

[DOI: 10.20472/IAC.2018.040.055](https://doi.org/10.20472/IAC.2018.040.055)

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SOCIAL RESPONSIBILITY REPORT: AN INTERNATIONAL COMPARISON

Abstract:

The supply side economic theory postulates that profit maximization goal by corporations will result in efficient allocation of resources and hence maximum social output. However, a growing body of empirical evidence suggests that unfettered pursuit of profit by corporations may result in social costs, undesirable environmental impacts and income inequality. As such, in recent years, we have witnessed increasing global demand that corporations measure and disclose their social and environmental impacts (social responsibility report) in their annual reports. As expected, global response has not been uniform. The purpose of this research is to investigate whether US corporations report more useful social responsibility information than European corporations. The content analysis of a matched (size and industry) sample of largest US and European firms' annual reports reveals that European firms disclose more social responsibility information than US firms.

Keywords:

Corporate Social Responsibility