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Social and environmental accounting in developing countries: Contextual challenges and insights

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Social and environmental accounting in developing countries: Contextual challenges and insights

Abstract

Purpose – The purpose of this paper is to review most recent developments of social and environmental accounting (SEA) in the context of developing countries and to offer insights for the latest research in this field. It also provides an introduction to the AAAJ special issue.

Design/methodology/approach – We have undertaken a conceptual overview of the field developed in the past two decades (2001-2020) with a view to identify major themes, trends and future research directions.

Findings – The overview reveals that only 43 SEA papers addressing contextual challenges of developing countries have been published in leading accounting journals in the last 20 years. The coverage of these publications is concentrated in a small number of countries and regions. Interdisciplinary accounting journals, especially AAAJ, are the main publishing outlets in this field. The topic areas are dominated by social accounting challenges, with much less focus on environmental accounting, although developing countries are particularly exposed to the threats of climate change, water pollution and biodiversity loss. The literature reviewed uses elaborating, problematising and theorising contexts as three main contextualisation approaches to analyse contextual themes framed around regulatory, political, cultural and religious, and social-economic systems. Although various conceptual lenses have been adopted in the developing country SEA literature, the use of institutional theory and its various extension to address political and cultural complexities seems to become more prominent, as shown in most of the contributions included in this special issue.

Research limitations/implications – This review is limited to leading accounting journals. SEA research increasingly published in other disciplines such as in management, social and environmental areas might provide a more comprehensive view in this research field.

Originality/value – In this paper, *inter alia*, we review and synthesise the previous literature in a conceptual framework, illustrating and highlighting the importance of contextual framing of SEA in developing countries. Based on this review, we propose some ideas for a future research agenda aiming to advance the field. We expect this paper and the special issue to act as a reference point for emerging SEA researchers from developing countries to raise more scholarly impactful enquiries in this area.

Keywords: Social accounting, environmental accounting, sustainability, developing countries, context, contextualisation

Paper type: Research paper

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1. Introduction

Social and environmental accounting (SEA) research in developing countries has seen significant growth (Kimber and Lipton, 2005; Sumiani, et al., 2007; Weber, 2014). According to the United Nations (2020a; 2020b), developing countries are less industrialized countries with a low gross domestic product (GDP) per capita, a low gross national income (GNI) per capita, and/or a low human development index (HDI) which combines the factors of lifespan, education and GNI. There are more than 150 developing countries, representing over three quarters of all countries in the world (International Monetary Fund, 2020), within which 46 are designated as the poorest or least developed countries (LDC) (United Nations, 2020b). Although experiencing some level of economic growth, compared with developed and mature economies, developing countries benefit much less from global economic development, resource utilisation as well as from nature (such as through cleaner water and air) in current consumption and production patterns (United Nations, 2020b). They are constantly grappling with more severe impacts from climate change, environmental pollution, loss of biodiversity, inequality, and more recently, global recession. These unparalleled planetary changes and challenges faced by developing countries have started to receive attention among SEA scholars.

Prior to the 2000s, there was virtually little SEA literature focusing on developing countries. A likely reason was the lack of any evident awareness or development in relation to corporate social and/or environmental responsibility disclosure in the developing country context (Imam 1999; 2000; Belal 1999; 2000; 2001). Even if there was some disclosure in the past, the published information was often criticised for being too descriptive, largely confined to basic qualitative information without having adequate substance or providing accountability in the context (Momin and Parker, 2013; Thoradeniya et al., 2015). The area has been focused on more since the 2000s. In particular, the past decade or so has seen burgeoning literature in this area although the field still remains relatively immature (Tilt, 2018).

The increased interest in SEA research in developing countries may be largely attributed to the rapidly increasing voluntary disclosure in business practice in those countries (Das et al., 2015; Loh et al., 2016). International surveys conducted by KPMG (2015; 2017; 2020) highlight significant growth of corporate responsibility disclosure in emerging economic regions such as Africa, Asia Pacific and Latin America. A study of Association of Southeast Asian Nations (ASEAN) countries (see Loh et al., 2016) reveals that 100% of the sample companies examined in Indonesia, for example, provide some CSR or sustainability-related information. Not only is the quantity of disclosure proliferating, Loh et al.'s (2016) study also shows the improving quality of disclosure, particularly with more use

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of Global Reporting Initiative (GRI) indicators. Another reason for increased research may be the increasing number of SEA scholars either directly from developing countries or emerging international scholars who have received or are pursuing a research degree in Western countries, such as the US, UK, Australia and New Zealand. International education has experienced an exponential surge in many Western nations since the 2000s because of the economic development in developing countries. For example, in Australia alone, international education generated AUD$37.6billion in 2019 (Tehan, 2019). Among this, contributions from international research students either sponsored by their home governments or supported by international scholarships are substantial. The growing diversity of higher degree research (HDR) students on Western campuses is expected to bring new insights directly from an international (mostly developing) country context or culture into SEA research.

Nonetheless, despite the upsurge, high quality studies and publications about SEA research in developing countries, particularly in leading accounting journals, are patchy. SEA research in a developing country context is often dominated by SEA report quantity/volume analysis (descriptive in nature) or uses large samples of empirical data to replicate archival studies in the Western literature, for example, to test the effect of various firm characteristics (size, financial performance, industry, etc.) on social and environmental disclosure behaviour or performance (Liu and Anbumozhi, 2009; Qiu et al., 2016). While these examinations may involve larger samples, or more sophisticated methodological content, they overwhelmingly apply theories or hypotheses already developed and accepted in the West to a developing country, ignoring the rich contextual information in that country (Tilt, 2016). Many questions that require in-depth explorations to reveal internal SEA reporting process or how SEA could be entangled with different stakeholder demands and relationships within unique legal, political and societal settings of a developing country remain unanswered.

For most social phenomena, such as organisational behaviour and management decisions, it is impossible to isolate the phenomena themselves from their real-life contexts. Corporate behaviour, activities and relationships are clearly influenced by and/or influence the context of their operating environment (Hartley, 2004). For example, in many developing countries, although the concepts of legitimacy and institutions have been adopted widely to explain the rise of SEA, their meaning and potential influences on SEA development are still obscure to business practitioners and policy makers. This is due to many differences in developing countries in terms of their socio-political culture, regulatory systems and implementation mechanisms, institutional and political environments, as well as economic development levels and ambitions, to name but a few (Tilt, 2016; 2018). Investigation of these macro and micro differences and making relevant inferences from them will add value to extant SEA research and make SEA studies in a developing country context insightful and important (Yang et al., 2015).

Given the increasing volume of SEA studies of developing countries and that more emerging SEA scholars and HDR students are interested in making new contributions in this area, our paper aims to identify contextual focuses and challenges of SEA in

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developing countries and offer insights and suggestions for incorporating relevant and informative contexts into SEA research. To achieve these objectives, we first review and synthesise SEA research incorporating various developing country contexts published in leading accounting journals from 2001 to 2020. The review and analysis of the 20 years of publications reveal the extent to which the area has developed over time and the key theoretical and practical focuses found in previous research. The synthesis of literature also helps to uncover some unique aspects or perspectives taken in different country contexts and the nuances of the contextualisation that extends our knowledge and understandings of SEA in developing countries.

This paper also acts as an introduction to the AAAJ special issue – '*Incorporating Context into Social and Environmental Accounting in Developing Countries*', which aims to foster the development of the increasingly critical SEA research in the developing world and in turn to promote improved SEA practice in this milieu. We should note that, although prior literature has acknowledged the urgent need to intervene to alleviate the causes of poverty and unsustainability in developing countries, and to support government initiatives and vulnerable people living there, the immense problems and difficulties involved in doing this cannot be underestimated. In this respect, the discussion and analysis of real contextual challenges in developing countries is imperative as future SEA policies can be better informed by these different but important social-economic and political contexts in which SEA is practiced. The papers included in this special issue contribute to these discussions and provide insights about achievements, challenges and opportunities to enlighten future SEA directions and solutions in developing countries.

We have structured this paper as follows. Section 2 reviews recent SEA publications in leading accounting journals to reveal key issues in SEA debates in developing country contexts. Section 3 further explores key themes in various developing country contexts that have been focused on or expanded to provide new contributions in the SEA literature. Section 4 provides a brief overview of the papers published in this special issue and their unique contribution adding to existing or new SEA debates. The paper concludes in section 5 with future research outlook in this space.

2. An overview of SEA research in developing country contexts

A review of SEA research in developing countries published from 2001 to 2020[1] in leading-edge accounting journals that have possibly engaged in SEA research was conducted to reveal the extent to which the current literature has covered the area. Leading accounting journals are chosen to ensure the publications reviewed can provide revelations about what constitutes quality SEA research in the area and how contextual insights have improved the conceptual understanding of SEA or offered useful solutions to inform or enable policy and practice changes in developing countries. Although our selection aims to be in the spirit of covering as many journals as possible, for pragmatic reasons, we have kept the quality journal list selective and manageable for this review. A final list includes 27

[1] Only publications in print with volume numbers assigned are included in 2020. Papers in press or available for early views are excluded because of their continuous updates online, which prevents determining a reliable number of publications in 2020.

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leading accounting journals (see, Appendix I), mainly informed by ranking systems such as those of the *Australian Business Deans Council (*ABDC) and *Chartered Association of Business Schools* (CABS).

The literature search involved three steps: (1) A blanket search for single words such as 'social', 'environmental' and 'sustainability', and combinations of these words with 'accounting', 'reporting' or 'accountability' in each publication title, abstract and keywords was performed to identify SEA publications in each journal. This search also included search for specific topics, such as 'biodiversity', 'carbon emission', 'greenhouse gas emission', 'climate change', 'water' and 'waste'. However, the publications that discussed specific topics must be positioned within the boundary of SEA communication, and engage with conversations in the SEA field, to be included. (2) The abstract of each SEA publication identified was then examined to determine if the research is about SEA in a developing country as per the list of developing countries identified by the International Monetary Fund (2020). (3) If the publication is deemed to be SEA research in a developing country, a closer review of the full text was conducted to determine if it specifically addresses one or more contextual factors (issues, drivers, challenges, etc.) in that country or country association/alliance.

The growing literature on SEA in developing countries is dominated by descriptive (examines developing SEA practices) and instrumental (examines economic benefits from SEA practices) research, with only a few normative studies (examining the impact of SEA on developing societies and their stakeholders), especially in the publications of North American journals (Andrew and Baker, 2020). This limits the engagement of SEA research with the actual fields/contexts of developing countries. Several highly ranked journals with a key focus on mainstream financial or management accounting research have at times published SEA research conducted on developing countries. Nonetheless, these studies are regarded as being substantially "context free" because their main focus is the capital market's reaction to SEA reports or activities, irrespective of the country or institutional context of the study. For example, Manchiraju and Rajgopal (2017), published in the *JAR*, examined the effect of mandatory CSR spending on shareholder value in the Indian capital market. Despite the study context being in India, an important developing country, the contribution of the paper is purely about the economic value relevance of the mandatory CSR rule rather than framing the contextual impetuses of the negative market reactions to the CSR mandate in this particular country. A similar study by Chen et al. (2018), published in the *JAE*, provides empirical evidence of the effect of CSR disclosure on firm performance in China where the country is merely used as a data source to enable the empirical tests designed.

This situation also applies to several qualitative research papers. For example, Wijethilake et al. (2017), published in *AAAJ*, explored different strategies adopted by organisations in Sri Lanka in response to sustainability pressures. Although the justification for conducting the fieldwork and interviews in Sri Lanka as a study context is detailed in the paper, the research does not incorporate any contextual issues in the subject of study per se. Likewise, Elijido-Ten et al. (2010) also published in *AAAJ*, conducted an experimental study of environmental disclosures in Malaysia. In spite of its exploratory nature, the focus

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of the study is on diverse stakeholder influence strategies undertaken by business entities without taking any aspect of the country's socio-political context into consideration. Therefore, we have excluded these types of studies in our review in this paper.

The overview reveals a total of 43 papers published in the area over the 20-year period. The following sections present a snapshot of 'where' these publications appear, 'when' they were published and 'which' countries are focused on.

2.1 Where

Within the 27 leading accounting journals, only nine journals have published SEA research incorporating the developing country context into their analysis. Many of these journals acknowledge the value and importance of understanding the role of accounting within society in their aims and some have published SEA research on a regular basis or in relevant special issues. The overview of the journals is listed in Table 1.

<Insert Table 1 here>

Despite an overall small representation of SEA research incorporating developing country contexts, *AAAJ* (23) has taken the lead by publishing the highest number of papers in this space, over 50% of all publications found. This is followed by CPA (9). The combination of these two journals accounts for nearly 75% of total relevant publications. This perhaps partially reflects the aims of these two journals to promote the interdisciplinary research community's discourse and new challenges faced by the community. However, even within the journals that clearly value and regularly publish SEA research, the number of publications devoted to SEA research in developing countries constitutes an extremely small proportion compared with hundreds of SEA research publications over the 20-year period.

AOS, BAR and *JAPP* each contain two or three publications in the area. Although these journals have a societal focus or explicitly outline SEA as one of their topics of interest, publications incorporating developing country contexts into SEA debates are limited in these outlets. It appears that *ABR, ABACUS* and *CAR* are journals only publishing in the area by chance. With a focus predominantly on empirical 'mainstream' accounting, it is not surprising that SEA publications in these journals are rare.

2.2 When

Table 2 provides an overall picture of the number of relevant publications in each year from 2001 to 2020.

<Insert Table 2 here>

There is clearly an ascending trend in the publications over 20 years, especially a sizeable increase since 2013, indicating a growing importance of the area in recent years. Publications in the area before 2013 are *ad hoc*, with virtually none in the early 2000s, and only one or two in later years. A major increase emerged in 2013 with four publications appearing in that year, three from *AAAJ*. Although the tally seems to fluctuate after 2013, it reaches seven publications in 2020, the highest number in 20 years. One noticeable

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aspect of these statistics is that the significant increase of the relevant publications since 2013 is mainly driven by *AAAJ*, which has published two to three papers in most years since 2013. In contrast, *CPA*, as the second most popular outlet for such publications has papers more evenly distributed across 20 years, with no particular sign of an increase in recent years.

2.3 Which country

Table 3 exhibits the developing countries investigated within the SEA publications from 2001 to 2020.

<Insert Table 3 here>

Bangladesh is the most studied country with 13 publications in this country context. They are highly concentrated in *AAAJ* (7), followed by *CPA* (3) and *BAR* (2), and written by a handful of authors who have long been publishing work on this country. In addition to Bangladesh, which has an exceptionally high representation, another country that stands out is Nigeria, where publications focused mostly on oil and petroleum companies in this context. Again, the majority of the publications in this country are included in *AAAJ*. It seems that the countries given most attention in the SEA publications are not particularly related to the size or economic influence of a country, given that neither Bangladesh nor Nigeria has a particularly stronger global influence than other developing countries. Interestingly, the two largest and most populous developing countries, China (3) and India (1), have relatively low representation in the current SEA literature, despite their significant social-economic profiles and distinctive political and cultural structures, all of which are influential to SEA development in the respective regions. Several large and newly industrialised developing countries, such as South Africa, Brazil, Indonesia, Turkey and Mexico have only a few *ad hoc* studies or are entirely missing from the list. This issue clearly needs urgent attention given the significant social and environmental issues those countries face.

Most developing countries studied are in Asia and Africa, the two largest continents and consisting of more developing countries than any other continent. Even within these two continents, some regions seem to attract more attention than others. For example, research in Asia predominantly focuses on South and South East Asia, while countries from West Asia and the Middle East (Arab countries) are seldomly studied. Within Africa, the countries investigated are mainly located in the sub-Saharan region while North Africa is completely overlooked. Although a small number of countries in South America and Oceania are studied, the extent of coverage is minimal. It is also discernible that none of the Eastern European countries have been explored in the 20-year study period despite the slow uptake of SEA in this region (Horváth and Pütter, 2017).

The snapshot of the 43 publications reviewed has provided some interesting readings about the focus and limitations of the SEA research of interest over the past two decades. Following this overview, section 3 further discusses the contextual framing of developing country issues covered by this group of studies.

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3. Contextual development and contextualization of SEA in developing countries

This section further explores the 'how' questions, i.e. how has the field made contextual development and how are contextual issues incorporated and analysed in current SEA discussion for developing countries. Figure 1 illustrates a general framework of the contextual framing of issues in SEA research. Each element of Figure 1 is explained below.

<Insert Figure 1 here>

3.1 Scope

Deciding the scope and industry ranges where contextual issues are located is the foremost thing to consider. The review indicates the dominance of 'social' accounting, in particular, social reporting/disclosure, with more than half of the publications reviewed addressing social issues. The topics of poverty, inequality, human rights, community development, child and forced labour, and employee working conditions (more recently modern slavery) occupy most of the social landscape conversation. Beyond these, a number of papers include both social and environmental problems in their discussion and present them as interrelated challenges. Some of these papers label their topic as 'CSR' where environmental responsibilities are implicitly included within broader social responsibilities. There are only four papers focusing on environmental accounting practice, and an additional four papers specifically addressing biodiversity topics, plus one paper looking at sustainability as a whole.

This result is perhaps not surprising if we consider the context of globalisation and the labour-intensive export-led development strategies adopted by most of the developing countries in question (Belal, 2015). Most of the researchers in this field rightly pay attention to the role of accounting in revealing the significant social consequences related to the impact of such development strategies. However, studies on environmental problems, particularly climate change and biodiversity, which affect developing countries much more severely, are lacking and warrant more research (United Nations, 2020b).

Most of the SEA publications reviewed do not specify the industry context. Within the few that do, they are primarily limited to a small number of industries, for example, the garment industry in Bangladesh, oil and mining in Africa, and the banking industry in Islamic countries. Some *ad hoc* discussions on farming and forestry are related to biodiversity projects carried out in a particular country, such as one in India and one in Indonesia. Organisational participants are predominately public (listed) companies and public sector organisations. Multi-National Companies (MNCs) is another focus in some particular contexts where the use of local resources such as mines are controlled by global companies, or the nexus between MNCs and government. The rise of Non-Government Organisations (NGOs) and their connection with social equity and human rights has also been given some attention. However, the prior literature in this area has so far failed to note any issues pertaining to small and medium sized businesses.

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3.2 Contextualisation approaches

The influence of contextual factors on SEA development has previously been highlighted in Adam's (2002) review of SEA literature. While much attention in the Western literature has been given to organisational factors such as corporate characteristics (e.g. size, industry group, financial performance, share trading volume and price) and internal contextual factors (e.g. corporate governance factors, management attitudes and corporate culture), very few scholars have examined general contextual factors (e.g. social, political, cultural and economic contexts), and even if these factors are considered, the contextual consideration is very broad, lacking clarity and adequate details (Tilt, 2016). Within the limited prior literature reviewed, we categorise the contextualisation of SEA in developing countries at three levels, based on the approaches the papers adopt to communicate the phenomenological concept of context to readers.

3.2.1 Elaborating the context

Where SEA research in developing country contexts is still at an embryonic stage (prior to 2010 in particular), the framing of the contexts is mostly at a general level, that is, studies primarily aim to identify and elaborate broad contextual issues in the particular developing country examined. These include issues such as poverty, social injustice, environmental pollution, high health risks, corruption, poor infrastructure, low education levels, and/or poor governance, which are common in most developing countries. Although broad and generic, the issues raised are different from, and sometimes challenge, the assumptions underlying many Western theories about SEA (Tilt, 2018). The elaboration helps to highlight and understand the differences in the overlooked or under-researched contexts ("neglect spotting") which prompts the imperative to develop new knowledge to contextualise SEA in non-Western (developing) countries (Sandberg and Alvesson, 2011, p.28).

For example, Kuasirikun and Sherer (2004) examined whether CSR reporting in Thailand adequately reflect the social problems related to employee welfare, workplace safety, gender equity and environmental pollution engendered from agricultural underdevelopment and industrialization. Their study contends that CSR disclosures in Thailand overwhelmingly focus on achievements in employee benefits, community involvement and environmental protection, rather than communicate and respond to serious social problems presented in the country. Similarly, rapid industrialisation, cheap labour and extensive exportation and foreign investment prompted by neoliberalism, is pinpointed as eliminating or rolling back many political and economic conditions essential for equality in Bangladesh, thereby causing corruption, child labour and poor workplace practices (Belal and Owen, 2007; Islam and Deegan, 2008; 2010; Belal and Cooper, 2011; Deegan and Islam, 2014). Despite being mainly descriptive in nature, the contexts of SEA highlighted in these studies question the continuation of an institutionalised line of reasoning for SEA in the Western (developed) environment and its transportation into developing countries. They help to bring various features of developing contexts to the fore so as to highlight their importance to SEA research.

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3.2.2 Problematising the context

Contextual settings can be specific and focused on country-specific SEA changes. Other than elaborating general issues prevailing in developing countries, more studies aim to problematise the contexts where critical barriers are anchored to disrupt or deconstruct SEA development. For example, Soobaroyen and Mahadeo (2016) investigate the development of community disclosure and their underlying rationale(s) in Mauritius where a specific legislative levy, a fixed percentage of CSR investment, was mandated by the government. Because of this levy, local political intervention emerged putting companies "in a power struggle with the government" to retain controls over their CSR funds (p. 470). In understanding the unexpected decline of environmental disclosure in South Africa, de Villiers and van Staden (2006) reveal that specific situations, such as a significant change of political landscape and the dominance of health issues about HIV/AIDS on the social ground during the 1990s, were manifestly impactful in the South African context to shift the corporate legitimacy focus from environmental protection to social equity, ultimately resulting in a decrease in disclosure level.

A specific context discussed extensively in African studies is the (over) dependence on resource exploration for profit maximisation in this region (e.g. in Nigeria, Libya, Zambia, Chad and Comeroon, Tanzania), which instigates interwoven issues of corruption, human rights violation, unequal power relationships and environmental pollution (Sikka, 2011; Denedo et al., 2017; Egbon et al., 2018; Lauwo et al., 2020). In countries like Nigeria, oil production dominates economic development, meaning oil companies, mainly MNCs, possess unparalleled power in policy-making, furthering the problematic 'business-state nexus' often responsible for perpetuating civil unrest (Egbon et al., 2018; Andrew and Baker, 2020). In Zambia, copper mining contributes up to 70 per cent of its foreign exchange income while in Ghana, gold mining accounts for 97 percent of its total mineral exports, making these African countries almost completely dependent on the mining sector to grow (Phiri et al, 2019; Khalid et al., 2019). The critical problem identified in this context is the dominance of MNCs in controlling the resource industry. The overreliance on the resource sector and MNCs creates a 'stark' power asymmetry between communities in these countries and those global oil and mining syndicates (Phiri et al., 2019).

Specific cultural aspects of some countries are also considered. The religious context framed by Kamla and Rammal (2013) highlights the critical challenge of using Sharia (Islamic law of human conduct) teaching to attain social justice and enhance social disclosure within Islamic countries, mostly in the Gulf States region. Similarly, the predominance of the Buddhist religion and country specific culture and education in Sri Lanka have proven to be important factors influencing business managers' attitudes and belief in sustainability reporting and their intention to engage with it (Thoradeniya et al., 2015). In a recent study of China's prevailing '996' (working from 9am to 9pm, six days a week) work condition, Wang (2020) problematises the Confucian culture of hierarchy that has reinforced power distance in organisational management. This specific culture element was criticised as enabling managers to design control mechanisms that "use subordinates' labour or services in a substantially unrestricted manner" (Wang 2020, p.4333).

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Problematising country-specific contexts aims to be diagnostic and unpack distinctive contextual problems so that solutions can be provided. Problematising the context in a particular country may also offer policy and practical implications for other developing countries with similar, or even broader, contexts. For example, South Africa is the first developing country that requires listed companies to provide independent assurance for CSR disclosures; the investigation of the issues that occurred within its regulatory framework helps to suggest a future direction for global CSR assurance practices (Acker and Eccles 2015).

3.2.3 Theorising the context

Finally, a number of studies have attempted to understand and theorise the mechanisms and/or processes of contextual impacts on SEA development. In Llewelyn's (2003) five levels of theorising, theorising contexts mostly falls into level four – theorizing settings. That is, to explain how specific social, organisational or individual phenomena in the contextual settings are socially organised (p. 674). For example, Belal and Owen (2015) illuminate how the local regulatory control and anti-tobacco movement in Bangladeshi society triggered the changes of CSR disclosure strategy, from establishment and defence of legitimacy, maintenance and extension of legitimacy, to the loss and abandonment of legitimacy. The theorisation of the contextual influences on CSR in different legitimation phases provides a unique interpretation of the discontinuation of voluntary CSR reporting, which helps us to understand the sophistication of CSR reporting changes in a developing country context. More specifically, Alawattage and Fernando (2017, p. 1) elaborate on how corporate managers deploy imitation, redefinition, reinvention, and codification as textual strategies to translate SEA into a hybrid 'textual(real)ity'. In this process, nationalism, cultural notions, and poverty in local contexts are brought into this hybrid textual(real)ity as discursive elements to localise global sustainability discourses. Also, focusing on the significant context of the business-state nexus, Siddiqui et al. (2020) attempt to redesign a contextualised 'responsibilisation' framework for CSR practice. In illustrating the frame changes in the process of accepting, constructing and solidifying responsibility by the private sector pre- and post- the notorious Rana Plaza collapse in Bangladesh. The authors demonstrate how the nexus of state and business enabled as well as limited the efficacy of the repsonsibilisation framework.

Some theorisation or abstraction of contextual concepts is based on large concrete empirical evidence. For example, in examining the effect of multiethnicity on CSR disclosure levels by Malaysian listed companies, Haniffa and Cooke (2005) illustrate that CSR disclosure can be a useful strategy legitimising ethnic polarisation institutionalised in multicultural society. Using large scale empirical data, the study shows that ethnicity in the Malaysian cultural context can directly create favouritism, making CSR disclosure a vehicle to produce favourable financial and political returns mostly for powerful ethnic (Malay) elites. Empirical evidence is also used to understand the prevalence of government intervention in China and how State-owned and non-State-owned companies navigate CSR reporting for political cost considerations (Lee et al., 2017). The empirical findings about different effects of government subsidies on CSR levels enable the conceptual framing of the interplay between political guidance and favouritism on CSR

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improvement (Lee et al., 2017). Clearly, these studies demonstrate how SEA can be culturally and politically constructed within different country contexts.

3.3 Conceptual perspectives

In supporting the contextualisation of SEA research, previous studies have drawn on a range of theoretical frameworks, either through a critical or interpretative lens.

Neo-liberalism dominates the critical views of SEA development in developing countries. With neo-liberalism increasingly hegemonising policy agendas of developing countries, it is criticised as the root cause for many social problems and inequalities (Lauwo, et al., 2016). As Andrew and Baker (2020, p.2) summarise, the neoliberal rationality has "eroded our ability to challenge the role of the state, to debate the appropriate limits to the scope of the corporation, and to articulate what should and should not be a matter for the public record". In a similar vein, studies adopting critical theory and accountability views focus on critique of SEA practice in order to understand power structures in developing societies and communities, so as to offer practical suggestions relevant to this context. For example, a number of papers address the need for 'surrogate accountability' in some developing countries because of their extremely weak institutions and government, and high levels of corruption (Belal et al., 2015). More broadly, the political economy perspective and labour theory of value challenge the fundamental role of socio-political, economic and power structures and dynamics in shaping SEA practices in developing countries (Lauwo, et al., 2016). Other perspectives adopted occasionally include postcolonialism, used to explore the process of local managers in embracing and appropriating global discourses to reimagine local circumstances in Sri Lanka (Alawattage and Fernando, 2017), and Sartrean's philosophy of existentialism where bad faith and inauthenticity of mining companies in Ghana are criticised for causing the mistrust of extensive CSR reporting among local communities (Khalid et al., 2019).

The interpretive studies, often taking particular ontological/epistemological views, focus on explaining a particular SEA phenomenon or practice in developing countries. The most pertinent questions from this perspective are related to the motivation and process of SEA development. Neo-pluralism, legitimacy theory, stakeholder theory and institutional theory are all systems-oriented theories focusing on business-society relationships. They are applied at various levels and sometimes integrated to interpret why SEA is undertaken (e.g. Belal and Oven, 2007; Islam and Deegan, 2008), why SEA is lacking (e.g. Lodia, 2003; Belal et al., 2015), why SEA is still inadequate (e.g. Kuasirkun and Sherer, 2004; Maali et al., 2006), why SEA reduces (e.g. de Villiers and van Staden, 2006), as well as how SEA is influenced and changed by contextual factors at the micro (organisational) and macro (national and international) levels (e.g. Belal and Owen, 2015; Lee et al., 2017; Muttakin et al., 2018). Theories of organisational behaviour are used as another front to interpret SEA development within the boundary of organisations themselves. The motivation of SEA can be seen as managers' planned behaviours for change (e.g. Thoradeniya et al., 2015), the organisation's sensegiving and defensive behaviour (e.g. Egbon and Mgbame, et al., 2020), or corporate image restoration strategy (Lauwo et al., 2020).

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3.4 Empirical Methods

The majority of studies in this area adopt qualitative explorations using content analysis, case studies, interviews and surveys, some of which use a triangulation of these methods. For example, content analysis may include textual or discourse analysis of CSR reports, public policy documents, and/or media press to triangulate empirical evidence (e.g. Safari et al., 2020). These also involve a combination of interview/case study and content analysis (e.g. Rahaman et al., 2010; Lauwo et al., 2020). There are only four papers using quantitative analyses where contextual factors constitute important explanatory variables in the empirical tests. There is also a dedicated literature review comparing SEA studies in different languages.

3.5 Contextual themes and challenges

Several contextual challenges and insights related to SEA research in developing countries have been highlighted in the prior literature, which deserve further elaboration.

3.5.1 Regulatory framework and enforcement

The most visible change in developing countries is legislative development for sustainability. Many developing countries have had regulations and policies mandating SEA related practice since the 2000s, particularly after the 2010s. The most notable is the King Code, especially King III, in South Africa, which has had a sweeping effect on CSR practices, making this country the first to mandate integrated reporting for listed companies and therefore maintaining a high level of social and environmental disclosure quality (Ackers and Eccles, 2015). Extensive discussion on the effect of regulatory frameworks has been seen in recent years. For example, in China, government policy and law enforcement create a dominant coercive pressure driving changes in CSR disclosure (Rowe and Guthrie 2010; Yang et al.2015). In Bangladesh, regulatory forces shifting the CSR reporting paradigm over time (Belal and Owen, 2015), especially in the banking (Khan et al., 2020) and garment industries (Sinkovics et al., 2016), are clearly observed. Others include legislative requirements for CSR spending in India (Manchiraju and Rajgopal (2017), a CSR levy in Mauritius (Soobaroyen and Mahadeo 2016), and compulsory CSR expenditure and mandatory CSR disclosure for the resource sector in Indonesia (Dissanayake et al., 2020).

However, the increasingly tighter disclosure requirements focus predominantly on ensuring a report is issued, paying little attention to ensuring the quality and reliability of the report. Legislation on CSR is often criticised for being too vague and that it lacks substance and proper implementation mechanisms (Waagstein, 2011). Little guidance is seen in current regulatory frameworks about corporate SEA indicators, specific investment funds required, and more importantly what accountability mechanisms are in place to monitor disclosures by companies.

Developing countries are also criticised for their poor implementation and enforcement of legislation. In the critique by Kuasirikun and Sherer (2004), it was highlighted that despite

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mandatory legislation initiated in the 1990s in Thailand, the misalignment of corporate social disclosure and real social problems in the country is largely attributed to the lack of stringent monitoring and inspection mechanisms. Lauwo et al. (2016) reviewed a series of laws and regulations enacted in Tanzania to impose corporate responsibility and concluded that the problem lies in the inability of the government to implement and enforce these regulations. Similarly, Mukherjee et al. (2018) provide empirical evidence showing the ineffectiveness of the mandatory CSR rule in India, although the study does not provide any contextual reasons for this lack of success. Khan et al. (2020) furthered this investigation of regulatory influence and specifically noted that SEA practice could decouple from regulatory expectations or bypass regulatory requirements because of the presence of powerful stakeholders such as board members and political leaders.

In the interviews with 25 senior managers of listed companies in Bangladesh, Hossain et al. (2015) highlight that while fulfilling social obligations has clearly driven sustainability reporting, the lack of regulatory frameworks and social-cultural barriers are the main reasons for low quality disclosures. Despite the positive role of stakeholder pressures on corporate SEA development (Islam and Deegan, 2008; Karim and Asaduzzaman 2015) or the internal drive by corporate managers' feelings of moral obligation for sustainability (Islam & Dellaportas 2011; Hossain et al., 2015), none of these appear to have so far enabled real progress in developing SEA practices under a voluntary disclosure regime in the nation. Therefore, increasing calls have been made to enhance the legal requirements and enforcement for sustainability reporting within the Bangladeshi context (Hossain et al., 2015). Islam et al. (2018) recently called this a need for a surrogate intervention, that is, government, non-governmental organisations and media should come forward to enforce real change and hold the MNCs operating in developing countries more accountable for their management of workers right and working conditions. Similarly, Belal and Cooper (2011) and Belal et al. (2013) stress that mandatory sustainability reporting is essential for achieving real accountability and sustainability in developing countries, rather than leaving this to the invisible hands of 'markets' (Islam et al., 2018).

3.5.2 Political system and ideological context

Some particularities of the political environment in developing countries, such as political hegemony, ideological preference and state ownership, have been highlighted as important contexts for SEA development because of their significant impact on national identity (which is country specific) and public views and value (Tilt, 2016). Political tensions and forces have been considered to make disclosure part of an 'arsenal' of corporate actions, as SEA activities become part of the local political debate in developing countries (Soobaroyen and Mahadeo 2016). In some cases where political hegemony or centralism prevails (such as in China where government intervention is ubiquitous, through channels such as enforcement, licenses, quotas, permits, and franchise assignment), SEA activities and relevant disclosures are mostly State-led and used as a device for companies to maintain political legitimacy and favoritism (Hofman et al., 2017; Qian and Chen 2020; Parsa et al., 2021). As such, companies in this context of authoritarian capitalism, especially State-owned enterprises (SOEs), are keen to improve SEA to demonstrate

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ideological alignment (Li and Belal 2018) and reduce political risk or political cost (Lee et al., 2017).

In other cases where unequal power distribution, corruption and poor regulatory environment are intertwined in a family-led political system (such as in Bangladesh), the presence of politician-businessmen in charge of the state significantly undermines the state's ability to play a catalytic role in promoting SEA development (Siddiqui et al., 2020). Instead, SEA is seen as instrumental in only legitimising those without political connection to protect business interests (Muttakin et al., 2018; Khan et al., 2020). Connected companies are in no, or less, need of genuine engagement in SEA activities to garner legitimacy or maintain political capital. Western influence further constrains the capability of government regulation (Lauwo, et al., 2016) and, as a result, corruption and business political connection, that inversely impacts CSR reporting development in this context, continue to prevail (Muttakin et al., 2018).

Sometimes, the dominance of a monarch (such as in Saudi Arabia) in shaping the political space may give SEA different meanings and interpretations (Tilt 2018). Some traditional societies incorporate high levels of political loyalty, personal loyalty and the public display of loyalty, the master–servant relationship, and obedience to personal rather than formal authority, making CSR reporting a politically charged strategy linking with ruling families' values (Uddin et al., 2018).

Soobaroyen and Mahadeo (2016) envisage this view as aligning with the "Bourgeois" notion of political economy where economic control is used by the political elite to reorient CSR discourse and change the dynamics of the "organization-society" relationship. The growing power asymmetry in developing countries undermines the enabling role of the State "as a neutral adjudicator in society" with respect to stakeholder relationships and pressures (Muttakin et al., 2018, p.730).

3.5.3 Religious and Cultural context

Although social-cultural factors could play a significant role in SEA in developing countries, given that each of these countries could have distinctive cultural or religious contexts, this area is virtually underexplored in SEA literature. It was mentioned in passing by Belal (2001) that cultural life in the social and political system of Bangladesh is characterised by high family value, powerful elite groups and corruption, which all have material impacts on CSR development. In addition to elitism, Momin and Parker (2013) undertook an exploration of cultural and religious influences and found that Bangladesh's institutional setting (shaped by its culture, history and politics) discouraged, rather than motivated, external CSR disclosure in Bangladesh. In this context, there was a complex and informal cultural norm against corporate self-praise and publicity, which in turn promotes secrecy in business dealings and undermines social accountability (Momin and Parker 2013).

Multiethnicity and social class (hierarchy) are common cultural elements which interplay in some developing countries. In multicultural and/or multiracial countries like Malaysia, ethnicity is often 'a significant marker of class relations' in such society (Haniffa and Cooke 2005). As a result of ethnic polarisation favouring the Malays while discriminating against

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other ethnic groups, companies managed by Malay directors were found to report more CSR information as a legitimisation strategy to maintain favourable economic and political treatment (Haniffa and Cooke 2005). In such cases, power tends to reside in ethnic elite groups and the development of SEA in these countries inevitably links with racial and cultural divergence in society.

Similarly, Islamic nations present a unique economic system within which business organisations are owned by society, not individuals, to achieve the social objectives of Islamism (Ahmad and Gao 2005). Maali et al. (2006, p. 267) find that Islamic banks, usually regarded as 'having a social face' in Islamic countries, have not made adequate disclosure of social issues as benchmarked to the Islamic principles of accountability, social justice and ownership. Although Islamic banks constantly market themselves on ethical and social grounds according to Sharia teachings, they fail to fulfil their ideological claims and make social justice the core value of Islamic banks' operations (Belal et al, 2015; Kamla and Rammal 2013). The gap highlighted between the rhetorical religious and ethical claims of Islamic banks and their activities (lack of disclosure of social justice) opens up the possibility of a positive change in Islamic banks' actual social roles.

In contrast, the Buddhism and associated cultural philosophies entrenched in countries like Sri Lanka are found to play a positive part in motivating managers to engage with SEA (Thoradeniya et al., 2015). "Dana", a cultural principle of Buddhism/Hinduism conveying a notion of philanthropic giving in Sri Lanka, is widely used to justify SEA practice, especially providing local meanings to the philanthropic elements of SEA (Alawattage and Fernando, 2017). The Buddhist relational principle focuses on the importance of patterns of practice generated by gifting, exchange and reciprocity (Constable and Kuasirikun, 2018), which is likely to fit or interpret CSR in its natural meaning. Such relational and ethical practice is also in line with Confucius philosophy of harmony in China and spirituality in India. However, despite the positive cultural value seen, certain aspects of cultural traditions could be amplified in modern society and used as weapons to create unethical and/or irresponsible behaviour. As mentioned earlier, the Confucian legacy of obedience to authority has been observed as rationalising a high level of power distance that enables a form of modern slavery in workplace practices (Wang, 2020). Therefore, the influences of religious and cultural contexts on SEA development are multifaceted.

Language as an important cultural component has attracted little attention with only one study bringing out the different focuses of SEA studies in different languages. Yang et al. (2015) reveal that SEA studies in Chinese predominantly regard the development of environmental reporting as being related to the agency issue, while studies in English tend to anchor environmental reporting within a broader institutional setting. Obviously, the over popularity of agency theory in Chinese SEA studies should not be simply construed as reflecting the generalisability of this theory in these countries. Rather, the limited access to SEA literature in English and understandings lost in translation have put constraints on scholars in non-English speaking countries to articulate distinctive contexts and characteristics in their respective countries.

Another perhaps minor but interesting cultural element raised by Momin and Parker (2013) is the community sentiment against Western influence that makes business managers

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'reluctant' to directly adopt Western forms of CSR. The recent economic and political tension between powerful rich countries and (mostly developing) countries struggling with poverty is likely to see this anti-Western sentiment growing in the future.

3.5.4 Tension between industrialization and sustainable development

Problems such as unhealthy working conditions of employees, child labour, job insecurity, air and river pollution, and loss of forest biodiversity, have been part of the criticism caused by rapid industrial development in developing countries (Kuasirikun and Sherer, 2004; Islam & Deegan 2008; Cuckston, 2013; Belal et al., 2015). The swift industrialisation and global competition for capital investment have impelled many developing countries to prioritise economic growth over sustainable development (Belal, 2015). In some extreme cases, such as Thailand, government agencies responsible for national and international trade remain as the main representatives on corporate boards to ensure economic benefit remains at the top of the agenda at all times (Kuasirikun 2005). The 'race-to-the-bottom' proliferated by neoliberal ideology has become prevalent across developing countries in the past three decades as they experienced growth and moved towards a capitalist and free market orientation. This has accelerated social inequality and environmental degradation, making accountability and transparency a more prominent issue in the developing context. As accentuated in several studies, the tension between industrialisation and sustainable development may cause more dire consequences in developing countries because they are more exposed to threats of climate change, water pollution and biodiversity loss (Siddiqui, 2013; Khan, 2014).

There seems to be some evidence showing a slow but positive shift from anthropocentric to ecocentric policy development in developing countries more recently, where sustainability and social responsibility related legislation and reporting practice keep growing (KPMG 2017; 2020). However, the tightening of regulations to balance economic growth and sustainability, if not carefully designed, could raise even more dangerous prospects of vulnerable people losing business prosperity to other either more powerful and resourceful elites; or to less regulated economies, which is a common dilemma among developing countries (Belal, 2015; Belal et al., 2015). When neoliberal rationality is embedded in almost every corner of the global economy, the role of business reporting could change. SEA discourse may become a tool for producing and maintaining a hegemonic coalition between the powerful state and market capital, ignoring the real challenges of social inequality and environmental degradation in vulnerable developing countries (Andrew and Baker 2020).

3.5.5 International influence and globalisation

International stakeholders, such as supply chain partners, buyers, investors, and international organisations and funding bodies such as the World Bank, increasingly demand more sophisticated forms of corporate sustainability disclosure (Rahaman et al., 2004; Deegan and Islam, 2014). Belal and Owen (2007) and Islam and Deegan (2008) found that pressure from powerful international stakeholders is a significant driver of corporate CSR disclosures in Bangladesh. Extensive international scrutiny on human rights, child labour and environmental pollution in global supply chains have certainly sent

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positive signals to companies in developing countries to provide more information on these issues (Momin and Parker 2013). Likewise, MNCs, whose subsidiaries often locate in developing countries, are likely to demand social and environmental reporting from their subsidiaries, which has pushed local subsidiaries to adopt international SEA standards and codes (Belal and Owen, 2007; 2015).

However, the Western developed standards and codes imposed on local companies have also been criticised for taking little consideration of local cultural, economic and social factors, thus are unable to empower local stakeholder groups in developing countries (Belal and Owen, 2007). Economic returns pursued by international buyers and funders can often create a new level of tension between international power and local social objectives. International conglomerates, such as oil MNCs, are always at the centre of public scrutiny in 'host countries' because of the environmental and social conflicts between MNCs and local communities (Egbon et al., 2018). The unequal power relationships facilitate the discursive dominance of powerful MNCs and enable them to exercise corporate hegemony and impose stabilisation clauses on local communities that constrain their ability to protect and enhance human rights (Sikka 2011). When governments are highly reliant on foreign investment and lack effective mechanisms or motivations to enforce SEA rules, serious questions could be raised as to whether SEA is driven by MNCs' desire to discharge social and environmental accountability or simply another form of imperative for MNCs to better advance their corporate objectives and economic interests in less-developed countries (Belal and Owen, 2015; Phiri et al., 2019). It is likely that MNCs will apply pluralist logic to discharge different social and environmental accountability to host (developing) countries where resource exploration and disasters occur, than to home countries where MNCs are from (Safari et al., 2020).

As Belal et al. (2015) observe, globalisation threatens to silence local voices in countries like Bangladesh as it increases the vulnerabilities of developing countries and their local communities arising from the environmental impact of global commercial production processes. Alawattage and Fernando (2017) argue that globalisation can have dominating and colonising effect on SEA practices of local companies, prompting local managers (i.e. the colonised) to embrace and appropriate global sustainability discourses (i.e. the coloniser) to reimagine and align local practices with the global. With more multinational/translational companies and governments successfully collaborating to build hegemonic coalition (Andrew and Baker, 2020), and developing countries being increasingly influenced by the imperatives imposed by powerful international economies "grounded in advanced Western capitalism", globalisation is likely to result in "an institutionalised blindness" to the needs of powerless local communities, especially those in poor and rural areas (Rahaman et al., 2004, p. 51). Instead of using international power to press governments to function as the representative of the people, they tend to voice "the interests of transnational capital" (Andrew and Baker, 2020, p. 3), and to dissociate themselves from crisis and stigmatisation in host countries by attributing the cause of the crisis to outsiders (sabotage) (Lauwo et al., 2020; Egbon and Mgbame, 2020).

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3.5.6 Stakeholder empowerment and NGO activism

Research has constantly pointed out the lack of stakeholder pressure and empowerment mechanisms in the developing country context. In Beddewela and Herzig's (2013) examination of the barriers and enablers of corporate social reporting in multinational subsidiaries operating in Sri Lanka, the low level of external pressure was revealed as the main reason for companies' disinterest in CSR reporting. The limits on the ability of stakeholders to exercise their rights, the level of foreign investment encouraged by the government, and the rise of activist groups opposing corruption could all influence companies' attitudes towards CSR disclosure and transparency (Belal, 2001). On the positive side, several recent studies have brought up the increase of stakeholder power and pressures in developing countries. Soobaroven and Mahadeo (2016) observe that SEA disclosures are not only legitimating mechanisms driven by international pressures but also the result of the tensions and expectations from local stakeholders in Mauritius. Sometimes, these stakeholder pushes can be part of a collection of SEA changes in 'host (developing) countries' where MNCs have real complex interactions and mutual dependencies with their multiple stakeholders (Egbon et al., 2018). For example, more controversial and sensitive matters from excessive exploration and mining in resource rich countries have raised growing stakeholder concerns, which could intensify the managerial intention of MNCs to use various strategies and persuasive SEA language to change stakeholder impressions of oil production (Nwagbara and Belal, 2019).

However, in a society with an absence of proper stakeholder empowerment mechanisms, even when companies have established stand-alone social reporting as a response to stakeholder demands, they are unlikely to continue this if doing so would hurt their economic interests (Belal et al., 2015). Despite the growing public scrutiny and pressure groups such as NGOs, the limited power and influence of public and community groups cannot enable full communication of corporate social and environmental issues (Kuasirikun and Sherer, 2004). In some cases, the issue also resides in the stakeholder dialogue and interactions within stakeholders themselves. Phiri et al. (2019) observe that the lack of commonly accepted social and environmental frameworks by diverse stakeholder groups has exacerbated rather than weakened the power imbalance.

In mediating the power imbalance between business and communities, NGOs and civil society organisations have a growing impact on negotiating the social contract between business and society in developing countries (Deegan and Islam, 2014). Lauwo et al. (2016) find that NGOs' advocacy can play a pivotal role in encouraging companies, especially multinational companies, to adopt SEA and improve poverty. Belal and Owen (2015) observe that pressure from local NGOs and anti-tobacco groups prompted the rise of CSR reporting in the Bangladeshi tobacco industry in the first place, while failure to engage with these activist groups contributed to the cessation of such reporting later. Therefore, it is suggested that empowering local NGOs through educational, capacity building, technological and other support is crucial in their substantive endeavours to promote SEA development (Lauwo et al., 2016).

In connection with empowering NGOs, Deegan and Islam (2014) advocate an active role of the media in enabling NGOs to create change for CSR improvement. This is perhaps

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becoming more important in developing countries where media, in particular, new (social) media, has risen to be a new powerful actor in shaping and transforming power relationships in society, which can eventually lead to behavioural changes in corporate activities (Islam and Deegan 2010). Therefore, NGOs and media may act as a 'team' to create tenable changes for SEA development in developing countries (Deegan and Islam 2014: p. 411). In Denedo et al.'s (2017) exploration of NGO activities, counter accounting is advocated as an effective approach to rebalancing power relations in vulnerable communities. Their study highlights that NGOs can actively employ counter (or shadow) accounts, an alternative account of corporate (problematic) conduct, to urge government reforms, give voice to vulnerable people and ultimately change corporate SEA practices in developing countries.

4. New Insights: The importance of the socio-political and cultural context

The set of articles published in this special issue includes nine insightful studies. For the convenience of discussion, we provide a summary of these papers in Table 4, outlining the country context examined, the main contextual issues investigated, and the theorisation used. All the papers presented focus on problematising and theorising the context, and all use qualitative methods of analysis, predominantly interviews.

<Insert Table 4 here>

It is clear from the nine papers accepted for this special issue, that there is keen interest in the political environment of developing countries. The first four papers explicitly consider the political influence on CSR reporting and how it manifests. Sorour et al. (2021) describe how Egyptian banks moved from a 'business case' attitude to much more politically driven disclosure after the Arab Spring revolution, indicating a relatively responsive reaction to socio-political changes as problematized in the Arab Spring context. They also highlight the importance of regulatory change for SEA development in the country. Mahameed et al. (2021) also use the Arab Spring as an example demonstrating how a political crisis may influence social accounting, but delves into the cultural aspect of four countries in the Arab region. Drawing on a 'culture toolkit' as their theoretical frame, the authors illustrate a move by companies towards different strategies after the uprising, albeit with some reliance on those used previously. In a similar vein, but quite different context, Albu et al. (2021) look at changes in social and environmental reporting in Romania in the post-communist era, making an attempt to theorise how historical 'imprints' cohabit with Western conceptualisations of responsibilities can form unique reporting practice that is still evolving. The authors note the significant link between longstanding political environments and culture, which also affects organisational response to 'Western' business ideology. The first and third papers frame their analysis using institutional theory, which has begun to dominate much investigation of SEA in more recent times. Similarly, in the fourth paper, Mehjabeen et al. (2021) examine CSR disclosure by banks in Bangladesh, using institutional theory. Coupled with weak capital markets, again referring to the influence of regulation, the authors' in-depth analysis of the context results in

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contradictory findings to prior literature, suggesting that political links is not the dominant factor influencing CSR, but there is a mix of 'logics' at play.

The next two papers are both set in Pakistan. The first of these, by Mahmood and Uddin (2021) also uses an institutional theory perspective and, similar to the findings for Bangladesh, also find multiple and co-existing logics which they suggest explain variations in reporting practice. Those logics specifically relate to political (regulatory, market and professional) and community aspects of the context. The second of the papers examining Pakistan (Adler et al., 2021) uses a unique research setting, looking at biodiversity reporting about a threatened species. It problematises the dysfunctional political and regulatory systems and shows how these contextual issues enable poor and irresponsible SEA practice. Drawing on resource dependence theory, the authors highlight how the political context of Pakistan subverts the use of mechanisms common in developed economies to address social and environmental issues.

The next paper is the last of the five in the special issue that uses an institutional theory perspective. Examining Malaysian organisation engaged with the UN Clean Development Mechanism, Sidhu and Gibbon (2021) consider key narratives in disclosures to investigate the institutional impact at the organisational level, to help understand motivations of engagement in the sustainable development agenda, with reference to the Malaysian context where reporting sustainability with the GRI as guidance is compulsory for public companies.

The final two papers that constitute this special issue investigate, at the organisational level, diffusion and systemic change of SEA respectively. Thoradeniya et al. (2021) interview managers about the diffusion of sustainability KPIs within organisations. They find that the particular Sri Lankan context, where market competition prevails and significant stakeholder pressure is missing, has resulted in slowing of that diffusion compared with developed countries. They also note that some common influences, such as 'fashion' did not apply in Sri Lanka. Similarly, Samkin and Wingard (2021) examine the process of change in a National Parks organisation against a political backdrop of the end to apartheid in South Africa. They suggest a systemic change framework is useful to incorporate contextual issues for understanding changes in SEA. Finally, and importantly, they use their findings to help to explain the role of social and environmental reporting in the transformation of society, situated within a unique social and political context.

The papers in this special issue provide a clear indication that institutional theory and its various extension are becoming more dominant than other systems-oriented theories such as stakeholder and legitimacy theories used to interpret and contextualise developing countries issues. The identification of different 'logics' is clearly a useful tool for understanding particular contextual issues, and the papers in this special issue have mostly linked these with the respective country's political and political-cultural contexts. Regulation is generally considered as an aspect of the political environment, as is global influence. The cultural context overlaps with the political environment in most developing countries, as family-ownership, state-ownership and religion are not easily distinguished from political regimes. Interestingly, the tension between an economic growth mindset and sustainability is less apparent in the papers, and while stakeholders were often mentioned

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they were not the focus of analysis, suggesting that other issues have begun to dominate the context discussion.

Finally, the set of papers presented here, represent a number of countries that have not been studied as often as others, such as Egypt in North Africa, Romania in Eastern Europe and Arabian countries in the Middle-East, so we welcome these additions. Some areas the papers raise for future research, that we consider important, are outlined next.

5. Future directions and opportunities

From the overview of the field of developing country SEA for the last two decades and the nine papers included in this special issue, it seems scholarly research has played a pivotal role in advancing knowledge and understanding of social and environmental discourses in developing countries, raising various issues grounded in this context. In order to aid the efforts of future scholars we have suggested some future research areas for consideration.

While most of the multi-faceted issues and conflicts identified in this paper review still persist, developing countries are constantly facing new challenges such as the most recent capacity challenges that have erupted from the unprecedented COVID-19 crisis. It requires research to create more possibilities of real world impacts, research that can join together with communities and decision-makers to find contextually relevant and specific solutions resulting in positive and emancipatory changes in this context. The almost silence of SEA research incorporating critical contexts of developing countries (only 43 papers found over the past 20 years) highlights the issue of impacts in this field. In the past decade or so, there has been a trend that accounting and finance researchers increasingly must use North American (such as the US) data to be able to publish in leading journals, even though the researchers are from different countries (Brooks et al., 2019). This undermines the relevance and impact of current SEA research to wider communities, especially in developing countries.

As revealed in this paper, extant SEA research in the developing country context is limited to a few key scholars drawing insights from their respective countries. The narrow coverage of a small number of developing countries, with some regions largely overlooked, such as South America and Eastern Europe, limits the ability of the field to contribute to the broader communities in solving major problems. We would encourage more research from previously underexplored contexts. For example, Belal and Momin (2009) note particular absence of research from Eastern European countries (p.123). Although there are a number of papers from this context in the last few years, including one paper in this special issue, this rich historical context deserves more attention.

A number of developing countries are sites of rich biodiversity, for example, Indonesia, Brazil and Colombia. Unfortunately, this is an area which has not received adequate attention of SEA research on developing countries (KPMG, 2020). The KPMG (2020) survey predicts that this area is likely to be a new focus of the next KPMG survey report in 2 to 3 years. COVID-19 has drawn our attention on the importance of preserving biodiversity and preventing extinction of various species. We hope that future developing country researchers will pay due attention to these important issues.

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Also, the engagement with the implementation of the Sustainable Development Goals (SDGs) has been so far lacking and needs more development. As Marrone et al. (2020) recently found, research within the accounting field addresses sustainability concerns more generally, with topics of CSR and stakeholder theory dominating, while studies outside of accounting journals engage more with practical and specific topics such as the low-carbon economy and attainment of SDGs. The slow uptake of SDGs among accounting scholars has been attributed to two factors: lack of knowledge needed to enact the ambitions of SDGs, and lack of a practice mechanism to incorporate SDG challenges into SEA development in organisations (Bebbington and Unerman, 2020). Given the different nature of the challenges faced, it is likely that prioritisation of SDGs will be different for developing countries. For example, many South Asian and South East Asian countries prioritise, *inter alia*, poverty related SDGs (Belal et al., 2015). We encourage future scholars to undertake detailed examination of SDG implementation both at the macro national level as well as at the micro individual organisational level. It might also be worth exploring the link, if any, between macro and micro level implementation of SDGs.

Another significant issue is the issue of climate change and carbon emissions from corporate activities. Current emphasis on these issues can be attributed to a number of factors including the UK's leadership in COP26, positive change in US administration, global moves towards net zero regimes and the burning context of COVID-19. A number of developing countries have already committed to net zero in the next 30 to 40 years. However, these issues remain hugely political and sensitive from the developing country perspective. There is a potential fairness and equity issue here with a number of grievances from developing countries. In addition, there is tension between developing countries' desire to grow economically and the restrictions arising from commitment to sustainable development (Sidhu and Gibbon, 2021). This is an area that deserves the full attention of developing country researchers.

Finally, it is clear that the next decade or two will be much different from the past decade. It will be more disruptive with new forms of media and technologies emerging. Constraints imposed by neoliberalism are likely to be overthrown, with ordinary and powerless people in developing countries being able to freely access information and press (Andrew and Baker, 2020). This may change the dynamics of company communication with stakeholders, which has already been observed in the developed world (Bellucci and Manetti, 2017). Nevertheless, the observation and study of the new media and technology in developing countries is still limited and needs more development.

We hope this paper and the special issue will act as a reference point for emerging SEA researchers from developing countries to raise more scholarly impactful enquiries in this area. It provides a strong basis for helping to generate further interest amongst scholars concerned about the role of SEA in illuminating some of the contextual challenges important for developing countries.

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Adler, R., Mansi, M. and Pandey, R. (2021) The houbara bustard: a thematic analysis of a bird's threatened extinction and a government's accountability failure, *Accounting, Auditing & Accountability Journal*, https://doi.org/10.1108/AAAJ-07-2019-4113

Al Mahameed, M., Belal, A., Gebreiter, F. and Lowe, A. (2021) Social accounting in the context of profound political, social and economic crisis: the case of the Arab Spring, *Accounting, Auditing & Accountability Journal*, https://doi.org/10.1108/AAAJ-08-2019-4129

Albu, N., Albu, C.N., Apostol, O. and Cho, C.H. (2021) The past is never dead: the role of imprints in shaping social and environmental reporting in a post-communist context, *Accounting, Auditing & Accountability Journal*, https://doi.org/10.1108/AAAJ-08-2019-4131

Mahmood, Z. and Uddin, S. (2021) Institutional logics and practice variations in sustainability reporting: evidence from an emerging field, *Accounting, Auditing & Accountability Journal*, https://doi.org/10.1108/AAAJ-07-2019-4086

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Sidhu, A. and Gibbon, J. (2021) Institutionalisation of weak conceptions of sustainability in the United Nations Clean Development Mechanism: empirical evidence from Malaysian organisations, *Accounting, Auditing & Accountability Journal,* https://doi.org/10.1108/AAAJ-07-2019-4108

Sorour, M.K., Shrives, P.J., El-Sakhawy, A.A. and Soobaroyen, T. (2021) Exploring the evolving motives underlying corporate social responsibility (CSR) disclosures in developing countries: the case of "political CSR" reporting, *Accounting, Auditing & Accountability Journal*, https://doi.org/10.1108/AAAJ-07-2019-4080

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Accounting, Auditing and Accountability Journal

Table 1: Overview of journals publishing SEA in developing country contexts 2001-2020

Journal	No.
Accounting, Auditing & Accountability Journal (AAAJ)	23
Critical Perspectives on Accounting (CPA)	9
Accounting, Organizations and Society (AOS)	3
The British Accounting Review (BAR)	2
Journal of Accounting and Public Policy (JAPP)	2
Accounting and Business Research (ABR)	1
ABACUS: A Journal of Accounting Finance and Business Studies (ABACUS)	1
Accounting & Finance (A&F)	1
Contemporary Accounting Research (CAR)	1
Total	**43**

Accounting, Auditing and Accountability Journal

Table 2: Overview of publication timeline for SEA research in developing country contexts

Journal	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
AAAJ				1			1	1					3	1	3	3	2	2	3	3
CPA			1	1	1						2				2					2
AOS						1											1			1
BAR													1	1						
JAPP					1												1			
ABR										1										
ABACUS						1														
A&F																				1
CAR										1										
Total	**0**	**0**	**1**	**2**	**2**	**2**	**1**	**1**	**0**	**2**	**2**	**0**	**4**	**2**	**5**	**3**	**4**	**2**	**3**	**7**

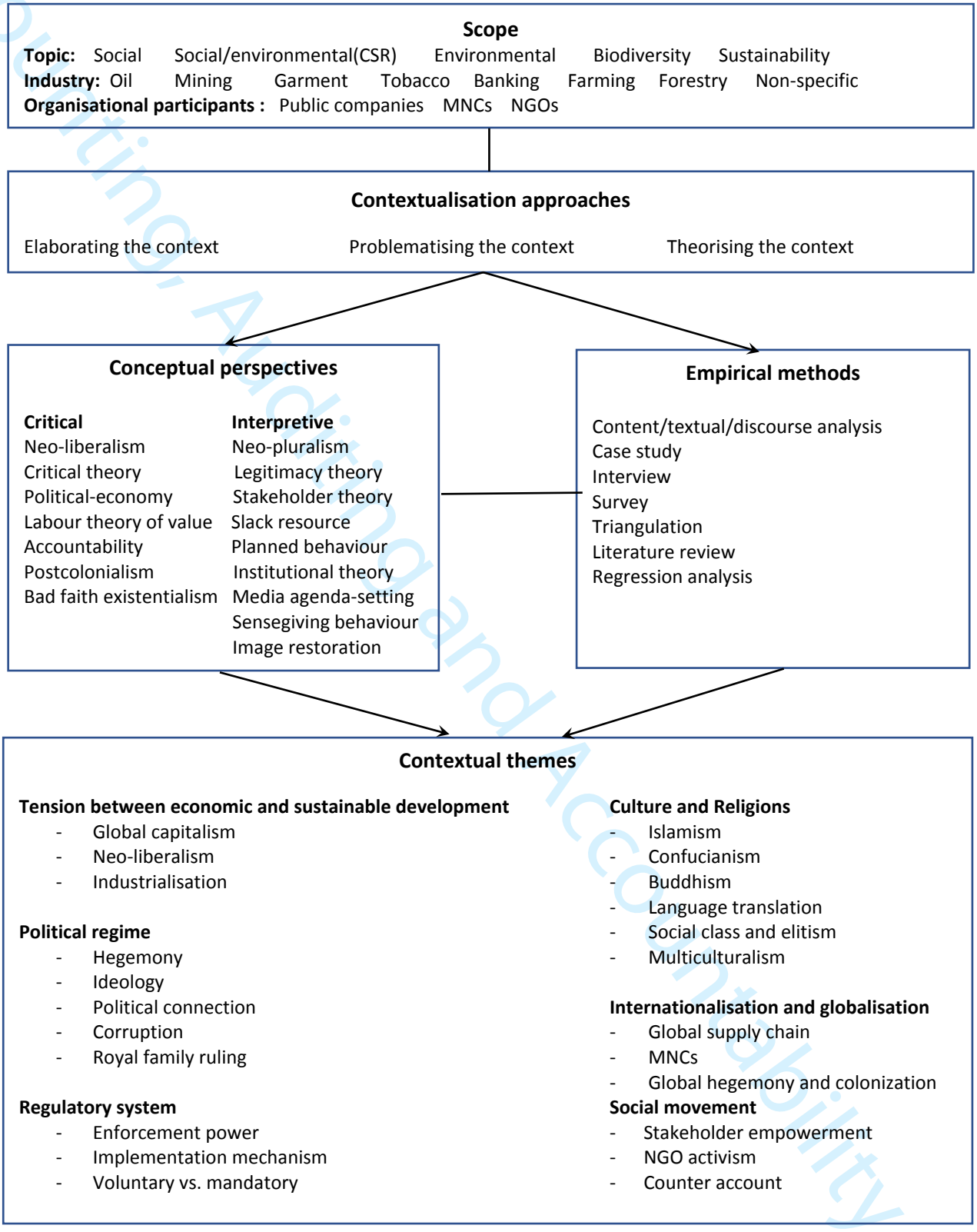
Table 3: Overview of developing countries where SEA research is conducted

Journal	Bangladesh	Nigeria	China	Ghana	Multiple Islamic countries	South Africa	Sri Lanka	Tanzania	Thailand	India	Brazil	Chad & Cameroon	Zambia	Malaysia	Fiji	Mauritius	Kenya	Indonesia
AAAJ	7	4		1	1	1	1	1	1	1	1		1			1	1	
CPA	3		1	1				1	1			1			1			
AOS		1				1	1											
BAR	2																	
JAPP			1											1				
ABR	1																	
ABACUS					1													
A&F			1															
CAR				1														
Total	**13**	**5**	**3**	**3**	**2**	**2**	**2**	**2**	**2**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**

Table 4: Summary of papers in this special issue

Paper	Title	Country	Contextual theme(s)/Issue(s)	Theorisation Used
1	Exploring the evolving motives underlying corporate social responsibility (CSR) disclosures in developing countries: the case of 'political CSR' reporting (Sorour et al., (2021)	Egypt	Politics, regulatory environment and the Arab Spring	neo-institutional theory, Political CSR framework, legitimacy
2	Social accounting in the context of profound political, social and economic crisis: the case of the Arab Spring (Mahameed et al., 2021)	Egypt, Tunisia, Jordan, Morocco	Settled versus unsettled political context; Culture – habits, skills and styles	Culture toolkit
3	The past is never dead: the role of imprints in shaping social and environmental reporting in a post-communist context (Albu et al., 2021)	Romania	Communism, local versus Western ideology	Institutional logics
4	Emergence of corporate political activities in the guise of CSR: dispatches from a developing economy (Mehjabeen et al., 2021)	Bangladesh	Political links, regulatory environment, local issues	Institutional logics
5	Institutional logics and practice variations in sustainability reporting: evidence from an emerging field (Mahmood and Uddin, 2021)	Pakistan	Market, corporate regulatory, professional, and community influences	Institutional logics
6	The houbara bustard: a thematic analysis of a bird's threatened extinction and a government's accountability failure (Adler et al., 2021)	Pakistan	Dysfunctional political and judicial systems	Resource dependence
7	Institutionalisation of sustainability in the United Nations Clean Development Mechanism: Empirical evidence from Malaysian organisations (Sidhu and Gibbon, 2021)	Malaysia	Institutions, regulations	Institutional theory
8	The diffusion of sustainability key performance indicators in a developing country context (Thoradeniya et al., 2021)	Sri Lanka	Market competition, stakeholder pressure, education, government and culture	Diffusion of Innovation
9	Understanding systemic change in the context of the social and environmental disclosures of a conservation organisation in a developing country (Samkin and Wingard, 2021)	South Africa	Historical, structural problems, transformational context	Systemic change

Figure 1. Contextual framing of issues in SEA research



Accounting, Auditing and Accountability Journal

Appendix I: Leading accounting journals included in this study (N=27)

Abacus: a journal of accounting, finance and business studies (ABCUS)
Accounting and Business Research (ABR)
Accounting and Finance (A&F)
Accounting Auditing and Accountability Journal (AAAJ)
Accounting Horizons (AH)
Accounting, Organizations and Society (AOS)
Auditing: A Journal of Practice and Theory (AAJPT)
Behavioral Research in Accounting (BRA)
British Accounting Review (BAR)
Contemporary Accounting Research (CAR)
Critical Perspectives on Accounting (CPA)
Financial Accountability and Management (FAM)
Foundations and Trends in Accounting (FTA)
International Journal of Accounting Information Systems (IJAIS)
International Journal of Auditing (IJA)
Journal of Accounting and Economics (JAE)
Journal of Accounting and Public Policy (JAPP)
Journal of Accounting Auditing and Finance (JAAF)
Journal of Accounting Research (JAR)
Journal of Contemporary Accounting and Economics (JCAE)
Journal of International Accounting Research (JIAR)
Journal of Management Accounting Research (JMAR)
Management Accounting Research (MAR)
Review of Accounting Studies (RAS)
The Accounting Review (AR)
The European Accounting Review (EAR)
The International Journal of Accounting (IJA)

Accounting, Auditing and Accountability Journal