

## **THE EFFECTIVENESS OF CORPORATE ACCOUNTABILITY**

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### **Abstract**

Since the 1990's, the world has witnessed the growing importance and visibility of a range of initiatives led by businesses, social organization, and governments, with the stated aim of pressuring companies to behave in more socially responsible and accountable ways. This is a new development for many parties of the business world. Previously, the government was assumed to lead standard setting and behavioral norms for business in relation to most categories of stakeholders. When community organizations and interest groups wanted to change business behavior, they focused on changing the law. From 1990's, the emergence of new alliance and regimes of influence over business norms linking together consumers, communities, workers and producers.

This paper investigates how, why and when community - based strategies are effective in promoting corporate accountability (CA) to the poor. It argues that mainstream approaches to corporate social responsibility (CSR) underestimate the importance of power in the relationship between corporation and the communities in which they invest, which limits their applicability to many developing - country context in particular. In addressing this neglect, the article draws on literature on power, accountability and citizen participation in order to analyze cases where communities have attempted to hold corporations to account for their social and environmental responsibilities. The paper suggests that more attention should be paid to a number of state, corporation and community - related factors, which are found to be key to the effectiveness of strategies aimed at enhancing corporate accountability to the poor. **Key words:** corporate accountability (CA), corporate social responsibility (CSR)