

# Social reporting in the tobacco industry: all smoke and mirrors

[Finance](#)



Moerman, L & Van Der Laan, S (2005). ' Social reporting in the tobacco industry: all smoke and mirrors?' Accounting, auditing & responsibility journal; 2005; 18, 3; ProQust central p 374.

Moerman and Van Der Laan

The authors point out that BAT has utilized social reporting in order to attain legitimacy and social image due to increased pressures from WHO that can set industry standards on tobacco manufacture and advertising. For instance, textual analysis of BAT's disclosures identifies phrases like ' economic benefits, transfers of world class technology, international best practices in environment, health and quality'. However, in the real sense, BAT supports ' right to smoke', but purports to regulate and offer public information on health effects of smoking and counterfeits. BAT social report and voluntary minimum standards on marketing were response to WHO pressures and aimed to reposition the company as socially responsible. Although BAT claims to disclose the economic, environmental and social impact of its activities, it has consistently denied the harmful impacts of using its products thus using disclosures to attain legitimacy.

My point of view

In my opinion, legitimacy theory is a management strategy that many corporations use when faced with threat of legitimacy due to their negative effects of operations in the society. Companies that perceive increased public scrutiny in their operations or possible increased regulation of their operations result to issuing more social responsibility initiative disclosures in order to maintain the positive corporate image. Accordingly, the social disclosures will contain phrases on how the firm intends to ensure social

responsiveness or ensure quality of their products, but no real actions are undertaken to safeguard the health of the population indicating that most firms are driven by profits. Social accounting and disclosure reflects the conflict that exist between environmentalists like WHO and capital and many corporations use it to build corporate image

Reference list:

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