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Sustainability Reporting Determinants in European Emerging Economies: A Systematic Literature Review and Research Agenda

PhD PASCU MIHĂILĂ LUCIANA SIMONA

”1 Decembrie 1918” University of Alba Iulia, Romania

Presentation Overview

Structure

- 1. Introduction & Research Gap
- 2. Theoretical Framework
- 3. Methodology (PRISMA 2020)
- 4. Key Results & Determinants
- 5. Research Gaps & Agenda
- 6. Conclusions

Introduction: Research Gap

- **Sustainability reporting** = disclosure of economic, social and environmental information by organisations.
- EU regulatory trajectory: NFRD (2014/95/EU) → CSRD (2022/2464/EU) + ESRS standards.

The Academic Paradox

- CEE countries face the most complex post-communist institutional transitions;
- Yet they are the least represented in academic research on sustainability reporting;
- Global SLRs (Hahn & Kuhnen, 2013; Arkoh et al., 2024) do not differentiate the CEE context;
- The only SLR on developing countries (Farisyi et al., 2022) covers only 24 articles and ignores the post-NFRD European context.

Practical Consequence

- Policymakers in CEE lack a systematised empirical base to calibrate national reporting policies.

Research Objectives & Added Value

Four Research Objectives

- 1. Critical synthesis of empirical literature on determinants of sustainability reporting in CEE (2000–2025);
- 2. Comparative analysis of theoretical and methodological frameworks used;
- 3. Assessment of result consistency across studies and identification of inconsistencies;
- 4. Formulation of a structured research agenda addressing CEE post-CSRD gaps.

Added Value vs. Prior SLRs

- First SLR dedicated exclusively to CEE for 2000–2025 with post-CSRD coverage;
- Corpus 3x larger than Farisyi et al. (2022); strict geographic focus absent from global SLRs;
- Explicit inter-study consistency analysis and a proposed hybrid theoretical framework;
- Three-horizon research agenda tailored to the CEE institutional context.

Theoretical Framework

Core Theories Applied

- Legitimacy Theory (Suchman, 1995): firms report to maintain social licence; in CEE, often symbolic compliance (decoupling) rather than genuine disclosure quality;
- Stakeholder Theory (Freeman, 1984): international creditors (EBRD, IFC) and foreign institutional investors exert stronger pressures than local investors in CEE;
- Institutional Theory (DiMaggio & Powell, 1983): coercive (NFRD/CSRD), normative (GRI/ISSB) and mimetic isomorphism; after 2024, coercive isomorphism dominant via CSRD;
- Agency Theory (Jensen & Meckling, 1976): reporting reduces information asymmetry between managers and owners;
- Resource Dependence Theory (Pfeffer & Salancik, 1978): access to international ESG-conditioned financing as structural determinant.

Proposed Hybrid Framework (CEE-specific)

- Combines legitimacy (WHY firms report) + institutional theory (HOW standards diffuse) + resource dependence (WHAT determines capacity) with agency theory as ownership-structure moderator;
- Enables prediction of reporting quality, not just adoption, across different CEE institutional contexts.

Methodology: PRISMA 2020 Protocol

Search Strategy

- Databases: Scopus + Web of Science (Core Collection), 2000–2025;
- Keywords: ("sustainability reporting" OR "non-financial reporting" OR "ESG disclosure") AND ("Central and Eastern Europe" OR country-specific terms OR "transition economies");
- Search fields: title, abstract, keywords; supplementary Google Scholar search confirmed saturation.

Selection Process

- 1,643 initial records identified; 356 duplicates removed;
- 889 excluded at title/abstract screening (off-topic or no CEE context);
- 286 excluded at full-text eligibility review;
- 44 excluded below MMAT quality threshold ($\geq 65\%$);
- Final corpus: 30 studies after thematic saturation.

Bibliometric Profile of the Corpus

Temporal Distribution

- Corpus covers 2003–2025; 73% of studies published after 2015 – correlated with NFRD adoption and UN SDGs;
- 38% of total corpus published 2022–2025, reflecting early reactions to CSRD.

Geographic Coverage

- Poland and Romania account for 43% of single-country studies (larger economies, stronger research capacity);
- Baltic states, Croatia, Bulgaria, Slovenia: under 10% combined – a significant gap.

Top Publication Outlets

- Sustainability (MDPI): n=8;
- CSR & Environmental Management: n=5;
- Amfiteatru Economic: n=4;
- Journal of Cleaner Production: n=3.

Methodological Mix

- 74% quantitative (panel data, Tobit/OLS/GMM, content analysis with scoring);
- 18% qualitative (case studies, interviews);
- 8% mixed methods.

This quantitative dominance (vs. 60% globally) is a structural limitation and a future research opportunity

Key Determinants: Firm Size & Ownership Structure

Firm Size – Confirmed in 78% of Studies

- Most consistent predictor of sustainability reporting adoption in CEE;
- Larger firms have superior organisational resources, higher stakeholder visibility and greater regulatory exposure;
- Confirmed by Dyduch & Krasodomska (2017) on Polish WSE-listed firms and Horvath et al. (2017) on 50 firms across 9 CEE countries;
- CEE nuance: internationalisation moderates size effect – mid-sized firms with foreign ownership may report better than large domestic-only firms (Blach et al., 2025).

Foreign Ownership – Confirmed in 72% of Studies

- Second most robust determinant; mechanism: institutional transfer from multinational parent (mimetic + internal coercive isomorphism);
- Subsidiaries of MNCs adopt parent's reporting standards, often exceeding local minimum requirements;
- State ownership: ambivalent – state firms in strategic sectors (energy, utilities) report more extensively but often with lower quality (Tamas-Szora et al., 2020).

Key Determinants: Corporate Governance & Regulation

Board Independence – 67% of Studies

- Confirmed positive effect on sustainability reporting in CEE (Dyduch & Krasodomska, 2017; Blach et al., 2025);
- Meta-analysis confirmation at broad European level: Brogi et al. (2025).

Board Gender Diversity – 64% of Studies

- Female board presence significant in Polish context (Dyduch & Krasodomska, 2017); confirmed in multi-country CEE sample (Blach et al., 2025; Brogi et al., 2025);
- CEE-specific: firms with dedicated sustainability committees report higher quality, not just more (Szczechankiewicz, 2021) – such committees still rare vs. Western Europe.

NFRD/CSRD Regulatory Obligations – 69% of Studies

- NFRD (mandatory in EU from 2018) generated significant positive effect on reporting extensiveness in CEE;
- However, qualitative studies (MacGregor Pelinkanova, 2019; Tamas-Szora et al., 2020) document formal compliance without proportional improvement in materiality or verifiability;
- This ‘decoupling’ is explained by weaker enforcement institutions in CEE (Cuomo et al., 2024);
- CSRD effect (post-2025): still emerging – represents a major future research opportunity.

Key Determinants: Institutional & Sector Factors

National Institutional Quality – Moderator in 71% of Studies

- Moderates all other determinants; measured via World Bank Governance Indicators (Kaufmann et al., 2011);
- Countries with stronger institutions (Poland, Czech Republic): higher reporting quality than countries with weaker institutions (Bulgaria, Romania) – even controlling for size and sector;
- CSRD alone is insufficient without a complementary institutional context (Cuomo et al., 2024).

High-Impact Sectors – 61% of Studies

- Firms in environmentally sensitive sectors (chemicals, energy, extractives) report more extensively due to legitimacy pressures;
- Confirmed by Garcia et al. (2017) and Tamas-Szora et al. (2020) for CEE chemical companies.

Inconsistent Determinants

- Profitability: ambivalent (+/-) – confirmed in only 52% of studies; inconsistent in both CEE and global literature;
- Financial leverage: mixed (+/-) – confirmed in only 44% of studies; aligned with Hahn & Kuhnen (2013) and Arkoh et al. (2024);
- Firm age: positive in 58% of studies – moderate consistency.

Determinants Summary

10 Determinants Tested Across 30 Studies

- Firm Size (+): 78% – Legitimacy, Stakeholder theories;
- Foreign Ownership (+): 72% – Resource Dependence, Institutional theories;
- National Institutional Quality (moderator +): 71% – Institutional theory;
- NFRD/CSRD Obligations (+extensiveness): 69% – Institutional (coercive) theory;
- Board Independence (+): 67% – Agency, Stakeholder theories;
- Board Gender Diversity (+): 64% – Agency, Legitimacy theories;
- High-impact Sector (+): 61% – Legitimacy, Signalling theories;
- Firm Age (+): 58% – Institutional, Legitimacy theories;
- Profitability (+/-): 52% – Inconsistent across CEE and global literature;
- Financial Leverage (+/-): 44% – Inconsistent; aligned with global SLRs.

Research Gaps & Future Agenda

Five Major Gaps Identified

- 1. Under-representation of small CEE countries: Croatia, Slovenia, Baltic states → longitudinal single-country or comparative studies post-EU accession needed;
- 2. Quantitative method dominance (>74%) → qualitative and mixed-methods research needed (manager interviews, auditor focus groups, organisational case studies);
- 3. Focus on listed firms (>80% of samples) → SME research needed; practical impact of VSME standard (adopted July 2025) in CEE;
- 4. Extensiveness vs. quality: few studies measure materiality, verifiability or inter-year coherence → multi-dimensional quality measures needed;
- 5. No post-2024 CSRD effect studies yet → quasi-experimental designs (difference-in-differences) on mandatory reporting cohorts from 2025.

Research Agenda by Horizon

- Short-term (1–3 yrs): qualitative CSRD implementation studies; supply-chain pressure on non-obligated CEE suppliers; under-represented countries;
- Medium-term (3–7 yrs): longitudinal pre/post-CSRD quality comparisons; multi-country panels with Hofstede cultural controls; hybrid framework testing;
- Long-term (7+ yrs): meta-analyses with effect sizes by CEE sub-region; GRI vs. ISSB vs. ESRS impact comparison; AI/digitalisation and reporting capacity.

Conclusions

Principal Findings

- First SLR dedicated exclusively to CEE sustainability reporting determinants: 30 studies, PRISMA 2020, 2000–2025;
- Most robust determinants: firm size, foreign ownership structure, corporate governance quality, and regulatory obligations (NFRD/CSRD);
- CEE-specific conclusion: post-NFRD reporting shows high formal compliance but substantive quality still below Western European average – explained as symbolic legitimacy management (Suchman, 1995);
- Profitability and financial leverage remain inconsistent determinants, consistent with global literature.

Contributions

- First comprehensive CEE synthesis integrating post-CSRD context;
- Critical analysis of theoretical frameworks and their limits in post-communist contexts;
- Explicit inter-study consistency assessment and structured three-horizon research agenda;
- Proposed hybrid theoretical framework (legitimacy + institutional + resource dependence + agency theory) for CEE.

Study Limitations

- Language bias (English + national languages with English abstracts); relatively small final corpus (n=30) reflects scarcity of high-quality studies, not absence of research; methodological heterogeneity limits direct effect-size comparability.