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Ying Jun Lu
University of Wollongong

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A Study of Environmental Disclosures Made by Chinese Mineral Extraction Corporations

A thesis submitted in fulfillment of the requirements

for the award of the degree of

Master of Accountancy (Research)

From the

University of Wollongong

By

Ying Jun Lu, MPA

School of Accounting and Finance

2008

Certificate

I, Ying Jun Lu, declare that this thesis, submitted in fulfilment of the requirements for the award of Master of Accountancy by Research, in the School of Accounting and Finance, University of Wollongong, is wholly my own work unless otherwise referenced or acknowledged. The document has not been submitted for qualifications at any other academic institution.

Ying Jun Lu

18 October 2008

Abstract

This thesis investigates environmental disclosure practices of the mineral extraction industry in China by analyzing annual reports of companies listed on both ShangHai Stock Exchange and ShenZhen Stock Exchange.

The population of this study is all listed firms classified into mineral extraction industry by both ShangHai and ShenZhen stock exchanges over a three year period from 2005 to 2007, yielding a sample of 80 usable observations. Content analysis is used to provide an evaluation of corporate environmental disclosures. The quality of corporate environmental disclosures is measured by an environmental disclosure index adopted and modified from Wiseman (1982) index, covering 18 items in four categories.

The results indicate that there is an increased tendency in terms of the quantity as well as the quality of corporate environmental disclosures by mineral extraction corporations in China during the period 2005 to 2007.

Despite some limitations, this study provides preliminary evidence on corporate environmental disclosures made by the Chinese mineral extraction industry. Further research is suggested to explore the possible associations between potential determinants and the level of environmental disclosures made by Chinese enterprises.

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Table of Contents

Certificate.....	I
Abstract.....	II
Acknowledgements.....	III
1. Introduction.....	1
2. Background.....	7
2.1 Economic development and its impact on the environment in China.....	7
2.2 Environmental protection and sustainable development in China.....	10
2.3 Environmental legislation in China.....	14
2.3.1 An overview of Chinese legal system for environmental protection.....	14
2.3.2 Specific clauses related to information disclosure in environmental laws.....	18
2.3.3 Provisions and regulations relevant to environmental disclosure by State Environmental Protection Administration (SEPA).....	19
2.3.4 Regulations relevant to environmental disclosure by China Securities Regulatory Commission (CSRC).....	20
2.3.5 Regulations relevant to environmental issues by the Ministry of Finance (MOF).....	21
2.3.6 Regulations relevant to environmental disclosure by local governments.....	22
3. Literature Review.....	24
3.1 A briefly historical review of social and environmental accounting literature.....	24
3.1.1 The period prior to 1980.....	26
3.1.2 The period of the 1980s.....	27
3.1.3 The period of the 1990s.....	28
3.1.4 The period post 2000.....	30
3.2 Empirical findings of environmental disclosure studies in developed countries	32
3.2.1 Managerial decisions to disclose environmental information.....	34
3.2.2 Value relevance of environmental disclosure.....	37
3.2.3 Reliability of environmental disclosure.....	40
3.3 Social and environmental disclosure studies in developing countries.....	44
3.4 Environmental disclosure studies in China.....	47
3.4.1 A brief introduction.....	47
3.4.2 Empirical findings from extant studies.....	49
3.4.3 Future directions.....	52
3.5 Environmental disclosure by mining industry.....	53
4. Theoretical Framework.....	56

4.1 A general introduction to institutional theory.....	57
4.2 Mechanisms of institutional isomorphism.....	59
4.2.1 Coercive isomorphism.....	59
4.2.2 Mimetic isomorphism.....	60
4.2.3 Normative isomorphism.....	61
4.3 The application of institutional theory to accounting research.....	62
4.4 Corporate environmental disclosure as institution-driven.....	63
4.5 Institutional practices in corporate environmental disclosure.....	64
4.5.1 An introduction to the institutionalization process.....	65
4.5.2 Mimetic processes in corporate environmental disclosure.....	66
4.5.3 Corporate environmental disclosure as a routine.....	67
4.6 Chinese mineral extraction industry context.....	68
4.6.1 China specific context.....	69
4.6.2 Mineral extraction industry specific context.....	70
 5. Research Method.....	 73
5.1 Sample selection.....	73
5.2 Research method.....	76
5.2.1 Units of analysis.....	77
5.2.2 Coding categories.....	80
5.2.3 Environmental disclosure index.....	84
5.2.4 Pre-testing for reliability and validity.....	85
 6. Results and Discussion.....	 90
6.1 General descriptive statistics of environmental disclosures made by the mineral extraction industry.....	90
6.2 Environmental disclosure index analysis for the mineral extraction industry.....	92
6.3 Inter-firm comparisons of environmental disclosures in the mineral extraction industry.....	100
 7. Conclusions.....	 107
 References.....	 110
 Appendix One - Specific clauses related to information disclosure in environmental laws.....	 127
 Appendix Two - An example of EIA report.....	 132
 Appendix Three - Provisions and regulations relevant to environmental disclosure by the State Environmental Protection Administration (SEPA).....	 133

Appendix Four - Bulletin on information disclosure of corporate environmental performance.....	138
Appendix Five - Regulations relevant to environmental disclosure by the China Securities Regulatory Commission (CSRC).....	140
Appendix Six - Regulations and measures relevant to environmental disclosure by local governments.....	142
Appendix Seven - Shandong's rating system of corporate environmental credit.....	143
Appendix Eight - Sample companies list.....	144

Table of exhibits, figures, and tables

Figure1. The legal system for environmental protection in China.....	15
Table1. Environmental accounting papers published in the Journal of Accounting Research by year (1995—2005).....	48
Table2. Classification of research methods used by environmental accounting papers published in the Journal of Accounting Research (1995-2005).....	49
Table3. Mineral extraction companies listed on two stock exchanges for each year...	75
Exhibit1. Index categories and items of information.....	83
Exhibit2. Basic rules for coding.....	87
Table4. Number and percentage of companies with environmental disclosures.....	90
Table5. Descriptive statistics of environmental disclosure line counts for sample companies.....	91
Table6. Descriptive statistics of environmental disclosure indexes for sample companies.....	92
Table7a. Environmental disclosure scoring for the mineral extraction industry – 2005.....	93
Table7b. Environmental disclosure scoring for the mineral extraction industry – 2006.....	94
Table7c. Environmental disclosure scoring for the mineral extraction industry – 2007.....	95
Table8a. Environmental disclosure index and line counts for each disclosing company – 2005.....	101
Table8b. Environmental disclosure index and line counts for each disclosing company – 2006.....	102
Table8c. Environmental disclosure index and line counts for each disclosing company – 2007.....	103
Table9. Comparisons of environmental disclosures by sample companies from the Shan Xi province between 2006 and 2007.....	105