Social And Environmental Reporting In An Emerging Country: Exploring The Relevance Of The Political Economy Perspective

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This study examines social and environmental reporting (SER) practices by companies in an emerging economy (Mauritius). SER was measured by analyzing annual reports of listed companies from 2004 to 2007 and by considering factors such as size, industry and profitability and the social, political and economic context of the country. Although we find significant increase in SER over the period under review, the reporting of social involvement remains the most prominent theme of disclosure. We consider the argument that the political economy framework is more appropriate to explain the progression of social reporting in this emerging economy.

Keywords: social and environmental reporting; emerging economy; political economy theory.

1. Introduction

The corporate practice of social and environmental reporting (SER) remains of current research interest (e.g. Gray et al., 1995; Mathews, 1997; Campbell, 2000; O'Dwyer, 2002; Gao et al., 2005; Ratanajongkol et al., 2006; Amran & Devi, 2008) particularly in terms of the debate on the motivations and factors influencing corporations to engage (or not) in SER. Whilst initial arguments in the literature associated SER to a 'rational' wealth maximizing behavior i.e. helping investors estimate the value or risk of their investments or in signaling intentions of economic agents, legitimacy and stakeholder theories - both seen as 'offshoots' of the political economy perspective (e.g. refer to Gray et al., 1995; Neu et al., 1998; Raar, 2007) have gradually emerged as key explanations in a number of empirical studies (e.g. refer to Campbell, 2000; Deegan, 2002; O'Dwyer, 2002; Ratanajongkol et al., 2006). At the same time however, there remains a lack of consensus on whether these theoretical perspectives provide a definitive explanation in support of SER (Parker, 2005; Amran & Devi, 2008; Owen, 2008). The evidence from developing or emerging economies is also very limited (Belal & Owen, 2007; Amran & Devi, 2008). Consequently, the objective of this study is to

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examine SER patterns of listed companies with the aim of bringing evidence on how SER has been 'adopted' in emerging economies, with an emphasis on social, ethical, health and safety, and environmental disclosures.

The motivations for this study are two fold. Firstly, Amran & Devi (2008) argue that the theories used to explain the factors leading to higher (or lower) levels of SER originate mainly from the West where the awareness and demand for voluntary reporting is high but these theories may not be reflective of a national context where such awareness remains at an infancy stage (2008, p. 387). Furthermore, authors such as Belal (2001) argue that the context of developing countries is significantly different from the one originally thought by SER proponents and could explain the differences in, or lack of, SER. Thus, there is a need to unpack the context in which companies provide their social reporting. In this regard, we are drawn to Gray et al.'s (1995, p. 67) suggestion that SER can be interpreted more broadly by using the framework of classical political economy. Secondly, many of the previous these studies - including Belal (2001) and Amran & Devi (2008) only focus on one year's data and as such can only provide a limited picture of how SER is evolving over time in response to contextual factors. The fact that SER remains by and large a voluntary practice suggests that companies may take time to respond to demands for new forms of social accountability.

For this study, the case of Mauritius provides an illustration of the emerging economies that have started to take note of the growing international concern about corporate social responsibility (CSR) and the sustainability of business activities and economic development. These concerns are reflected in the new language of sustainable development adopted by international funding bodies (World Bank, International Monetary Fund) and other development agencies. In parallel, the environmental consequences of corporate activities increasingly cannot be ignored but recent events have showed (e.g. the Copenhagen Climate conference) that there is much tension between the environmental and economic imperatives for emerging countries seeking to improve living standards. In this regard, Mauritius is regularly highlighted as one of the more emerging ones in the region and is currently ranked fifth in terms of GDP per capita in Africa. Also, the recent report on 'Doing Business 2010' jointly prepared by the World Bank and International Monetary Fund (IMF) ranked the country as the best country in Africa (and 17th worldwide) in terms of the ease of doing business. However, whether this higher corporate performance has led to increased corporate social involvement and SER remains to be assessed. Our period of investigation (2004-2007) is associated to local changes in corporate regulation. In particular, a stakeholder-oriented corporate governance code was implemented and the authors of the accompanying report stressed on the many social and environmental challenges that companies needed to address. The code also required companies to disclose its *"policies and practices as regards social, ethical, safety, health and environmental issued"* (2004, p. 116) in the annual reports.

In light of the above, the remainder of the paper is organized as follows. We briefly review the recent findings from emerging countries and outline the political economy perspective in relation to SER. Secondly the Mauritian context is considered with a particular reference to the factors that might influence SER in this country. Thirdly, the methods and data sources are explained. Finally, the findings are presented along with the relevant implications, analysis and concluding reflections.

2.0 Literature Review

In analyzing earlier SER studies in emerging countries like Malaysia, Singapore, Mexico and India, Gray et al. (1995, p. 69) contend that, cross-nationally, CSD does not seem to be a systematic activity and generally appears over time to wax and wane in popularity (1995, p. 49). Further SER studies focusing on the African continent (Savage, 1994; Disu & Gray, 1998) report that companies favor human resource-related disclosures. Belal (2001) also found that SER in Bangladesh concentrates on employee disclosures leading him to suggest that companies in developing emerging are most likely to emphasize social information pertinent to their employees (remuneration, work conditions, equal opportunities). Interestingly as well, Belal (2001) makes a compelling case for researchers to formulate more specifics links between the prevailing socio-political context and the extent (and nature) of SER.

However, later research by Gao et al. (2005) found that companies in Hong Kong privilege disclosures relating to community and fair business practices. The authors also report on an evolution of disclosures over time (1993-1997), although the increase in SER appeared to be more significant for larger enterprises operating in the utility sector. Furthermore, Ratanajongkol et al. (2006) carried out a study of SER by Thai companies and found an increasing level of disclosure which the authors linked to recent corporate governance developments in Thailand. In this case, SER was focused on employee and community disclosures but the disclosure themes were different between the various economic sectors i.e. more SER by service and property companies compared to lower SER in the financial services sector. Ratanajongkol conclude that the evidence partly reflects the legitimacy perspective. Lastly, Amran & Devi (2008) examine recent trends in SER patterns by Malaysian companies and contend that SER behavior will be positively associated to companies having a higher proportion of government shareholding, more government contracts or having a higher involvement with foreign parties (shareholders or business associates). Other than also finding support for a size and industry effect, the authors find evidence of a strong governmental influence in the extent of SER by companies. As a result, Amran & Devi (2008, p. 399) highlight the government's 'intervention' in promoting SER amongst companies it holds shares in (or allocates contracts to) and conclude that this was due to the government's long standing policy at reducing economic disparities (and thereby social tensions) between ethnic groups in Malaysia.

From the above, the evidence broadly points to an increased corporate SER behavior in many emerging economies but there remains a wide variation in the nature and extent of SER and the evidence from emerging countries is limited. Various studies explicitly assert the primacy of social, cultural and political factors (e.g. Belal & Owen, 2007; Amran & Devi, 2008) in explaining SER behavior whilst other studies appear to consider these to be minimal or even irrelevant. In considering these past studies, we assert that social, cultural, economic and political factors to be of greater importance in that they do not merely ‘dictate’ the extent of SER but rather more importantly they contribute in shaping the attitudes and motivations of companies and decision makers in determining how to engage with social actions and the reporting thereof. It is in this context that we briefly consider the perspective of political economy.

3.0 Context

The primacy of the social, political and cultural factors in understanding corporate behaviors in Mauritius is explicitly stated in the contents of the report (and code) of corporate governance code (2004), which was prepared by private sector representatives and government officials. Where applicable, sections that refer to the links between social responsibility and the national context will be highlighted. A former French and British island colony in the Indian Ocean, Mauritius has a population of approximately 1.25 million. The people of Mauritius originate from descendants of laborers from India, Chinese workers and traders, African slaves made to work in the sugar estates and the initial European settlers and land owners. Since independence, political control is held by the majority of people from Indian descent whilst the most of the economic and private wealth has been concentrated amongst the descendants of European settlers. The contemporary history of the Mauritian society is shaped by these differences and inequalities (e.g. Meisenhelder, 1997) and the business sector is presented as still having colonialist attitudes towards the working class and using exploitative practices (Bunwaree, 2002). Also, particular ethnic groups (notably descendants from African slaves) are seen to be excluded from economic progress whilst others are seen to be prospering.

This concentration of economic power and wealth amongst those seen as the successors of the British/French colonial masters is perceived as the most visible example of income and wealth inequality in Mauritius although other illustrations of inequality do exist beyond this historical dichotomy of colonial white master vs. exploited non-white labor[1]. The issue of wealth distribution along ethnic lines remains a strong political message and one of the main political parties successfully campaigned in 2005 (and again in 2010) on the need to *‘democratize’* the economy whilst the losing party was perceived to have been too accommodating towards requests from private sector . Since 2005, the new government’s agenda has ostensibly been on addressing quasi-monopolistic practices in specific economic sectors by encouraging the implantation of foreign firms. Nonetheless, the ‘public’ scene remains dominated by politicians arguing over who would be best qualified to ‘protect’ the public and people’s interest against the ‘threats’ of business interests and how to reduce the concentration of economic power in the country[2]. Overall, we believe these different social and political realities are strong and credible pressures on companies in Mauritius and are of relevance in understanding how they would engage with the CSR agenda and consequently on the extent of SER in annual reports. Issues involving diversity and social harmony are, to the best of our knowledge, relatively new aspects within CSR, albeit be it relevant to many countries worldwide.

4.0 Data and Methods

The annual reports (2004 to 2007) of all companies listed on the Stock Exchange of Mauritius (SEM) were requested for this study. This time period coincided with the publication of the Code of Corporate Governance (applicable from 2005). We examine SER disclosure patterns one year (2004) prior to the expected implementation of the code and over the next three years (2005 to 2007). A total of 165 annual reports (40 in 2004, 41 in 2005 and 42 in 2006 and 2007) were collected and used for analysis. In contrast to single year studies, (e.g. Belal, 2001; Amran & Devi, 2008, a longitudinal approach enables researchers to examine more closely the potential associations between 'context' and disclosure behavior (and changes thereof). Gray et al's (1995) 13-year longitudinal study of CSR disclosures is a case in point along with other more recent studies (e.g. Deegan & Gordon, 1996; Gao et al., 2005).

The data was gathered using a content analysis of the companies' annual reports. Content analysis remains a key research tool in determining the presence of certain words or concepts within texts or sets of texts and has been widely used in SER research (Ratanajongkol, 2006; Amran & Devi; 2008). Apart from estimating frequency counts of particular themes in annual reports, a volumetric word count was used to measure the level of SER since words appear to be a more appropriate unit if analysis (Gray et al, 1995; Wilmshurst & Frost, 2000; Campbell et al. 2006). We focus on the four categories/themes of ethics, environment, health and safety and social themes, whilst taking into the account the local code's expectations regarding ethnic and social harmony. Finally, we analyze the presence, meanings and relationships of such words and concepts and then make inferences about the messages within the texts.

5.0 Findings and Analysis

Table 1 provides an initial picture of the practice of SER by listed companies and the changes thereof during the period. Furthermore, Table 2 provides a more detailed picture of the changes in SER over time and on an industry basis, using the SEM industry classification.

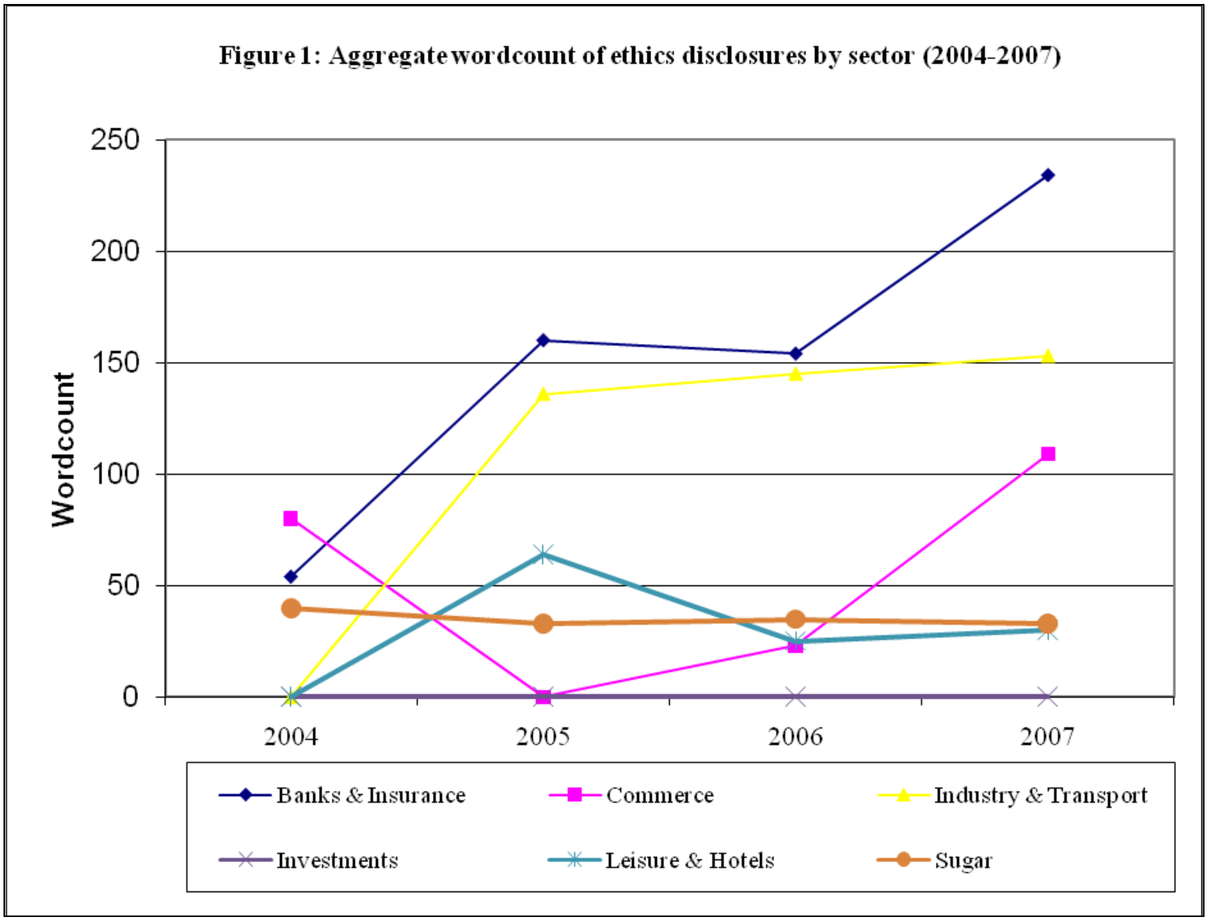
Table 1 : Listed Companies reporting per SER category (2004-2007)

	2004 N=40		**2005 N=41**		**2006 N=42**		**2007 n=42**	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Ethics	12	30	18	44	19	45	21	50
Social	38	95	40	98	39	93	40	95
Environment	3	8	11	27	14	33	14	33
Health and Safety	6	15	16	39	17	40	19	45

From Table 1, it is noted that SER was already a predominant practice in 2004 but this mostly related to social involvement - typically information on the donations and sponsorships provided by companies. However, after the corporate governance code was established, we can observe a noticeable increase in other types of SER. Table 2 (See Appendix) reflects the word count per sector over the four years under review and the word count per sector. Table 2 (See Appendix) indicates an overall increase in word count as more companies in different economic sectors introduce disclosures in their annual reports whilst some companies increase the extent of SER. The content of these disclosures will be further analyzed (particularly the social theme) but at this stage, it is worth noting that the SER patterns and themes of interest appear different from those highlighted in previous country studies, such as Bangladesh (Belal, 2001), Hong Kong (Gao et al., 2005), Thailand (Ratanajongkol et al., 2006), particularly in terms of the expected focus of SER in developing economies (i.e. human resources). Nonetheless, as initially observed by Ratanajongkol et al. (2006), the noticeable rise in SER from 2005 suggests that the implementation of the corporate governance code has had some positive impact on the companies' decision to provide such disclosures. At the same time, Table 2 shows that the various economic sectors have approached SER from different bases. For example, commercial companies were already involved in SER in 2004 to a much higher extent compared to investment companies

With regards ethics-related disclosures, banks and insurance companies appear to disclose more information than other companies since 2004 (Figure 1). This may be related to the case of a significant fraud perpetrated by key management staff in a commercial bank and which led to a notable loss of confidence in the ethical standing of banks and companies in general. However, not all companies have responded to the need for public information on the use of ethical practices in their business.

Investment companies have not provided any such information and this may be explained by the fact that banks and insurance companies deal significantly with individual customers and are subject to a higher level of regulatory control whilst investment companies interact mostly with corporate bodies. This suggests that the customer proximity argument - put forward by Branco & Rodrigues (2008) - could have an impact on banks and insurance companies' attitudes to ethical disclosures as a means to maintain customers' confidence and trust in such institutions.

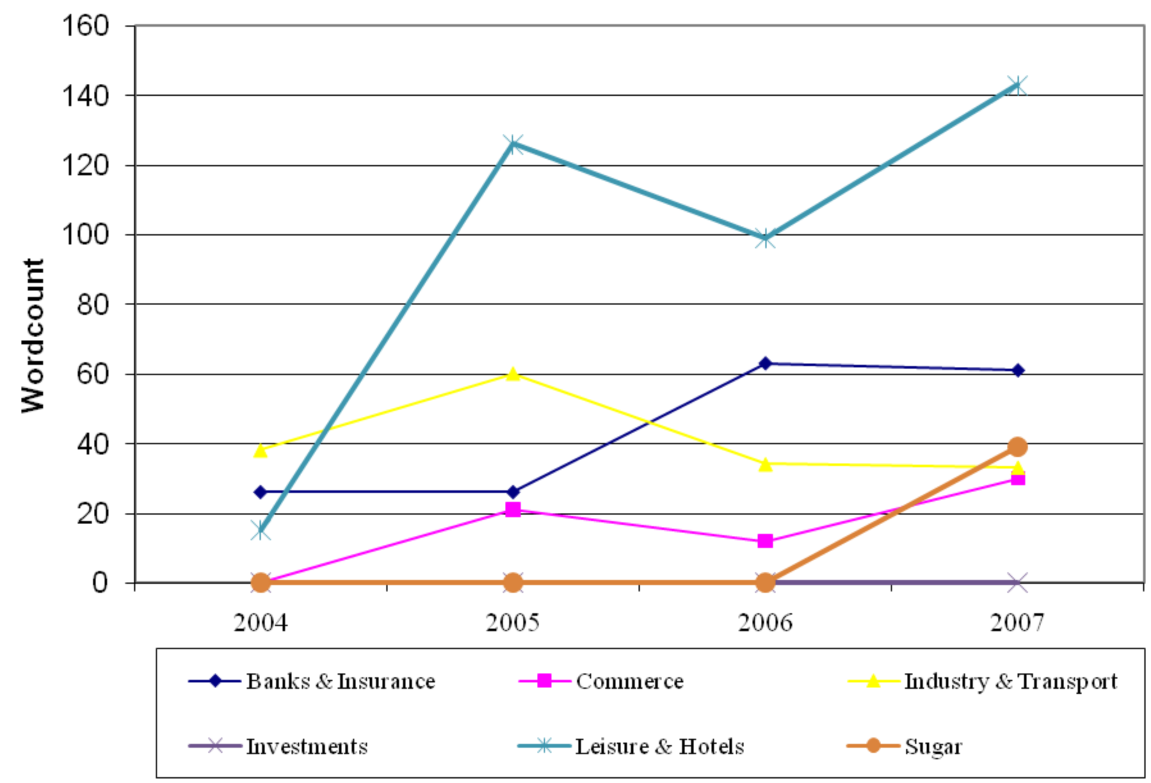


In the case of social disclosures (Figure 2), there is comparatively less discrimination between the various sectors when considering the progression and extent of word counts. There is an upward trend in the later periods within the industry and transport, leisure and hotels and commerce sectors but banks and insurance companies also have a high level of social disclosures.

Figure 2 essentially reinforces the findings from Tables 1 and 2 that social-led disclosures are predominant in virtually all economic sectors. Again, the lack of 'public proximity' with companies in the investment sector may explain the relatively low word count. Insofar as the sugar sector is concerned, the low level of social disclosures can be initially viewed as a surprising one given the industry's long standing role place in Mauritian economy and society. Sugar factories and estates were the mainstay of the local economy and employment for many decades prior to the development of industries such as export manufacturing and tourism. This sector (and the country as a whole) prospered considerably from generous price and quota agreements with the European Union (Meisenhelder, 1997) until these were effectively rescinded in 2005. In view of the industry's inability to compete at par on the world market, the steady economic decline of this sector (starting well before 2005) may explain the lack of progression in social disclosures as sugar companies reduce the extent of their social involvement.

Figure 3 focuses on environmental disclosures, and except for the leisure and hotel sector, there is a little indication of a progression of such disclosures in the remaining industries. This may be related to the hotel sector's dependence on the natural environment to ensure it provides an attractive product to the foreign tourist market.

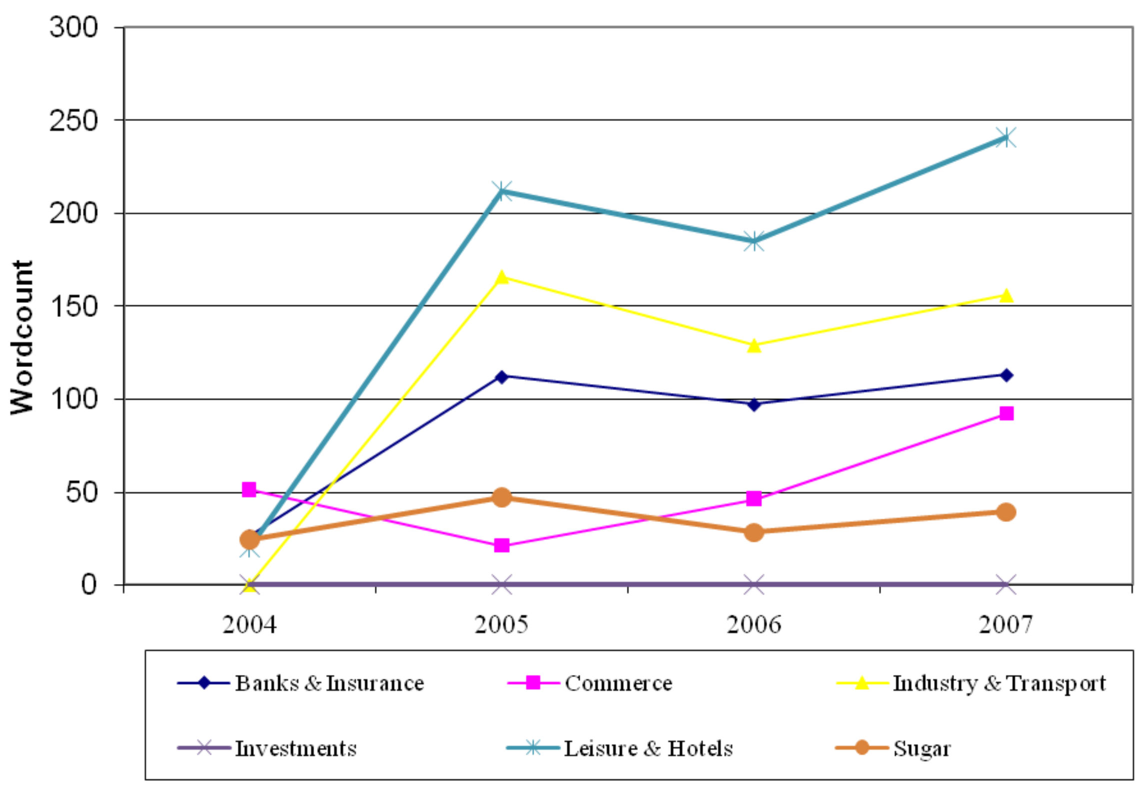
Figure 3: Aggregate wordcount of environmental disclosures by sector (2004-2007)



Otherwise, the 'environmental sensitivity' expectation from Branco & Rodrigues (2008) does not appear to be applicable in the case of Mauritius. Similarly, Belal (2001) expected environmental disclosures in Bangladesh due to the same sensitivity effect but there was no evidence of such disclosures. The following quotations from the annual report also reflect what businesses in Mauritius generally mean by 'environment'.

Figure 4 displays the level of health & safety disclosures for the four year period. There is a marked progression in the word counts, particularly within the leisure and hotels and industry & transport sectors and to a lesser degree the banks & insurance companies. It appears that the increase in health and safety disclosures is linked to the new legislation which requires companies to take more active steps to prevent work accidents. Companies are keen to demonstrate they are complying with the law rather than provide more detailed information on whether they have been successful in reducing accidents. In fact many of the disclosures merely refer to the fact that employees have been trained on health and safety matters. Studies in Africa (e.g. Savage, 1994; Disu & Gray, 1998) have mentioned the existence of health and safety disclosures but these were analyzed as part of the broader theme of human resource disclosures.

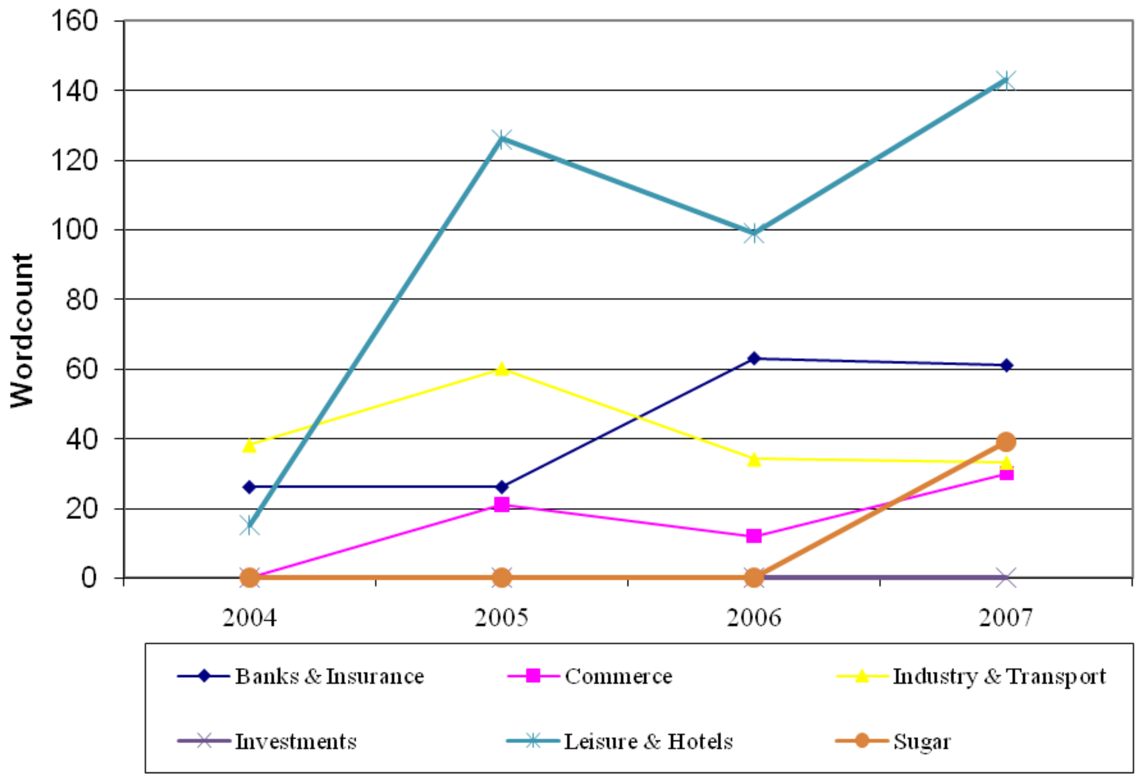
Figure 4: Aggregate wordcount of health and safety disclosures by sector (2004-2007)



Overall, there is evidence of industry differences. Table 2 clearly shows that four specific economic sectors (commerce, industry & transport, leisure and hotels, banks & insurance) have given more prominence to SER as opposed to the sugar sector and the investment sector and this was reflected in the graphs provided previously. However, these differences are not necessarily in the direction expected of in the literature, particularly in relation to the notions of environmental sensitivity and customer proximity. In a similar vein, Branco & Rodrigues (2008) did not find statistical evidence for an industry effect and Ratanajongkol et al. (2006) and Amran & Devi (2008) only found partial explanations of SER 'behavior' that could be attributed to industry affiliation.

We also considered the other determinants of SER behavior (size, profitability and gearing) in light of their observed influence in other countries (e.g. Amran & Devi, 2008; Branco & Rodrigues, 2008). As a result, non-parametric correlations were carried out to examine the potential associations between size (based on turnover), profitability (net profit margin) and gearing (long term debt divided by shareholders' equity) and the SER thematic and total word counts for each year under review. Table 3 provides the coefficients of the significant correlations (at 1% and 5% levels).

Figure 3: Aggregate wordcount of environmental disclosures by sector (2004-2007)



Size appears to be a factor that explains overall SER disclosures but this is heavily influenced by the high proportion of social disclosures in the company's annual reports. Furthermore, the correlations between social disclosures and turnover indicate a declining level of association which suggests that size is over time becoming less of a defining factor for corporate involvement in CSR (and SER). Other studies, such as Gao et al. (2005) and Amran & Devi (2008), do find a size effect but their results on based on only one year's data and there is thus little opportunity to compare whether such a trend is present in other countries. Furthermore, size is often taken as a proxy for public visibility (Branco & Rodrigues, 2008). However, most country studies focus on listed companies and by their very definition, these are the most prominent and visible organizations in their respective countries. In this regard, it is therefore plausible that SER disclosures are, over time, more driven by the company's 'visibility' as a listed company than strictly in relation to its size. Finally, no significant correlations were observed between profitability ratios and the various SER word counts. This absence of relationship confirms that the economic rationale is not seen as a central determinant of SER and which instead supports the social and political perspective (e.g. Branco & Rodrigues, 2008, p. 689).Overall therefore, we can report on the very limited influence of 'mainstream' arguments (industry, size, profitability and gearing) on the extent of corporate social disclosures. At the same time, we also identify explanations that are more consistent with the political economy perspective and as a result we dwell further on these in relation to the types of ‘social disclosures’ and the general change in SER in the annual reports.

As noted in Table 2, social disclosures represent more than of the half of company disclosures and the aggregate word count has sharply increased from 2006 to 2007. Whilst analyzing the disclosures, it appears that most companies’ initial understanding of social disclosures (in 2004) were about providing examples, and related monetary values, of philanthropic activities.

In recognition of these changing circumstances, we argue that the new discourse underlying social disclosures may represent an attempt by companies to provide an alternative ‘narrative’ of the relationships between the ‘economic’ and the ‘social’ in Mauritius - as part of the ‘organization-society’ interactions depicted in the political economy perspective (Gray et al., 1995). Instead of viewing the companies’ SER behavior as a ‘reactive’ and narrowly focused legitimacy-seeking strategy aimed at a host of target audience (stakeholders such as employees, environmental activities, consumers), we contend there are stronger flavors of classical political economy at play between on one hand the social institution (government and its elected politicians) and the other the economic institution (private sector) which is characterized by structural inequities, conflicts and class struggles (Gray et al. 1995; Deegan, 2002). Indeed, as documented in the context section, the Mauritian political economy has been and remains dominated by an uneasy relationship between governments elected by a workers’ ‘majority’ (often on a agenda which involves ‘protecting’ the workers) and a business sector led by a landholding and rich ‘minority’.

In our opinion, the above could also explain the relative lack of enthusiasm for other types of SER such as environment, employee, and ethics since such disclosures are not perceived to be serving a direct purpose in this classical political economy framework. Admittedly, the corporate governance code did create an awareness of these other themes amongst listed companies but overall the impact has been limited to the provision of so-called standard statements. The significant progression of health and safety disclosures could alternatively be associated to the adoption of new and more stringent legislation on occupational health & safety in 2005. But we do not find sufficient evidence to agree with Gray et al.’s (1995) views that a neo-pluralist perspective to political economy would be helpful in understanding more fully the extent of SER by Mauritian companies. Alternatively, we contend that developments and patterns in SER in Mauritius are primarily occurring in response to actions taken by one stakeholder i.e. the state (and its elected politicians). The state is therefore seen as the main ‘stakeholder’ and target audience insofar as SER is concerned. This central role of government in assessing SER patterns was previously highlighted by Amran & Devi (2008) in their study of corporate disclosures in Malaysia.

6.0 Conclusion

We sought to explore the recent progression of corporate social disclosures in an African developing economy (Mauritius). In view of the strong CSR aspirations and expectations contained within the local corporate governance code, we focused our attention on the annual reports of listed companies prior and after the publication of the code. Our findings highlight an improvement in terms of the number of disclosing companies and in terms of the content of SER, but with a clear emphasis on social disclosures. Hence, the claim (Savage, 1994; Disu & Gray, 1998; Belal, 2001) that developing countries such as Mauritius tend to privilege employee-led disclosures is not supported except for a focus on employee health and safety matters. Furthermore, there is little interest by companies (only one third of them in 2007) in disclosing environmental information, particularly in relation to the impact of their productive or supply activities on the environment. Interestingly as well, in analyzing the disclosures, we contend that most companies have a somewhat limited conceptualization of the term 'environment', which seems restricted for example to the cleaning of roads, beaches and other public spaces. Although the implications of small country size and the physical proximity of different industrial, commercial and residential areas are recognized in local environmental and planning laws (as illustrated for instance by the mandatory use of environmental impact assessments), such awareness is however not reflected in the extent and quality of environmental disclosures in company annual reports. This can be contrasted to the case of South Africa (Savage, 1994) where nearly two thirds of companies disclosed environmental information. A slightly better picture is observed for the case of ethics-related information where half of the companies have provided ethical disclosures by 2007. However, this still falls short compared to the extent of ethical disclosures in other developing countries (e.g. Belal, 2001). We also bring further evidence on the limited relevance of size, industry and profitability as explanatory factors of SER. The correlation matrix suggests a declining effect of size (turnover) on the extent SER whilst an analysis of industry differences reveals some paradoxical findings, particularly in sectors deemed to be more customer-oriented or environmentally-friendly.

Furthermore, the increased attention given by companies to the disclosure of their social actions over the past four years has been of topical interest. Firstly, we find evidence of an evolution from a minimal reporting strategy - i.e. merely disclosing the aggregate value of donations - to a situation where companies are conveying 'a narrative' that their CSR activities are no more peripheral activities. At the same time, recent secondary evidence (MEF, 2007) revealed that the prominent form of social involvement by Mauritian companies remains via donations and sponsorships and there is almost a unanimous acknowledgement that their CSR policy could be better structured. The more recent surge in social disclosures do confirm an aspiration by listed companies to develop a more structured and 'strategic' approach in investing in social activities and a commitment to invest pre-determined amounts of money (e.g. based on profits). In this regard, we contend that the CSR agenda subsumed within the corporate governance code has had some impact on corporate attitudes towards social action and these changing attitudes are conveyed in the recent disclosures. At the same time however, we observe a ‘disconnect’ between the increased ‘sophistication’ of the narratives describing corporate social action and the social actions themselves that are factually referred to in the annual reports.

Whilst explanations for such findings have been generally grounded in legitimacy theory, we conclude that the combined findings on the progression of SER (and lack thereof for some themes) and on the explanatory ‘impact’ of size, profitability and industry cannot be entirely explained by this theoretical standpoint. We are more in agreement with Gray et al.’s (1995, p. 55) argument that legitimacy fails to address the systemic issues and inequalities that have shaped the relationships between the economic and social spheres. In our opinion, the change (and prominence given to) social disclosures by Mauritian listed companies can be better explained in light of the political context in which the government and the private sector ‘conflict’ with each other. We do acknowledge that more data from primary sources (e.g. interviews of directors) could have provided additional and corroborating evidence to support our claims. Nonetheless, we believe the findings do contribute to the literature by illustrating the continued relevance of classical political economy in understanding the motivations underlying SER behavior. Consequently, we suggest that future SER research give more attention to the influence of uneven power relationships, structural inequities and conflicts of interests, whether in the context of a developing or developed economy.

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Table 2 - Progression of SER word count by industry

	2004	2005	2006	2007	Percentage change 2004 - 2007
Banks, Insurance, Finance	6	6	6	6	
Number of companies providing SER	6	6	6	6	
Total words disclosed	362	771	682	928	+156
Average disclosure per company	60	129	114	155	
Commerce	7	7	6	6	
Number of companies providing SER	7	7	6	6	
Total words disclosed	773	486	425	948	+23
Average disclosure per company	110	69	71	158	
Industry & Transport	8	8	8	8	
Number of companies providing SER	8	8	8	8	
Total words disclosed	371	744	667	1128	+204
Average disclosure per company	46	93	83	141	
Investments	10	11	13	13	
Number of companies providing SER	9	10	10	12	
Total words disclosed	93	352	205	713	+667
Average disclosure per company	10	35	21	59	
Leisure and Hotels	4	4	4	4	
Number of companies providing SER	4	4	4	4	
Total words disclosed	375	690	543	795	+112
Average disclosure per company	94	173	136	199	
Sugar	5	5	5	5	
Number of companies providing SER	5	5	5	4	
Total words disclosed	307	416	428	660	+115
Average disclosure per company	61	83	86	165	
Total SER word count	2281	3459	2950	5172	
Total Ethics word count	339	621	507	855	+152
Total Social word count	1663	1638	1588	2845	+71
Total Environment word count	79	376	471	478	+505
Total Health and safety word count	200	824	749	994	+397
Total companies disclosing SER	39	40	40	41	
Average SER word count	58.5	86.5	73.8	126.2	+116

Table 3: Correlation Matrix (SER Word counts and Size/Gearing)		
	Turnover	**Gearing**
Ethics 2004	0.451**	*ns*
Ethics 2005	*ns*	*ns*
Ethics 2006	*ns*	*ns*
Ethics 2007	*ns*	*ns*
Social 2004	0.797**	*ns*
Social 2005	0.678**	*ns*
Social 2006	0.546**	*ns*
Social 2007	0.501**	0.491**
Environment 2004	*ns*	*ns*
Environment 2005	0.421**	*ns*
Environment 2006	*ns*	*ns*
Environment 2007	*ns*	*ns*
Health & Safety 2004	*ns*	*ns*
Health & Safety 2005	0.358**	0.445**
Health & Safety 2006	*ns*	*ns*
Health & Safety 2007	0.469**	*ns*
Total CSR word count 2004	0.755**	*ns*
Total CSR word count 2005	0.558**	0.347*
Total CSR word count 2006	0.477**	*ns*
Total CSR word count 2007	0.525**	0.369*
*N=39, **1% significance, *5% significance, ns (not significant)*		

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

[2] Since early 2006, a 'Commission for the Democratization of the Economy' was established by the government with a view to facilitate access to resources for businesses, to review the business regulatory framework and consider land reforms.