA2	67.2414	2014	MA8	67.2414	2015	MA14	15.5172	2013	MA21	72.4138
Mauritius	2014	MA2	60.3448	2015	MA8	68.9655	2013	MA15	82.7586	2014	MA21	68.9655
Mauritius	2015	MA2	62.0690	2013	MA9	10.3448	2014	MA15	74.1379	2015	MA21	72.4138
Mauritius	2013	MA3	17.2414	2014	MA9	12.0690	2015	MA15	72.4138	2013	MA22	89.6552
Mauritius	2014	MA3	15.5172	2015	MA9	17.2414	2013	MA16	10.3448	2014	MA22	91.3793
Mauritius	2015	MA3	18.9655	2013	MA10	34.4828	2014	MA16	12.0690	2015	MA22	86.2069
Mauritius	2013	MA4	15.5172	2014	MA10	41.3793	2015	MA16	10.3448	2013	MA23	46.5517
Mauritius	2014	MA4	12.0690	2015	MA10	43.1034	2013	MA17	74.1379	2014	MA23	51.7241
Mauritius	2015	MA4	10.3448	2013	MA11	17.2414	2014	MA17	70.6897	2015	MA23	55.1724
Mauritius	2013	MA5	8.6207	2014	MA11	20.6897	2015	MA17	79.3103	2013	MA24	13.7931
Mauritius	2014	MA5	12.0690	2015	MA11	18.9655	2013	MA18	86.2069	2014	MA24	10.3448
Mauritius	2015	MA5	15.5172	2013	MA12	77.5862	2014	MA18	87.9310	2015	MA24	10.3448
Mauritius	2013	MA6	8.6207	2014	MA12	82.7586	2015	MA18	86.2069	2013	MA25	72.4138
Mauritius	2014	MA6	6.8966	2015	MA12	89.6552	2013	MA19	32.7586	2014	MA25	68.9655
Mauritius	2015	MA6	12.0690	2013	MA13	77.5862	2014	MA19	27.5862	2015	MA25	77.5862
Mauritius	2013	MA7	51.7241	2014	MA13	81.0345	2015	MA19	34.4828			

Figures are presented as percentages; Source: Own illustration.

CURRICULUM VITAE

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ACADEMIC EXPERIENCE

2015-Present	**University of St. Gallen, Switzerland** PhD in Management (Accounting)
2014- 2015	**Strathmore University, Nairobi** Association of Certified Chartered Accountants (ACCA) Part 2a, finalist
2012-2014	**Strathmore University, Nairobi** Master of Commerce (Forensic Accounting)
2008-2012	**Strathmore University, Nairobi** Bachelor of Commerce (Accounting Major)
2004-2007	**St. George's Secondary School, Nairobi** Kenya Certificate of Secondary Education

PROFESSIONAL EXPERIENCE

2014-Present	**Strathmore University, Nairobi** Tutorial fellow
2014-2015	**Institute for Small Business Initiatives, Nairobi** Consultant
2012-2014	**Strathmore University, Nairobi** Graduate Assistant
2013	**Global Social Venture Competition, Kenyan Chapter** Student program coordinator
2011	**National Industrial Credit Bank** Intern
2010	**Wambui-Muchungu and Company, CPA (K), Nairobi** Intern